CHRISTIAN HEALTH ASSOCIATION OF KENYA

Request for Proposal for an Energy Service Company (ESCO) for Solar PV and Battery Storage at Maseno and Tumutumu Hospitals

Deadline	**Friday 13th November 2026, 5.00pm**
Opening date	**Monday 16th November 2026, 11.30 pm**
Reference Number	**RFP No. CHAK/ESCO/01/2026**

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Abbreviations

Abbreviation	Meaning
AER	Avoided Energy Rate
BC	Business case
BESS	Battery energy storage system
CAPEX	Capital expenditure
CHAK	Christian Health Association of Kenya
CR12	Official record of a company's directors and shareholders, issued by the Registrar of Companies
DFI	Development finance institution
DSCR	Debt Service Coverage Ratio
E&S	Environmental and social
EAR	Evaluation Avoided Rate
EPC	Engineering, procurement and construction
EPRA	Energy and Petroleum Regulatory Authority
ESA	Energy Services Agreement
ESCO	Energy Service Company
EUR	Euro
FBO	Faith-Based Organisation
GGHH	Global Green and Healthy Hospitals
GOGLA	Global association for the off-grid solar energy industry
IEC	International Electrotechnical Commission
IPMVP	International Performance Measurement and Verification Protocol
KES	Kenya Shillings
KRA	Kenya Revenue Authority
kWh	Kilowatt-hour
kWp	Kilowatt-peak
M&V	Measurement and verification
MEL	Monitoring, evaluation and learning
NEMA	National Environment Management Authority
O&M	Operation and maintenance
P95	Annual energy yield expected to be exceeded in 95% of years
PIN	Personal Identification Number (KRA)

Abbreviation	Meaning
PV	Photovoltaic
QCBS	Quality and Cost Based Selection
RFP	Request for Proposal
RVO	Netherlands Enterprise Agency (Rijksdienst voor Ondernemend Nederland)
SLA	Service Level Agreement
SPV	Special Purpose Vehicle
UPS	Uninterruptible power supply
VAR	Verified Avoided Rate
VAT	Value Added Tax

1. Introduction

The Christian Health Association of Kenya (CHAK) is a leading national Faith-Based Organisation (FBO) bringing together the health facilities and programmes of Protestant churches across Kenya. Established in 1946, CHAK exists to promote access to quality, affordable healthcare in the spirit of Christian stewardship. Its membership comprises church-sponsored health facilities and health programmes nationwide, supported by a governance structure that spans a regional network of member institutions and a national Secretariat based in Nairobi.

With co-funding from the Netherlands Enterprise Agency (RVO), CHAK is implementing the Energy-Health Nexus pilot, which tests an Energy Services Agreement (ESA) model for clean, reliable and affordable power at member hospitals. Under this model, an Energy Service Company (ESCO) finances, builds, owns, operates and maintains solar photovoltaic (PV) and battery energy storage systems (BESS) at a health facility and is paid from the verified savings on the facility's electricity bill. The pilot covers two member hospitals, **Maseno** and **Tumutumu**, and its results will inform the potential scale-up of the model across CHAK's network of 607 health facilities.

Accordingly, CHAK invites proposals from qualified and reputable ESCOs to design, finance, build, own, operate and maintain grid-tied solar PV and critical-load battery storage at the two pilot hospitals, and to provide the associated co-development services, under the terms set out in this Request for Proposal (RFP). The pilot runs within a grant window of **21 September 2026 to 31 August 2027**.

Open competition and revision. CHAK advertises this RFP for open competition on 29 October 2026, and any interested ESCO may obtain it from procurement@chak.or.ke

2. Objective

The objective of this procurement is to select one ESCO that will reduce the electricity costs and improve the power reliability of Maseno and Tumutumu hospitals, at no capital cost to CHAK, the facilities or the grant. Specifically, the assignment is intended to:

- Reduce each facility's electricity bill through grid-tied solar PV, guaranteeing each facility a net saving of at least 30% of its verified gross saving (the value of the grid electricity that its solar PV saves it) in every contract year from commissioning, so that each hospital keeps at least 30% of that value and the ESCO is paid at most the other 70%;
- Protect critical clinical loads (vaccine cold chain, theatre lighting, patient monitoring, emergency lighting and water pumping) during grid outages through battery storage, with at least 99% critical-load uptime;
- Reduce diesel generator runtime by 80–100%, keeping diesel only as a contingency for outages beyond battery autonomy;
- Mobilise 100% of hardware capital expenditure (CAPEX) from the ESCO's own or arranged capital, with the ESCO recovering its investment through an energy service fee paid from verified savings;
- Establish a bankable, facility-level ESA for each hospital, reviewed and cleared through an independent second-opinion process before signature;
- Ensure responsible end-of-life management of battery and PV hardware; and
- Generate verified performance data and lessons to inform the scale-up of the model across CHAK's network.

3. Scope of Work

CHAK seeks one ESCO to design, finance, build, own, operate and maintain grid-tied solar PV and critical-load battery storage at two pilot hospitals, Maseno and Tumutumu, under a facility-level Energy Services Agreement (ESA). The ESCO shall fund 100% of hardware CAPEX. CHAK and RVO shall fund only the co-development service contract, up to a ceiling of **EUR 8,240**.

3.1 Systems in Scope

Business Case	System	Key Parameters
BC1: Bill reduction	Grid-tied solar PV; no export to the grid. During grid outages, PV may supply the critical-load circuit through the battery inverter, with anti-islanding protection on the grid side	Indicative 15–300 kWp per facility, to be confirmed by the Phase 1 audit; sized on 15-minute demand data and the Kenya Power tariff, including time-of-use components
BC2: Critical-load backup	Battery bank with bidirectional inverters (UPS function)	Sized on measured outage data; covers vaccine cold chain, theatre lighting, patient monitoring, emergency lighting and water pumping, plus any other load that the hospital's clinical lead confirms in deliverable D2 (for example oxygen concentrators, newborn-unit equipment or laboratory refrigeration), within the battery size and cost limits set at D2; diesel kept only as contingency for outages beyond battery autonomy, with a target of 80–100% reduction in diesel runtime

Ownership of all assets shall remain with the ESCO throughout the ESA term. Full-facility battery backup is out of scope.

3.2 Services to be Provided by the ESCO

The successful ESCO shall provide the following services:

1. **Phase 1 co-lead (from award).** Co-lead baseline data collection with CHAK's team: 12 months of Kenya Power billing data, load profiles, grid reliability monitoring, and the minimum service level per facility (critical loads confirmed by each hospital's clinical lead, uptime and medium-term clinical development plans). CHAK's team collects and holds the source data (bills, outage and generator records, meter data) and the ESCO may not alter it. CHAK's independent reviewer verifies the baselines in deliverable D2 (critical-load list, outage log, design autonomy and generator baseline) before they are used for the BESS test, the uptime terms or the generator saving.
2. **Design and options.** Prepare rough designs for BC1 and BC2 with two to three sizing options and the associated economics for each facility.
3. **Financing and ESA model.** Prepare the ESA financial model, a DFI or lender term sheet, the blended-finance and de-risking structure, and a Debt Service Coverage Ratio (DSCR) analysis. The DSCR is the ESCO's annual cash flow available for debt service (energy service fee income less O&M, insurance and taxes) divided by annual debt service, and shall be at least 1.3x at the bid fee rate.

4. **ESA structuring.** Prepare a draft facility-level ESA per hospital, which CHAK's advisers review and finalise. The energy service fee shall be one rate in KES per kWh of metered PV energy used on site, the same for both facilities, billed monthly on metered energy. The fee shall not exceed 70% of Gross Saving in any contract year, so that Net Saving is at least 30% of Gross Saving from commissioning. In each billing month the Applicable Rate shall be the lower of (a) the bid rate as escalated under the ESA and (b) 70% of the facility's Verified Avoided Rate (VAR), and the fee for the month is the metered PV energy used on site multiplied by the Applicable Rate. Within 60 days of each anniversary the parties shall reconcile the year, and any amount by which Net Saving fell below 30% of Gross Saving shall be credited or refunded to the facility within 30 days. All ESCO charges, for PV and BESS together, count within the 70% cap. CHAK shall include BESS in an ESA only if the package of PV and BESS meets this test on the baseline fixed in deliverable D2, as tested at the second-opinion gate. The terms used in this item are defined below.

Avoided Energy Rate (AER). For a facility, the amount in KES per kWh that the facility pays Kenya Power for each additional kWh of grid energy, being the energy charge plus the variable pass-through charges shown on its bill (fuel energy cost, foreign exchange and inflation adjustments, and regulatory levies). It excludes fixed charges, demand charges, power-factor charges and VAT. Where the tariff has more than one time-of-use band, the AER is the average of the band rates weighted by the share of metered PV energy produced in each band.

Evaluation Avoided Rate (EAR). The single figure, in KES per kWh, equal to the lower of the AERs of Maseno and Tumutumu calculated from each facility's baseline bills available to CHAK at the date of issue (Tumutumu, July to December 2025; Maseno, October 2025 to March 2026; Tumutumu's energy charge changed in July 2025, so only bills since the change are used). The month-by-month calculation is in Annex 4, so that bidders can reproduce it. It is KES 19.00 per kWh, is published in Annex 4, and is used only for screen F2. The EAR is fixed for this procurement. CHAK may change it only by written addendum to all bidders issued at least 7 days before the submission deadline, and the ESA rule that the Applicable Rate never exceeds 70% of the VAR protects each hospital whatever the EAR.

