

KENYA BUS SERVICE MANAGEMENT LTD
FRANCHISE ENTRY REQUIREMENTS

1. Bus owner (Franchisee) should have 5 Buses but we could consider those with 1 Bus.
2. Bus bodies must conform with Kenya Bureau of Standards KS 372/Kenya Bus Service Management Ltd (KBSM) specifications.
3. Bus capacity should be 29 passengers and above. (NTSA) RSL requirement for CBD is 41 passengers and above.
4. NAMATA has restrictions on old Buses operating in the CBD. New Buses are preferred.
5. A Bus in Individual name will require to convert ownership to a Limited Company.(Fill form ‘annex 1’)
6. Bus Owner is required to provide certified copies of Log book.
7. In case of a Registered Company, One must provide certified copies of Memo Art, Certificate of Incorporation, VAT and PIN.
8. Bus Owner to provide Certified copies of valid Inspection Certificates, Speed Governor Compliance Certificates and Insurance Certificates. (Fill in form in ‘annex 2’)
9. Bus Owner is required by the Traffic Act to employ crew(Driver and Conductor). KBSM could assist in sourcing the Crew from our Msafiri Staffing Agency. Upon request the Agency may collect and submit monthly deduction of NSSF/NHIF on behalf of the Franchisee (Employer)
10. Franchisees shall be assigned available route(s) depending on the Bus capacity and subject to NTSA Licensing Rules.
11. Bus(es) shall be branded at our Workshop, where one chooses to brand the buses elsewhere, the bus(es) must meet **KBSM Brand specification**.
12. Bus Owner to Pay an Initial entry Fee of Kshs 80,000 which covers up to 5 Buses. The sixth bus and above will attract an administrative charge of Kshs.5,000/- per bus.
13. Commission charged is 12% on gross revenue daily to support the shared services, technical fee, advisory fee, overheads etc and royalty.
14. Other services such as Legal, Parking, Banking, Bus wash, Bus repair and Service etc, will be charged separately.
15. If the Bus is fitted with an FM radio/LCD screen then the Franchisee will pay Kshs.36,550.00 annually for a License from the Music Copyright Society of Kenya (This came into effect on 21/4/2017)
16. Bus Owner to Purchase NCC monthly Parking Sticker as per the following categories:-

| <u>Before 5th every month</u> | | | <u>After 6th to 27th of the month</u> | | |
|---|-------|------------------|--|--------|--------------|
| a. | 5- 25 | - Kshs. 3,500.00 | a. | 5 – 25 | - 5,000.00 |
| b. | 29-41 | - Kshs. 5,250.00 | b. | 26-40 | - 8, 000.00 |
| c. | 42-65 | - Kshs. 7,250.00 | c. | 41– 51 | - 10, 000.00 |
17. The company has **Fare Policy** guideline for Franchisees, their Crews and Bus Overseers to adhere to.
18. Bus Owner to Pay to KRA an Advance Tax at the rate of Kshs. 720.00 per seat per year depending on the Bus capacity.
19. Bus owner shall Pay for NTSA RSL at Kshs. 4,355/- per year.
20. Bus Owner Must sign an MOU (renewable yearly) with KBSM in line with NTSA RSL.
21. The initial Bus Branding with KBSM Logo, Fleet Number and Tint will cost:-