Verified Avoided Rate (VAR). The AER of a facility recalculated by the ESCO from the facility's Kenya Power bills for the 12 months before each anniversary of the ESA, and checked by the facility and CHAK. A disagreement is referred to an independent verifier agreed by the parties, whose cost the losing party bears.

Verified Avoided Generator Cost. The reduction in diesel fuel and generator maintenance cost, against a baseline fixed in deliverable D2 from 12 months of fuel purchase and generator-hour records (or a metered period of not less than six months), counted only for outages in which the BESS carried the critical load.

Gross Saving. The metered PV energy used on site multiplied by the AER (in an ESA, by the VAR), plus, where BESS is included in the ESA, the Verified Avoided Generator Cost.

Net Saving. Gross Saving less all ESCO charges for the year (the energy service fee for PV and any BESS charge).

5. **Second-opinion gate.** Cooperate fully with CHAK's independent legal and technical review. No ESA shall be signed until this gate is cleared.

6. **Engineering, Procurement and Construction (EPC).** Take single-point accountability for design, procurement, civil works, installation and commissioning, with CHAK's independent technical supervisor providing quality assurance. Equipment shall meet the following minimum standards: PV modules to IEC

61215 and IEC 61730; inverters to IEC 62109; lithium batteries to IEC 62619 and UN 38.3; components from tier-1 or bankable manufacturers (modules on the latest BloombergNEF Tier 1 list; inverters and batteries from manufacturers with at least five years of commercial supply and bank-acceptable warranties); and warranties of at least 25 years on PV module performance and at least 10 years on batteries. The ESCO shall carry out a roof structural assessment before installation and shall obtain Kenya Power interconnection approval. The ESCO bears the cost of any strengthening needed for its equipment and of repairing damage it causes (including leaks at fixings). The facility bears the cost of defects that existed before installation and of roof renewal for its own purposes, and the ESCO lifts and refits the equipment at the facility's cost when that is needed. Before works begin, the ESCO shall submit a site health-and-safety plan (covering working at height, fire safety and patient safety), coordinate with each hospital's infection prevention and control team, and provide an environmental and social (E&S) management statement in line with RVO requirements and the IFC Performance Standards (2012) as they apply to a project of this size.

7. **Operation and Maintenance (O&M) and Service Level Agreement (SLA).** Operate and maintain the systems under an SLA providing at least 99% critical-load uptime, defined response times, spares, remote monitoring from commissioning, and monthly reporting of savings against the energy service fee. Critical-load uptime is the share of all hours in a contract year in which the critical-load circuit is energised from the grid, PV or BESS, measured at the critical-load distribution board. The facility's own generator is not counted. Outage hours beyond the design autonomy per outage, interruptions caused by the facility and force majeure are excluded. Bidders shall state the design autonomy (hours per outage) on which their 99% commitment is based, and it shall be confirmed in deliverables D2 and D3 from the facility's outage records. Savings shall be measured and verified under the International Performance Measurement and Verification Protocol (IPMVP) Option B (retrofit isolation), using revenue-grade meters on PV output, on grid import and on export (or a zero-export controller with logged evidence) and, where BESS is included, on battery charge and discharge, with monthly data access for CHAK. Any dispute on measured savings shall be referred to an independent verifier agreed by the parties.
8. **Learning and scale-up.** Participate in the mid-point and quarterly reviews, support the independent evaluation (including the Global Green and Healthy Hospitals (GGHH) Goal 4 (Energy) assessment) and share performance data to inform the scale-up to CHAK's 607 facilities.
9. **End of life.** Implement the BESS disposal plan through a NEMA-certified e-waste handler and the PV end-of-ESA plan (redeployment, transfer or certified recycling), in line with the Sustainable Waste Management Act, 2022 and the NEMA e-waste and extended producer responsibility regulations, with the GOGLA e-waste guidelines as optional good practice.

3.3 Deliverables and Timelines

Ref	Deliverable	Due Date	Accepted By
D1	Award and mobilisation; Phase 1 data collection starts	December 2026	CHAK and RVO
D2	Load Profile Report from Datasets 1 and 2 (demand/tariff and grid reliability)	29 January 2027 (Milestone 1)	CHAK Technical
D3	System design and options per facility	29 January 2027 (Milestone 1)	CHAK

Ref	Deliverable	Due Date	Accepted By
D4	ESA financial model and DSCR analysis, with the firm lender or DFI term sheet	26 February 2027 (Milestone 2)	CHAK Finance
D5	ESCO information pack for the independent second opinion (clearance of the second-opinion gate is a CHAK decision)	26 February 2027	CHAK and RVO
D6	Signed ESAs, O&M plan, SLA metrics and monitoring design	March 2027	CHAK
D7	Commissioning and as-built records	May–June 2027	CHAK and technical supervisor
D8	Monthly savings and performance reports	From commissioning	CHAK MEL
D9	Participation in quarterly reviews and the final evaluation	May, July and August 2027	CHAK and RVO

The grant window runs from 21 September 2026 to 31 August 2027. No deliverable date may move beyond August 2027. Bidders shall plan to commission by 30 June 2027. Deliverables D1 to D5 and D9 are delivered under the co-development service contract, and D6 to D8 under the ESAs once signed. If commissioning slips beyond 31 August 2027, the co-development contract still ends no later than that date, and CHAK shall agree with RVO how later savings reporting (D8) is handled.

Each deliverable date moves day for day for any delay by CHAK or a facility in giving site access, billing or operating data, or written comments beyond ten (10) working days. The contract end date of 31 August 2027 may be moved only with RVO's consent.

3.4 CHAK's Responsibilities

CHAK shall provide site access, facility billing and operating data, introductions to facility management, a governance covenant supporting each facility's ESA obligations, and the independent second-opinion process.

Each ESA shall be a direct contract between the facility and the ESCO. CHAK acts as facilitator and procurement lead and provides the governance covenant described below. CHAK gives no financial guarantee of any facility's payments under an ESA and is not a party to the payment stream.

CHAK governance covenant. A non-financial undertaking, given in a side letter to each ESA, by which CHAK shall: (a) engage each facility's board so that payment of its ESA invoices is budgeted for and prioritised; (b) convene an escalation meeting within ten (10) working days of a notified payment default; (c) receive quarterly ESA performance and payment reports; and (d) support the ESCO's and its lenders' access to the facility's board. CHAK gives no guarantee of payment, is not a party to the payment stream and has no liability for a facility's obligations under an ESA.

3.5 Commercial Structure and Contract Duration

a) Co-development service contract. This is a fixed-scope contract (load profiling, system design, the ESA financial model, the information pack for the second-opinion review, and participation in reviews to 31 August 2027) with a ceiling of **EUR 8,240**, paid on CHAK's acceptance in two milestones:

- **Milestone 1 – EUR 4,000 at the ceiling:** on acceptance of the Load Profile Report and System Design (target 29 January 2027).
- **Milestone 2 – EUR 4,240 at the ceiling:** on acceptance of the ESA financial model for both facilities (fee derivation, DSCR of at least 1.3x and sensitivities) and delivery of the full information pack to CHAK's independent second-opinion reviewers (target 26 February 2027). The lender or DFI term sheet is part of deliverable D4 and of that pack. If a firm term sheet has not been issued by 26 February 2027, the ESCO shall deliver the lender's signed status letter and Milestone 2 is paid less a retention of 25%, released when the firm term sheet is delivered or, failing that, at the end of the contract. Without a firm term sheet the second-opinion gate cannot be cleared and no ESA shall be signed.

Neither milestone depends on ESA signature or financing close, which lie outside the ESCO's control. CHAK shall accept each submission, or send written comments, within 10 working days. Bidders shall quote one total fee within the ceiling. Milestone 1 shall be paid at the quoted total × 4,000 ÷ 8,240 (about 48.5%) and Milestone 2 at the balance (about 51.5%), that is EUR 4,000 and EUR 4,240 at the ceiling. ESA drafting, term sheet review and the second opinion are paid by CHAK to its own advisers and do not form part of the ESCO's fee. The conditions of the co-development service contract are in Annex 6.

b) Energy service fee. The energy service fee shall be paid by each facility under its ESA, from verified savings. There shall be no cost to CHAK or to the grant. The fee rate, the escalator and the BESS maximum prices stated in the bid are maximums for the ESAs and are not changed by later changes in system size.

c) ESA term. The ESA term shall be 10–15 years. Bidders shall state the proposed tenor within this range, and a fixed annual escalation percentage, in the Price Form (Annex 1). The fixed percentage shall be used for evaluation; the ESA may provide for indexation (for example, to the Consumer Price Index) only if it is capped at that percentage.

d) Contract duration. The co-development service contract shall run from signature (target Monday 7th December 2026) and ends on 31 August 2027 (the end of the grant window), or earlier on CHAK's acceptance of all its deliverables. Until 30 June 2027 the ESCO shall offer each facility an ESA on the terms of Annex 5, at a fee rate, escalator and BESS maximum prices no higher than in its bid, whatever the 90-day proposal validity. The ESAs, once signed following the second-opinion gate, shall run for the tenor agreed within the 10–15 year range.

e) Key ESA terms and insurance. Each ESA shall, as a minimum, address: termination and a buy-out schedule; facility payment default and remedies; step-in rights; change in law; force majeure; insurance; dispute resolution; and Kenyan governing law. The ESCO shall maintain contractor's all-risk insurance during construction, public liability insurance, and insurance of the assets over the ESA term, and shall provide a performance security under paragraph f). The draft ESA term sheet is in Annex 5 and the conditions of the co-development service contract are in Annex 6.

f) Performance security. Each ESA shall be backed by a performance security from the ESCO in favour of the facility, which is a condition precedent to the ESA taking effect. It is mandatory and is not scored. (i) Amount: for each facility, 50% of the year-1 reference fee, that is 50% × the bid fee rate × the year-1 reference generation in Section 4.4(c) (159,544 kWh for Tumutumu; 27,032 kWh for Maseno); it falls to 25% two years after commissioning and stays there for the rest of the term. (ii) Accepted forms: an irrevocable on-demand bank guarantee or standby letter of credit; a bond from an Insurance Regulatory Authority-licensed insurer; or a parent company guarantee from a parent with audited net worth of at least five times the amount. Retention of fees in escrow is not accepted, because fees start only after commissioning, whereas the main

call events arise earlier. (iii) Calls: failure to reach commissioning by the long-stop date, abandonment, uncured material default, lapse of insurance, or failure to renew the security 60 days before expiry. (iv) Evidence: each bidder confirms in the Annex 2 declaration that it will provide the security; the preferred bidder gives a letter of intent from the issuer or parent before the Letter of Award. CHAK is not a beneficiary or guarantor.

4. Evaluation Criteria

4.1 Evaluation Method

Proposals shall be evaluated using **Quality and Cost Based Selection (QCBS)** in three stages, with a technical-to-financial weighting of **70:30**:

Stage	Basis	Weight in Combined Score	Outcome
Stage 1: Mandatory requirements	Pass/Fail against 14 requirements	Not scored	A single Fail disqualifies the bidder
Stage 2: Technical evaluation	100 marks across six criteria	70%	Pass mark of 70 marks; below 70 is eliminated
Stage 3: Financial evaluation	Scored by formula only	30%	No pass/fail on price

Financial envelopes shall be opened only for bidders that clear Stages 1 and 2. The financial envelopes of all other bidders shall be returned unopened. The 70:30 weighting is fixed in this RFP and shall not be changed after proposals are opened.

Evaluation Committee. Proposals shall be evaluated by an Evaluation Committee of three (3) or five (5) CHAK members appointed by the General Secretary & CEO in line with CHAK's Procurement Policy (including finance, procurement and programme representatives), including at least one member with energy-engineering expertise and one with project-finance expertise. CHAK may add non-voting technical advisers, who sign the conflict-of-interest declaration in Section 6. A representative of RVO may attend as an observer, without a vote. The independent second-opinion gate shall be carried out by an independent reviewer appointed by CHAK, who is not a member of the Evaluation Committee.

4.2 Stage 1: Mandatory Requirements (Pass/Fail)

A bidder must meet **all 14** mandatory requirements to proceed. A single Fail disqualifies the bidder before technical scoring. The Evaluation Committee shall not introduce, modify or apply any mandatory requirement that is not specified in this RFP.

Joint bids: a bidder may be a consortium led by one member, which signs the bid and is CHAK's single point of contact. The members are named in the bid and are jointly and severally liable for the whole performance. A reference to the bidder includes its named members, and M1 is met by the lead member or by a Kenyan SPV.

No.	Mandatory Requirement	Evidence Required	Evaluation
M1	Legal entity registered in Kenya (or a Kenyan Special Purpose Vehicle (SPV) with a named parent company)	Certificate of Incorporation, CR12 or equivalent, and KRA PIN Certificate	Pass/Fail
M2	Tax compliance	Valid Tax Compliance Certificate issued by the Kenya Revenue Authority	Pass/Fail
M3	Valid EPRA solar PV contractor licence, held by the bidder or by its named EPC contractor, in a class covering the proposed system size. Any further EPRA permit required for the ESA model is a condition precedent to ESA execution, not a bid requirement	Copy of current licence showing class and expiry (for a named EPC contractor: its licence and a signed commitment to use it); written undertaking to obtain any further permit before ESA execution	Pass/Fail
M4	At least three (3) completed solar PV + BESS installations at commercial or institutional facilities in Kenya, by the bidder, its parent or its named EPC contractor	Project list showing client, kWp, kWh, commissioning date and a reference contact for each	Pass/Fail
M5	Audited accounts for the last three (3) financial years (for a Kenyan SPV, those of the named parent company)	Signed audited financial statements (for an SPV, the parent company's statements with a signed parent support letter)	Pass/Fail
M6	No material adverse credit event, insolvency or debarment	Signed declaration (including sanctions and debarment) plus bank reference	Pass/Fail
M7	Commitment to fund 100% of hardware CAPEX from the ESCO's own or arranged capital, with no capital cost charged to CHAK or the grant	Signed statement (financing evidence is scored under T2)	Pass/Fail
M8	Critical-load uptime commitment of at least 99%, measured as set out in Section 3.2, item 7	Signed commitment in the Technical Proposal	Pass/Fail
M9	Net saving to each facility of at least 30% of its verified gross saving in every contract year from commissioning (the facility keeps at least 30% of the value of the grid electricity its solar PV saves it)	Signed commitment; checked again in the Price Form (screen F2)	Pass/Fail
M10	Acceptance of the ESA principles: each ESA is direct between the ESCO and the facility; no ESA is signed before the independent second-opinion gate	Signed acceptance	Pass/Fail
M11	Conflict of interest declaration, including any relationship with CHAK staff, RVO, evaluators or advisers	Signed declaration	Pass/Fail

No.	Mandatory Requirement	Evidence Required	Evaluation
M12	Compliance with RVO subsidy conditions, the CHAK Supplier Code of Conduct and anti-corruption law, and audit access for five (5) years	Signed undertaking	Pass/Fail
M13	Data protection and confidentiality for facility and patient-adjacent data (Data Protection Act, 2019)	Signed undertaking; data protection registration where applicable	Pass/Fail
M14	Complete, signed submission in the prescribed format, valid for 90 days, with a Bid-Securing Declaration	Signed forms, including all Annex 2 declarations (with the performance security undertaking); separate technical and financial envelopes	Pass/Fail

Substantial responsiveness. A missing certificate may be cured once, within two (2) working days of CHAK's written request. A missing or false declaration may not be cured. A Fail on M3, M4 or M7 is never curable. The declarations required under M6, M7, M8, M9, M10, M11, M12, M13 and M14 may be made using the Bidder's Declaration Form in Annex 2.

Definitions. A "material adverse credit event" (M6) is a loan default, restructuring or insolvency event affecting the bidder in the last three years, or debarment by any funder or government. A "material dispute" (T4.2) is a claim or dispute above KES 10 million that is unresolved or was lost in the last three years. A "service team near Maseno and Tumutumu" (T3.3) is a named technician team, or a named local O&M provider, able to reach each hospital within four hours by road.

4.3 Stage 2: Technical Evaluation (100 Marks; Pass Mark 70)

Proposals that pass Stage 1 shall be scored against the six criteria below, broken into sub-criteria so that evaluators score evidence rather than impressions. Service levels are scored here on non-price content only (uptime, guarantees and O&M). The fee itself is scored once, in Stage 3.

Ref	Criterion / Sub-criterion	Max Marks	What Earns Full Marks
T1	**Demonstrated experience**	**20**	
T1.1	Portfolio beyond the three-project minimum	8	Several Kenyan commercial and industrial (C&I) or institutional solar PV + BESS projects; hospitals or health facilities count most; total kWp installed
T1.2	Verified performance data	6	Measured yield against design, availability and O&M history for completed systems
T1.3	Client references	6	Three references, each verified by call or email (2 marks each; unverifiable = 0)

Ref	Criterion / Sub-criterion	Max Marks	What Earns Full Marks
T2	**Access to low-cost capital**	**25**	
T2.1	Evidence of financing for this pilot	12	Signed letter of interest from a lender, DFI, fund, family office, or equipment or ESCO provider, subject to source-of-funds checks (a conditional letter is accepted at bid stage), term sheet or credit-line evidence covering the pilot CAPEX; the firm term sheet is due at deliverable D4
T2.2	Cost of capital and pass-through	8	Indicative rate and tenor, and a model showing how it lowers the facility fee; DSCR at or above 1.3x
T2.3	Track record of closing, structuring or underwriting similar financing, for lenders or asset owners	5	Prior facilities closed, amounts and lenders
T3	**Service levels (non-price)**	**20**	
T3.1	Critical-load uptime	7	Uptime above the 99% floor, with measurement method, design autonomy and automatic remedies
T3.2	Performance guarantee and remedies	7	Guaranteed generation or saving, liquidated damages, step-in rights and facility protections in the ESA
T3.3	O&M and response	6	Response times, spares, remote monitoring, and a service team near Maseno and Tumutumu
T4	**Reliable financial base**	**15**	
T4.1	Financial strength	8	Net worth, liquidity and revenue against the exposure of a 10–15 year contract
T4.2	Credit and litigation record	4	Clean bank reference; no material disputes
T4.3	Capacity to sustain O&M	3	Credit support and O&M continuity above the mandatory performance security (Section 3.5(f)): a parent guarantee of all ESCO obligations, or a funded O&M reserve of at least 12 months of cost, plus a named local O&M provider. Full marks for both; half marks for one; none if only the mandatory minimum is offered
T5	**Technical capacity**	**13**	
T5.1	In-house engineering team	5	Named key staff (PV design, electrical, BESS) with professional registrations and CVs
T5.2	BESS and hybrid design capability	3	Past critical-load UPS or hybrid system designs
T5.3	Work plan to August 2027	5	Credible plan for deliverables D1–D9 within the grant window
T6	**End-of-life hardware plan**	**7**	
T6.1	BESS disposal plan	3	Names a NEMA-certified e-waste handler for the proposed battery chemistry

Ref	Criterion / Sub-criterion	Max Marks	What Earns Full Marks
T6.2	PV end-of-ESA plan	2	Redeployment, transfer to the facility, or certified recycling
T6.3	E-waste compliance and recycler contract	2	Contract, or signed commitment letter, with a licensed Kenyan recycler
	Total	**100**	

Scoring rule

Each sub-criterion shall be scored as a share of its maximum marks, as follows:

Rating	Share of Marks	Description
Excellent	90–100%	Specific, evidenced and verified
Good	70–89%	Clear and evidenced, with minor gaps
Adequate	50–69%	Meets the requirement with limited evidence
Weak	1–49%	Partial, generic or poorly evidenced
Absent	0%	Not addressed or not evidenced

Each evaluator shall score independently. The Evaluation Committee shall then agree one score per sub-criterion, with a written reason for any score below Good.

A bidder scoring **below 70 marks** shall be eliminated and its financial envelope returned unopened. A bidder scoring **0 on T2.1** shall also be eliminated, as the pilot cannot proceed without CAPEX financing. If no bidder reaches the pass mark, CHAK shall annul the procurement and may re-advertise with RVO's consent, recognising that the grant window may shorten the new timetable.

4.4 Stage 3: Financial Evaluation (30 Marks)

Price shall be scored only by the formulas below and is not pass/fail. The financial score is worth 30 points in the combined score and has two parts: the ESA fee metric (**24 marks**) and the co-development fee (**6 marks**). Before scoring, each financial proposal shall be checked against the responsiveness screens F1–F8, which carry no marks but decide whether a proposal is scored at all.

a) Responsiveness screens (no marks)

Ref	Screen	Rule
F1	Complete Price Form	Signed and complete. ESA fees in KES; co-development fee in EUR. No currency conversion is applied; each currency is evaluated separately. All prices exclusive of VAT
F2	Facility saving floor	The average, over the 10-year reference case, of the fee rate after escalation must not exceed 70% of the Evaluation Avoided Rate (EAR), that is KES 13.30 per kWh, so that the facility keeps at least 30% of its gross saving. One rate applies to both facilities; a bid with different rates for Maseno and Tumutumu is non-responsive

Ref	Screen	Rule
F3	Co-development ceiling	Quoted fee at or below EUR 8,240 in total; a fee above the ceiling is non-responsive
F4	No cost to CHAK	No CAPEX, interest or financing cost billed to CHAK or the grant
F5	Arithmetic check	Recomputed from unit rates; unit rates prevail over totals, and words over figures. CHAK recomputes the Part B fee schedule and P1 from the quoted rate and the reference parameters, and CHAK's figures prevail
F6	Financial viability	The bidder's own model shows a DSCR of at least 1.3x (the DFI covenant minimum), measured on the ESCO's cash flow as defined in Section 3.2, item 3
F7	Abnormally low fee	Where three or more proposals are scored, a fee metric below 75% of the average of eligible proposals requires a written justification before scoring (a flag, not automatic rejection)
F8	BESS price comparability	With three or more eligible proposals, a Part E price (per usable kWh per month, or per kW per month) above 1.5 times the median of eligible proposals requires a written explanation before scoring (a flag, not a ground for rejection). A missing Part E price is a failure of completeness under F1

b) What is evaluated

- **ESA fee metric (P1):** the ESCO's average share of the facility's gross saving over a standard 10-year reference case, computed by CHAK from the bidder's quoted rate using the PV-only reference parameters below. A lower P1 is better, because the facility keeps more of the saving.
- **Co-development fee (P2):** the total quoted fee for the co-development service contract, up to the EUR 8,240 ceiling. A lower P2 is better.

c) Reference parameters for P1

All bidders shall be priced on the same reference case so that fee metrics can be compared. The figures below are indicative, for price comparison only. They are not a sizing instruction and are not binding on CHAK or the ESCO; final system sizing shall be set in deliverables D2 and D3. P1 is scored on the PV-only reference case; battery storage is priced separately in Part E of the Price Form and is not scored under P1. Any BESS charge nevertheless counts within the 70% fee cap and the 30% net saving (Section 3.2, item 4). The reference parameters are:

Parameter	Value
Evaluation horizon	10 years from commissioning (the low end of the 10–15 year tenor range), whatever tenor the bidder proposes. Years beyond 10 are not scored
P1 denominator	The Evaluation Avoided Rate below (KES 19.00 per kWh), held flat and used to express each bidder's rate as a share of gross saving for P1. At the screen F2 cap (KES 13.30 per kWh) P1 is 70%. No escalation

Parameter	Value
Evaluation Avoided Rate (EAR)	KES 19.00 per kWh: the lower of the avoided energy rates of the two facilities (Tumutumu about KES 19.0; Maseno about KES 25.1), calculated by CHAK from the bills available at issue (see Section 3.2, item 4) and published in Annex 4 with its month-by-month build-up. It is used for screen F2 and as the P1 denominator, where the cap is 70% of the EAR, KES 13.30 per kWh
PV degradation	0.5% a year, applied to generation
Reference system	The Tumutumu design case: 90 kWp grid-tied solar PV, with no BESS (PV-only reference case)
Specific yield	Annual PV yield for the reference system: 1,772.7 kWh per kWp (P95 basis), giving year-1 reference generation of 159,544 kWh
Yield basis	P95: the annual yield expected to be exceeded in 95% of years. This is the conservative basis for testing the facility saving floor and matches the basis of CHAK's own saving estimate
Year-1 reference gross saving (at the EAR)	KES 3,031,336 (159,544 kWh × KES 19.00 per kWh)
Baseline	Tumutumu and Maseno Kenya Power bill history for the most recent 24 months available to CHAK (monthly kWh and per-kWh tariff components), in Annex 4, supplied under the Annex 3 undertaking
Maseno (information only; not scored)	15 kWp; 27,032 kWh a year (P95 basis, 1,802.1 kWh per kWp). Maseno's avoided energy rate is about KES 25.14 per kWh (it has no demand charge)

For each year t from 1 to 10: **gross saving** = reference generation in year t × the EAR; **ESCO fee** = the bidder's quoted rate, escalated at its stated escalator (if any), × reference generation in year t. **P1** is the average over the 10 years of (ESCO fee ÷ gross saving), expressed as a percentage. Because the rate is held flat, generation cancels out, so P1 equals the average over the 10 years of [quoted rate × (1 + escalator)^(t − 1)] ÷ KES 19.00. Bidders can use this to check their own score.

Recomputation. CHAK shall recompute the annual fees and P1 from the bidder's quoted rate and the reference parameters. Where CHAK's figures differ from the bidder's Part B schedule, CHAK's figures prevail (screen F5).

One rate for both facilities. Bidders shall quote one fee rate (KES per kWh of metered PV energy used on site) for both Maseno and Tumutumu. A bid with different rates for the two facilities is non-responsive. The EAR is the lower of the two facilities' avoided energy rates, so screen F2 is applied once, at the EAR, and no separate test is applied to either facility. The ESA fee mechanism in Section 3.2, item 4 protects each facility in every later year.

Energy used on site. Only metered PV energy used on site shall be billed. At Maseno, PV output (about 27 to 29 MWh a year, or 72 to 76% of annual consumption) may at times exceed midday load; the facility shall not pay for unused output. The Maseno system shall be sized in deliverables D2 and D3.

Verified saving in the ESA. In each ESA the fee for each month shall be the lower of the escalated bid rate and 70% of the facility's VAR, with the annual reconciliation described in Section 3.2, item 4. Bidders bear the

risk of a fall in the avoided energy rate. CHAK shall re-test the fee derivation against the VAR at the second-opinion gate before any ESA is signed.

d) Scoring formulas

- **Weighted P1** = (lowest eligible P1 ÷ bidder's P1) × 24
- **Weighted P2 = (lowest eligible P2 ÷ bidder's P2) × 6, where P2 is the quoted fee or EUR 4,120 if the quoted fee is lower**
- **Weighted technical score** = (technical score ÷ 100) × 70
- **Combined score** = Weighted technical score + Weighted P1 + Weighted P2

The lowest eligible bid on each element scores its full marks. "Eligible" means the proposal passed Stages 1 and 2 and the responsiveness screens above. The technical divisor is the 100 marks available, not the best bidder's score, so a bidder's technical score does not change when another bidder is added.

P2 scoring floor. For scoring only, a co-development fee below EUR 4,120 (half the ceiling) is treated as EUR 4,120, so that a token fee gains no advantage and does not depress other bidders' scores. The contract is still at the fee quoted.

e) Worked example (illustrative figures only)

Item	Bidder X	Bidder Y
Technical score (out of 100)	82	76
Weighted technical score (out of 70)	57.4	53.2
ESA fee metric P1 (share of gross saving)	58%	52%
Weighted P1 (out of 24)	21.5	24.0
Co-development fee P2 (EUR)	8,000	7,200
Weighted P2 (out of 6)	5.4	6.0
Combined score (out of 100)	**84.3**	**83.2**

In this example, Bidder X ranks first although its fee metric is higher than Bidder Y's (58% against 52%), because its six-mark technical lead is worth 4.2 points while Bidder Y's fee advantages are worth 2.5 and 0.6 points.

f) Ranking and award

Where two bidders have equal combined scores, or the two highest differ by less than 0.5 mark, the bidder with the higher technical score ranks first. BESS prices are not used to rank bidders. The bidder with the highest combined score shall be invited to negotiate and, subject to approval by CHAK's Tender Committee before the notice of intention to award, to approval by CHAK's Executive Committee (EXCO) before the Letter of Award, and to no-objection from the RVO grant administrator where required under the grant agreement, shall be awarded the co-development service contract. The ESA terms shall remain subject to the independent second-opinion gate. Before the Letter of Award is issued, CHAK shall send every bidder a notice of intention to award, followed by a standstill period of five (5) working days. A bidder may complain about the process in writing to the Chairperson of the CHAK Board, copied to the General Secretary & CEO, within the standstill period. The Chairperson shall refer the complaint to a Board member who took

no part in the evaluation or the award approval. No contract shall be signed until the standstill period has ended and any complaint received within it has been decided. If fewer than three proposals have been received at the deadline, CHAK may, before opening any envelope, extend the deadline once by up to seven (7) days by written notice to all registered bidders. If fewer than three proposals pass Stage 1, CHAK may proceed with the compliant proposals only with RVO's written agreement. If only one proposal passes, CHAK shall proceed only on a written justification approved by the General Secretary & CEO under CHAK's Procurement Policy and RVO's no-objection.

5. Submission Instructions

5.1 Procurement Timetable

Activity	Date and Time
Advertisement of the RFP	Thursday 29th October 2026
Optional escorted site visits to Maseno and Tumutumu hospitals (by appointment through procurement@chak.or.ke; requests by Friday 30th October, 12.00 noon)	Monday 2nd – Tuesday 3rd November 2026
Deadline for clarification questions	Wednesday 4th November 2026, 5.00 pm
CHAK written responses to all bidders	Friday 6th November 2026
Deadline for submission of proposals	**Friday 13th November 2026, 5.00 pm**
Opening of Stage 1 and technical envelopes (financial envelopes remain sealed)	Monday 16th November 2026, 11.30 pm
Technical evaluation, including reference calls and financing-evidence checks	Monday 16th – Wednesday 18th November 2026
Opening of financial envelopes (qualifying bidders only) and financial evaluation	Thursday 19th November 2026
Evaluation report submitted	Monday 23rd November 2026
CHAK approvals and RVO no-objection	Tuesday 24th – Wednesday 25th November 2026
Notice of intention to award to all bidders; standstill period of five (5) working days	Notice Thursday 26th November; standstill Friday 27th November – Thursday 3rd December 2026
Letter of Award to the successful bidder	Friday 4th December 2026
Signature of co-development service contract; Phase 1 data collection begins	Monday 7th December 2026

Evaluation and award dates are indicative. The Letter of Award (Friday 4th December 2026) and contract signature (Monday 7th December 2026) are target dates and remain subject to the approvals in Section 4.4(f). EXCO's approval takes place when the standstill period ends, so that it takes account of any complaint. CHAK may extend the submission deadline by written addendum to all registered bidders issued before the deadline.

5.2 Clarifications and Data Room

- A prospective bidder requiring any clarification of this RFP shall submit its questions in writing to procurement@chak.or.ke no later than Wednesday 4th November 2026, 5.00 pm. CHAK shall respond to each question in writing within two (2) working days of receipt, and to all questions received by the deadline no later than Friday 6th November 2026, and shall share all questions and answers with all bidders, without identifying the source.
- The baseline data required to price the reference case (Annex 4) shall be made available to each registered bidder within one (1) working day of CHAK receiving its signed Confidentiality Undertaking (Annex 3). Bidders register by email to procurement@chak.or.ke. Annex 4 contains monthly consumption and per-kWh tariff components for Tumutumu and Maseno for the most recent 24 months available to CHAK (October 2024 – September 2026, or the latest 24 billed months), and the Evaluation Avoided Rate; it does not contain bill amounts or personal data. Months that CHAK could not obtain are listed in Annex 4, and any later addition is issued to all bidders by addendum before the clarification deadline. CHAK does not warrant that the data is complete. Data room information is subject to the confidentiality requirements in Section 7.
- Bidders may make an optional, escorted site visit to Maseno and Tumutumu hospitals, in slots on Monday 2nd – Tuesday 3rd November 2026, by appointment, subject to the hospitals' written consent and a signed Annex 3 undertaking. Requests shall be sent to procurement@chak.or.ke by Friday 30th October 2026, 12.00 noon. Site visits are not mandatory and are not scored. CHAK shall not answer questions on site; any question shall be sent in writing and answered to all bidders. If the visits cannot be arranged, CHAK shall instead issue a photograph and single-line-diagram pack to all registered bidders.
- Queries sent to any other address or to individual CHAK staff will not be answered and may put the bidder at risk of rejection.

5.3 Contents of the Technical Proposal (Envelope 1)

The Technical Proposal shall contain **no price information** and shall be organised in the following order:

1. Cover letter signed by the bidder's authorised representative, with a Power of Attorney or equivalent authorisation to sign.
2. Mandatory documents M1–M14 in the order of Section 4.2, including the completed and signed Bidder's Declaration Form (Annex 2).
3. **T1 – Experience:** project portfolio, verified performance data for completed systems, and three client references with contact details.
4. **T2 – Access to capital:** lender or DFI letter of interest (conditional letters are accepted at bid stage), term sheet or credit-line evidence; indicative cost of capital and tenor with a pass-through model; record of similar financing closed.
5. **T3 – Service levels:** proposed critical-load uptime (not less than 99%), the design autonomy on which it is based and the measurement method, performance guarantee, remedies and facility protections, and the O&M and response arrangements, including the location of the service team.
6. **T4 – Financial base:** summary of net worth, liquidity and revenue; bank reference; litigation statement; parent company or O&M reserve support above the mandatory performance security (Section 3.5(f)).
7. **T5 – Technical capacity:** CVs and professional registrations of key staff, examples of BESS or hybrid designs, and a work plan for deliverables D1–D9 to August 2027.

8. **T6 – End-of-life plan:** BESS disposal plan naming a NEMA-certified e-waste handler, PV end-of-ESA plan, and evidence of a contract with a licensed Kenyan recycler.

5.4 Contents of the Financial Proposal (Envelope 2)

1. The completed and signed Price Form (Annex 1), covering the single ESA fee rate for both facilities, the proposed ESA tenor and fixed annual escalation percentage, the fee schedule for the 10-year reference case, and the total co-development fee.
2. The bidder's ESA financial model for the reference case, showing a DSCR of at least 1.3x, in hard copy and in editable electronic format (Microsoft Excel) on a USB flash drive., both inside Envelope 2.
3. Confirmation that no CAPEX, interest or financing cost will be billed to CHAK or the grant.
4. The BESS pricing statement (Annex 1, Part E). It is required but is not scored.

5.5 Packaging, Marking and Delivery

Interested bidders are invited to submit their detailed proposals clearly marked:

"RFP No. CHAK/ESCO/01/2026 – FOR AN ENERGY SERVICE COMPANY (ESCO) FOR SOLAR PV AND BATTERY STORAGE AT MASENO AND TUMUTUMU HOSPITALS"

in **sealed envelopes** addressed to:

The General Secretary
Christian Health Association of Kenya (CHAK)
P.O. Box 30690 - 00100 GPO
Nairobi, Kenya
Tel: +254 733 334419 or +254 722 203617

- The **Technical** and **Financial** proposals must be submitted in **separate sealed envelopes**, clearly labelled "Envelope 1 – Technical Proposal" and "Envelope 2 – Financial Proposal", and enclosed within one outer envelope.
- Proposals shall be submitted in hard copy only and deposited in the CHAK Tender Box at the CHAK Secretariat offices, Musa Gitau Road, off Waiyaki Way, Nairobi, during office hours until the deadline. Proposals sent by email or by any other mode will not be accepted. CHAK keeps the Tender Box locked and sealed with its keys held by two officers, enters each deposit in a register with the date and time, gives a receipt on request, and opens the box only at the opening below.
- The deadline for submission is **Friday 13th November 2026, 5.00 pm**. Any proposal received after the deadline shall be rejected and returned unopened.
- Stage 1 and technical envelopes shall be opened on Friday 13th November 2026, 12.30 pm, immediately after the deadline. Financial envelopes shall remain sealed until the technical evaluation is complete. Bidders or their authorised representatives may attend the opening, and attendance shall be recorded.

6. Conflict of Interest

- The bidder shall confirm that, to the best of its knowledge, there are no actual, potential or perceived conflicts of interest that may affect its ability to provide the required services. This includes any family,

financial, employment or business relationship with CHAK staff, RVO, members of the Evaluation Committee, the independent second-opinion reviewers, the independent technical supervisor, or CHAK's advisers.

- The bidder shall disclose any conflict identified during the procurement or the contract period, together with its approach for managing and resolving it.
- Every Evaluation Committee member, the independent reviewer and CHAK's advisers shall sign a conflict of interest and confidentiality declaration before any proposal is opened.
- A bidder that fails to disclose a conflict, or that attempts to influence the evaluation by contacting Evaluation Committee members or CHAK staff outside the clarification process, shall be disqualified.

7. Confidentiality

- All information provided in a proposal shall be treated as confidential and used only for the purpose of evaluating the proposal. By submitting a proposal, the bidder acknowledges and agrees to this provision.
- Facility billing, operating and other data shared through the data room or during the assignment, including patient-adjacent data, shall be used only for preparing the proposal or delivering the services. It shall not be disclosed to any third party and shall be handled in accordance with the Data Protection Act, 2019.
- Information relating to the examination, evaluation and comparison of proposals shall not be disclosed to bidders or any other person not officially concerned with the process until the award has been communicated.
- CHAK may share proposals and evaluation records with RVO and with auditors in line with the grant's audit requirements, which run for five (5) years.

8. Terms and Conditions

- **Validity:** all proposals shall remain valid for **90 calendar days** after the submission deadline. In exceptional circumstances, CHAK may request the bidder's consent to an extension of the validity period. The request and the responses shall be made in writing.
- **Bid-Securing Declaration:** in place of a bid security, each bidder shall submit a signed Bid-Securing Declaration (Annex 2). A bidder that withdraws its proposal during the validity period, or refuses to sign the contract if awarded, may be excluded from CHAK procurement for a period determined by CHAK.
- **Language:** proposals and all correspondence relating to them shall be in English.
- **Currency and taxes:** ESA fees shall be quoted in Kenya Shillings (KES) and the co-development fee in Euros (EUR), exclusive of VAT. VAT at the rate in force is added to an invoice only if the supplier is VAT-registered, and it plays no part in scoring or in screens F2 and F3. The 70% fee cap and the 30% net saving in Section 3.2, item 4 are tested before VAT. Withholding tax is deducted by the payer where the law requires (for the co-development fee, at the rate for management or professional fees, currently 5% for a resident and 20% for a non-resident), is remitted by the payer to the Kenya Revenue Authority, and does not change the price payable; no supplier is grossed up. Every invoice shall be an eTIMS-compliant tax invoice. Bidders shall price on the tax law in force at the submission deadline, and a later change in law is dealt with under Annex 5 item 14.
- **Cost of proposal:** the bidder shall bear all costs associated with preparing and submitting its proposal. CHAK shall not be responsible for these costs, whatever the outcome of the process.
- **Second-opinion gate:** no ESA shall be signed before CHAK's independent legal and technical second-opinion review is cleared. Any further EPRA permit required for the ESA model is a condition precedent to ESA execution, and the risk of obtaining it lies with the ESCO.

- **Compliance:** the successful bidder shall comply with RVO subsidy conditions, the CHAK Supplier Code of Conduct (Annex 7) and applicable anti-corruption laws, and shall grant CHAK, RVO and their auditors access to records relating to the contract for five (5) years.
- **Fraud and corruption:** any proposal found to involve fraud, collusion, corrupt practice or false information shall be rejected, and any contract awarded on that basis may be terminated.
- **Right to accept or reject:** CHAK reserves the right to accept or reject any proposal, and to annul the procurement process and reject all proposals at any time prior to award, without incurring any liability to the affected bidder(s) or any obligation to inform them of the grounds for CHAK's action.
- **Notification:** all bidders shall receive a notice of intention to award before the standstill period described in Section 4.4(f), after which the successful bidder shall be notified in writing. Neither this RFP nor the Letter of Award shall create a binding obligation until the co-development service contract is signed by both parties.
- **Governing rules:** this procurement is conducted under CHAK's Procurement Policy and Disposal Procedures Manual (November 2023) and the conditions of the RVO grant. Where the Policy is silent, CHAK applies the principles of the Public Procurement and Asset Disposal Act, 2015: open competition, equal treatment of bidders, written notice to every bidder, opening of proposals immediately after the deadline, and a standstill before signature. CHAK may lengthen the standstill period if it is advised that the law requires.

Annex 1: Price Form (Envelope 2)

Bidders shall complete all parts of this form. ESA fees are in KES and the co-development fee is in EUR, all exclusive of VAT.

Part A: ESA fee terms

Item	Both facilities (Maseno and Tumutumu)
Energy service fee rate, year 1 (KES per kWh of metered PV energy used on site); one rate, the same for both facilities	
Fixed annual escalator (%), used for evaluation; any indexation in the ESA is capped at this figure	
Proposed ESA tenor (10–15 years)	
Confirmation that the Applicable Rate and annual reconciliation mechanism in Section 3.2, item 4 are accepted, so that net saving is at least 30% of gross saving (Yes/No)	

A bid with different rates for the two facilities is non-responsive. The fee is billed monthly on metered PV energy used on site; the facility does not pay for unused PV output. By signing, the bidder accepts the Applicable Rate and annual reconciliation mechanism in Section 3.2, item 4.

Part B: Reference case fee schedule (Tumutumu reference system)

Annual fee in year t = quoted rate × (1 + escalator)^(t − 1) × reference generation in year t, where reference generation is 159,544 kWh in year 1, reduced by 0.5% a year for degradation. CHAK recomputes these figures from the quoted rate, and CHAK's figures prevail (screen F5).

Year	ESCO Fee (KES, excl. VAT)	Year	ESCO Fee (KES, excl. VAT)
1		6	
2		7	
3		8	
4		9	
5		10	

Part C: Co-development service contract

Bidders shall quote the total only. The milestone amounts follow from it by formula (EUR 4,000 and EUR 4,240 at the ceiling).

Item	Amount (EUR, excl. VAT)
Total co-development fee (ceiling EUR 8,240)	
Milestone 1 (Load Profile Report and System Design): quoted total × 4,000 ÷ 8,240 (about 48.5%)	
Milestone 2 (ESA financial model and second-opinion information pack): the balance (about 51.5%)	

Part D: Confirmations

Confirmation	Response
DSCR shown in the bidder's ESA financial model (minimum 1.3x)	
No CAPEX, interest or financing cost will be billed to CHAK or the grant (Yes/No)	

Part E: BESS pricing statement (required; not scored)

The P1 reference case is PV-only. Bidders shall nevertheless state their maximum prices for the critical-load battery storage (BESS). This statement is required in Envelope 2 but is not scored. The prices are maximums for the ESA, may be reduced but not increased except by the stated escalator, and are used by CHAK for the price-comparability flag (screen F8) and in deciding at the second-opinion gate whether to include BESS. Any BESS charge counts within the 70% fee cap, so that all ESCO charges for PV and BESS together leave each facility with a net saving of at least 30% of gross saving (Section 3.2, item 4).

Item	Bidder's statement
(a) Maximum BESS prices, the same for both facilities: (i) KES per usable kWh per month; (ii) KES per kW of inverter power per month; (iii) annual escalator (%)	
(b) Assumptions: usable capacity (kWh), cycles per day, round-trip efficiency, degradation, warranty and replacement; and the design autonomy (hours per outage) on which the 99% critical-load uptime commitment is based	
(c) Confirmation that these are maximum prices, valid until 12 months after the submission deadline or ESA signature if earlier, and that the BESS is fixed in the ESA only after deliverables D2/D3 and the independent second-opinion gate (Yes/No)	
(d) Acknowledgement that CHAK may decline or resize the BESS if its net benefit is not shown (Yes/No)	

Name of authorised signatory: _____

Designation: _____

Signature: _____

Name of bidder (company): _____

Date: _____

Company stamp: _____

Annex 2: Bidder's Declaration Form

To: The General Secretary, Christian Health Association of Kenya (CHAK)

Re: RFP No. CHAK/ESCO/01/2026 – Request for Proposal for an Energy Service Company (ESCO) for Solar PV and Battery Storage at Maseno and Tumutumu Hospitals

We, the undersigned, declare that:

1. We are not subject to any material adverse credit event, insolvency, sanctions or debarment (M6).
2. We shall fund 100% of hardware CAPEX from our own or arranged capital, with no capital cost charged to CHAK or the grant (M7).
3. We commit to critical-load uptime of at least 99% (M8).
4. We commit that the net saving to each facility will be at least 30% of its verified gross saving in every contract year from commissioning, and accept the Applicable Rate and annual reconciliation mechanism in Section 3.2, item 4 (M9).
5. We accept that each ESA shall be a direct contract between the ESCO and the facility, and that no ESA shall be signed before the independent second-opinion gate is cleared (M10).
6. We have no conflict of interest, including any relationship with CHAK staff, RVO, evaluators or advisers, other than any disclosed in a signed attachment to this declaration (M11).
7. We shall comply with RVO subsidy conditions, the CHAK Supplier Code of Conduct and anti-corruption law, and shall grant audit access for five (5) years (M12).
8. We shall protect facility and patient-adjacent data in accordance with the Data Protection Act, 2019 (M13).
9. Our proposal is valid for 90 days from the submission deadline. We understand that if we withdraw our proposal during the validity period, or refuse to sign the contract if awarded, we may be excluded from CHAK procurement for a period determined by CHAK (Bid-Securing Declaration, M14).
10. We shall provide the performance security described in Section 3.5(f) before each ESA takes effect, and, if we are the preferred bidder, shall give a letter of intent from the issuer or parent before the Letter of Award (M14).

Name of authorised signatory: _____

Designation: _____

Signature: _____

Name of bidder (company): _____

Date: _____

Company stamp: _____

Annex 3: Confidentiality Undertaking

To: The General Secretary, Christian Health Association of Kenya (CHAK) ("CHAK")
From: _____ (the "Bidder")

The Bidder wishes to receive the Baseline Data Sheet (Annex 4) and any other information about the Maseno and Tumutumu facilities that CHAK supplies for this RFP (together, the "Confidential Information"). In return, the Bidder undertakes to CHAK as follows.

1. Purpose. The Bidder will use the Confidential Information only to prepare and submit its bid for this RFP, and for no other purpose.

2. Non-disclosure. The Bidder will keep the Confidential Information secret. It may share it only with its own directors, employees, advisers and prospective financiers who need it to prepare the bid, who have been told it is confidential, and who are bound by duties no less strict than this undertaking. The Bidder is responsible for any breach by them. A list of recipients will be given to CHAK on request.

3. Security and copies. The Bidder will store the Confidential Information securely, make no more copies than needed, and not upload it to any public or shared online service.

4. No contact with the facilities. The Bidder will not contact the staff or management of Maseno or Tumutumu hospitals about this RFP, and will not visit either site, except through CHAK. All questions go to CHAK as clarification requests under Section 5.2 of the RFP.

5. Return or destruction. If the Bidder is not awarded the contract, or if CHAK asks, the Bidder will within 7 days return or permanently delete all Confidential Information and confirm this in writing. The Bidder may keep one archive copy of its own bid. If the Bidder is awarded the contract, the co-development contract will govern the Confidential Information from then on.

6. Exceptions. This undertaking does not apply to information that (a) is or becomes public other than through the Bidder's breach; (b) the Bidder already held lawfully before receiving it from CHAK, as shown by its records; or (c) the Bidder develops independently. If the law or a court requires disclosure, the Bidder will tell CHAK first, where lawful, and disclose only what is required.

7. No warranty. The Confidential Information is indicative and is supplied without warranty of accuracy or completeness. CHAK is not liable for any use the Bidder makes of it. The Bidder must make its own assumptions and judgments.

8. Personal data. If the Confidential Information includes any personal data, the Bidder will process it only as this undertaking permits, in line with the Data Protection Act, 2019, and will tell CHAK at once if it finds personal data that should not have been included.

9. Duration. These obligations continue for three (3) years from the date of signature, whether or not the Bidder submits a bid.

10. Remedies. The Bidder accepts that CHAK may seek an injunction for any breach, in addition to any other remedy. A breach may also lead to the rejection of the Bidder's bid under the conflict-of-interest and integrity terms of the RFP.

11. Law. This undertaking is governed by the laws of Kenya, and the courts of Kenya have jurisdiction.

Signed for and on behalf of the Bidder by its authorised signatory:

Company name: _____

Name and title of signatory: _____

Signature: _____

Date: _____

Email address for the data room link: _____

Return the signed undertaking, scanned, to procurement@chak.or.ke. CHAK will send the Baseline Data Sheet to each bidder that has returned a signed undertaking, from a controlled data room. Returning the undertaking does not oblige the bidder to bid.

Annex 4: Baseline Data Sheet

Annex 4 is issued as a separate Excel workbook to each bidder that has returned a signed Annex 3 undertaking. It contains, for Tumutumu and Maseno: monthly electricity consumption and per-kWh tariff components for the most recent 24 months available to CHAK (October 2024 – September 2026, or the latest 24 billed months); a coverage sheet listing any months not yet obtained; the Evaluation Avoided Rate (KES 19.00 per kWh) and the screen F2 cap (KES 13.30 per kWh); and the reference case for price comparison (Section 4.4(c)). It does not contain bill amounts or personal data. It lists the Kenya Power accounts covered; CHAK does not warrant that they are all of a hospital's accounts. The data is indicative and supplied without warranty.

Annex 5: Energy Service Agreement: Indicative Term Sheet

Indicative and non-binding. This term sheet states the minimum terms each ESA will contain. Section references are to this RFP.

#	Term	Proposed position
1	Parties	One ESA will be entered into for each hospital—ACK Maseno Mission Hospital and PCEA Tumutumu Mission Hospital—between the respective Facility, as the legal owner/operator of the hospital, and the ESCO or its designated project company. The respective legal entity for each Facility shall be named in the applicable ESA. Both ESAs will be based on identical commercial terms. CHAK will not be a party to the payment arrangements under the ESAs and will not provide any financial guarantee or payment obligation in respect of the ESCO. A project company, if used, shall be controlled by the evaluated bidder, and the bidder or its parent shall guarantee the project company's obligations until commercial operation.
2	Structure	The ESCO designs, finances, builds, owns, operates and maintains grid-tied solar PV and, if included under RFP §3.2 and Annex 1 Part E, critical-load battery storage (BESS) at the Facility at no capital cost to the Facility. The grid connection stays in place. The Facility buys the PV energy it uses. If EPRA requires a different legal form (for example an equipment lease or a managed-service arrangement), the parties shall restructure the ESA so that the Facility's payments, the 70% cap and the 30% Net Saving are unchanged.
3	Conditions precedent	Before the ESA takes effect: (a) CHAK's independent second-opinion gate cleared; (b) Facility board approval; (c) ESCO's EPRA permits and other approvals obtained (ESCO risk); (d) site access and roof or ground rights confirmed in writing by the Facility or, where a church sponsor owns the land or building, by the church; (e) performance security delivered (item 18); (f) insurance evidence; (g) financing closed. Long-stop date 9 months from signature; target commissioning 30 June 2027. If a condition fails by then, either party may withdraw without liability, and the Facility bears no cost of the ESCO's failed approvals.
4	Term	10–15 years from commercial operation date (COD), as bid. Extension by written agreement.
5	Energy service fee	One rate in KES per kWh of metered PV energy used on site, the same for both Facilities, as bid, escalated annually at the fixed escalator bid, or at indexation capped at that escalator. Billed monthly in arrears on metered energy. No take-or-pay and no minimum charge. Energy exported to the grid, if any, is not billed.

#	Term	Proposed position
6	Applicable Rate and 30% Net Saving	In each billing month the Applicable Rate is the lower of (a) the escalated bid rate and (b) 70% of the Facility's Verified Avoided Rate (VAR). Net Saving to the Facility is at least 30% of Gross Saving in every contract year. Within 60 days of each anniversary the parties reconcile the year, and any shortfall is credited or refunded within 30 days. The VAR is recalculated each year by the ESCO from the previous 12 months of the Facility's bills and checked by the Facility and CHAK; a disagreement goes to an independent verifier whose cost the losing party bears. Definitions are in RFP §3.2. Any BESS charge counts within the 70% cap (RFP Annex 1 Part E).
7	Metering and M&V	IPMVP Option B. Revenue-grade meters on PV output, grid import and export (or a zero-export controller with logged evidence) and, if BESS is included, on battery charge and discharge, owned and calibrated by the ESCO with Facility read access. Meter data shared monthly. Disputed readings go to an independent verifier for expert determination, at the loser's cost.
8	Generation guarantee	The ESCO guarantees a minimum annual generation of not less than 95% of the degradation-adjusted P95 expectation; a bidder may guarantee a higher percentage, as bid under T3.2. If metered generation falls short, the ESCO pays the Facility the shortfall kWh × (VAR − Applicable Rate), up to 100% of that year's fee. Shortfall caused by the Facility, grid outage or force majeure is excluded.
9	Critical-load uptime (if BESS is included)	99% of all hours in each contract year during which the Facility's critical-load circuit is energised from the grid, PV or BESS (the Facility's own generator is not counted). Outage hours beyond the design autonomy per outage (the 95th-percentile outage duration in the Facility's 12-month outage log, and not less than 4 hours, set at D2), Facility-caused interruptions and force majeure are excluded. Remedy: service credit of 5% of that year's BESS charge for each 0.1 percentage point below 99%, up to 100% of the charge, and termination of the BESS component if uptime is below 97% over a rolling 12 months.
10	Operation and maintenance	The ESCO bears all O&M, cleaning, spares, inverter and battery replacement, remote monitoring and insurance. Response to a critical-load fault within 4 hours and repair within 24 hours. The Facility gives access, protects the equipment, prevents shading and does not tamper with it. Roof: the ESCO bears strengthening needed for its equipment and repair of damage it causes; the Facility bears pre-existing defects and roof renewal for its own purposes, and the ESCO lifts and refits the equipment at the Facility's cost.
11	Payment	Invoices monthly. Payable within 30 days. Late payment interest at the Central Bank Rate plus 2% a year. Prices exclude VAT; VAT is added at the statutory rate only if the ESCO is VAT-registered, and the 70% cap and 30% Net Saving are tested before VAT. Withholding tax, where it applies, is deducted by the payer and does not change the price. Invoices are eTIMS tax invoices.
12	Facility payment default and remedies	Written notice and a 30-day cure period, then escalation under item 20 (Governance covenant). The ESCO may charge interest and, after a continuing default of 90 days, may terminate with buy-out under item 16. The ESCO shall not disconnect or de-energise a critical clinical load for non-payment.

#	Term	Proposed position
13	Step-in	If the ESCO defaults and does not cure within 30 days, the Facility, or the lenders under a direct agreement, may step in or appoint a substitute operator. The ESCO's lenders may also step in on the same terms.
14	Change in law and tariff change	A change in law or in the Kenya Power tariff structure that materially changes the economics: the parties negotiate in good faith for 60 days. The VAR and Applicable Rate mechanism automatically adjusts the fee to the new avoided rate. If no agreement, either party may terminate on a no-fault basis under item 16.
15	Force majeure	Customary definition. Relief from performance for the affected party. The Facility pays only for energy actually delivered. Either party may terminate after 180 days of continuing force majeure.
16	Termination and buy-out	ESCO default (including abandonment or persistent underperformance): no buy-out; the Facility may step in, or take the assets at the lower of depreciated value and market value, less its damages (which it may set off against the price). Facility default or voluntary termination: the ESCO is paid a buy-out under the buy-out schedule bid under T3.2, year by year, limited to depreciated installed cost (straight line over the term) plus outstanding senior debt breakage costs, with no lost-profit premium, because the buy-out already returns the ESCO's unrecovered cost. Title to the assets passes to the Facility on payment of the buy-out amount. The ESCO gives, in deliverable D4, the buy-out amount for each year for each Facility, and each Facility's board approves that table before the ESA is signed. No-fault termination (item 14, long-stop, force majeure): the same schedule with breakage costs shared equally.
17	Insurance	The ESCO maintains contractor's all-risk insurance during construction, public liability insurance, and insurance of the assets for the whole term. The Facility is a co-insured for public liability. Evidence on signature and each renewal.
18	Performance security	Mandatory and not scored. Amount per Facility: 50% of the Year-1 reference fee (bid rate × P95 Year-1 generation: 159,544 kWh Tumutumu; 27,032 kWh Maseno), falling to 25% two years after COD. Beneficiary: the Facility, with copy to CHAK. Forms: on-demand bank guarantee or standby letter of credit; bond from a licensed insurer; or parent company guarantee (parent audited net worth at least 5 times the amount). Retention of fees in escrow is not accepted. Calls: failure to reach COD by the long-stop date, abandonment, uncured material default, lapse of insurance, or failure to renew 60 days before expiry. Expires 90 days after the end of the term.
19	Ownership, title and end of term	The assets remain the ESCO's property. The ESCO gives no security over the Facility's land or buildings. At the end of the term the Facility may (a) take the assets for KES 1, in good working order after a handover test and training, with remaining manufacturer warranties assigned to the Facility (the ESCO remains responsible for NEMA-compliant disposal of any battery that reaches end of life within 24 months after transfer), (b) extend, or (c) require removal at the ESCO's cost.

#	Term	Proposed position
20	CHAK governance covenant	As set out in RFP Section 3.4: a non-financial undertaking by CHAK, in a side letter, to (a) engage each Facility's board so that payment of ESA invoices is budgeted for and prioritised, (b) convene an escalation meeting within 10 working days of a notified payment default, (c) receive quarterly ESA performance and payment reports, and (d) support the ESCO's and its lenders' access to the Facility's board. CHAK does not guarantee payment and has no liability for the Facility's obligations.
21	Assignment and financing	The ESCO may assign to its financiers on notice and sign a lender direct agreement. A change of control of the ESCO needs the Facility's consent, not unreasonably withheld.
22	Compliance	Anti-bribery and sanctions undertakings; RVO and Dutch funder requirements flowed down; Data Protection Act 2019 for meter and Facility data; occupational safety; environmental compliance, including battery end-of-life handling.
23	Disputes and governing law	Escalation to senior management for 30 days, then mediation, then arbitration seated in Nairobi under the Nairobi Centre for International Arbitration rules, in English. M&V disputes go to expert determination. The ESA is governed by the laws of Kenya.
24	Second-opinion gate	No ESA is signed until CHAK's independent legal and technical reviewers have cleared the ESA, the fee derivation (re-tested against the VAR) and the BESS package test. Clearance is a CHAK decision.

Annex 6: Co-development Service Contract: Key Conditions

These are the key conditions of the co-development service contract between CHAK and the selected ESCO.

Term	Position
Parties and scope	CHAK and the selected ESCO. The ESCO delivers deliverables D1 to D5 and D9 as described in the Scope of Work, including the Load Profile Report and System Design, the ESA financial model with DSCR analysis, the lender or DFI term sheet, the information pack for the second-opinion review, and participation in the quarterly reviews and final evaluation. D6 to D8 (signed ESAs, commissioning, monthly reporting) are delivered under the ESAs. Until 30 June 2027 the ESCO shall offer each facility an ESA on the terms of Annex 5 at rates no higher than its bid.
Fee and milestones	One total fee within the EUR 8,240 ceiling. Milestone 1: total × 4,000 ÷ 8,240 on acceptance of D2 and D3. Milestone 2: the balance on acceptance of the ESA financial model and delivery of the full pack, less a 25% retention if the firm term sheet is not yet issued, released on its delivery or at the end of the contract. Payment within 30 days of a valid invoice following acceptance. Currency: invoiced in EUR and paid in KES at the CBK mean rate on the payment date, or in EUR to a foreign-currency account if the ESCO asks. Prices exclude VAT; VAT is added if the ESCO is VAT-registered, and withholding tax is deducted at source as the law requires, without gross-up.
Acceptance	CHAK accepts or sends written comments within 10 working days; resubmissions are reviewed within 5 working days. There is no deemed acceptance. If CHAK has not responded by then, the ESCO may escalate to the CEO and the milestone dates move day for day.
Bid rates carry into the ESA	The fee rate, escalator and Part E BESS maximum prices in the bid are maximums for the ESAs. Changes to sizing after D2 and D3 do not change them. The 30% net-saving mechanism applies. This applies whatever the 90-day proposal validity.
No obligation to sign	Neither CHAK nor a facility must sign an ESA. An ESA is signed only after the second-opinion gate and the facility board approval. If the gate is not cleared or no ESA is signed by 30 June 2027, either party may end the contract; the ESCO keeps fees for accepted deliverables.
Ownership and data	Deliverables belong to CHAK and the facilities, which may use them even if no ESA is signed. The ESCO keeps its own tools and know-how. Facility data is used only for this assignment, under the Annex 3 undertaking, and is returned or destroyed at the end.

Term	Position
Termination	CHAK may end for convenience on 14 days' notice, paying for accepted work and a fair share for work in progress. Either party may end for uncured material breach after 14 days. Conflicts of interest or corruption allow immediate termination.
Liability, law, disputes	Liability capped at fees paid, except fraud, wilful default and breach of confidentiality. Professional indemnity insurance of KES 5 million. RVO and CHAK audit rights. Kenyan law; escalation, then mediation, then arbitration seated in Nairobi.

Annex 7: CHAK Supplier Code of Conduct

This Supplier Code of Conduct outlines the principles and expectations that CHAK requires from its suppliers. CHAK is committed to conducting its business in an ethical and socially responsible manner, and we expect our suppliers to share and adhere to these principles.

Application to this RFP. For clause 8, subcontractors named in a bidder's proposal and accepted in the Letter of Award are treated as consented to by CHAK. Any later change of subcontractor needs CHAK's prior written consent.

1. Legal Compliance

Suppliers must comply with all applicable laws and regulations of the Republic of Kenya, including but not limited to labour, environmental, health and safety, and anti-corruption laws.

2. Labour Standards

2.1 **Child Labour:** Suppliers shall not use child labour, and the minimum age for employment shall be in accordance with local laws and regulations.

2.2 **Forced Labour:** Suppliers shall not engage in, or support forced labour, human trafficking, or any form of involuntary labour.

2.3 **Working Hours and Conditions:** Workers' rights to fair wages, reasonable working hours, and safe working conditions shall be respected.

3. Human Rights

Suppliers are expected to uphold and respect the fundamental human rights of all individuals, including freedom of association, non-discrimination, and the right to collective bargaining including respect for the equal rights of men and women.

4. Environmental Responsibility

Suppliers shall conduct their operations in an environmentally responsible manner. This includes compliance with relevant environmental laws, responsible resource usage, waste management, and efforts to minimize the environmental impact of their activities.

5. Anti-Corruption, Anti-Fraud and Conflict of Interest

5.1 **Anti-corruption:** CHAK has zero tolerance for corruption!

Suppliers shall not be engaged in any sort of corruption, defined by CHAK as the misuse of entrusted power for private gain. This definition is not limited to interactions with public officials and covers both attempted and actual corruption, as well as monetary and non-monetary corruption. The definition includes, but is not limited to, corruption in the form of facilitation payments, bribery, gifts constituting an undue influence, kickbacks, favouritism, cronyism, nepotism, extortion, embezzlement, misuse of confidential information, theft, and various forms of fraud, such as forgery or falsification of documents, and financial or procurement fraud. No offer, payment, consideration, or benefit of any kind, which could be regarded as an illegal or corrupt practice, shall be made, promised, sought or accepted – directly or indirectly – as an inducement or reward in relation to activities funded by CHAK, including tendering, award, or execution of contracts. CHAK reserves the right, without prejudice to any other right or remedy available to it, according to any violation of this clause to immediately terminate the contract and/or the business relationship with CHAK, and to take

such additional action, civil and/or criminal, as may be appropriate. CHAK will seek to recover any assets lost due to corruption or fraud. The Supplier agrees to accurately communicate CHAK's policy with regards to Anti-Corruption to Third Parties. The Supplier furthermore agrees to inform CHAK immediately of any suspicion or information it receives from any source alleging a violation of this clause according to the contact details provided for in the Contract, the contact details via audit@chak.or.ke.

5.2 **Conflict of Interest:** Any conflict of interest on the part of the supplier shall be immediately disclosed to CHAK. Supplier will declare that they have no current or prior business, professional, personal, or other interest, including, but not limited to, the representation of other clients, that would conflict in any manner or degree with the performance of its obligations under this Contract. If any such actual or potential conflict of interest arises under this Contract, the supplier shall immediately inform CHAK in writing of such conflict.

6. Terrorism

Suppliers shall not be engaged in any transactions with, and/or the provisions of resources and support to, individuals and organizations associated with terrorism. The Supplier represents and warrants that neither them nor any of its partners are engaged in any transactions with, and/or the provision of resources and support to, individuals and organizations associated with, receiving any type of training for, or engaged in, any act or offense of terrorism.

7. Confidentiality and Intellectual Property

Suppliers shall respect and protect the confidentiality of CHAK's information and intellectual property. Any information received during the business relationship shall be treated with the utmost confidentiality.

8. Sub-Contractors

Suppliers shall ensure that their sub-contractors comply with the principles outlined in this Code of Conduct. The Company holds suppliers responsible for the conduct of their subcontractors. Supplier shall not subcontract, nor delegate performance without the prior written consent from CHAK.

9. Reporting and Compliance

Suppliers are encouraged to report any concerns or potential violations of this Code promptly. CHAK may conduct audits to assess compliance, and suppliers are expected to cooperate fully with such audits.

10. Continuous Improvement

Suppliers are encouraged to adopt and promote continuous improvement in their social and environmental practices. CHAK values long-term partnerships with suppliers committed to sustainable and ethical business practices.

11. Acknowledgment

By entering into a business relationship with CHAK we acknowledge our commitment to comply with this Supplier Code of Conduct.

Organization: _____

Signed by: _____

Date: _____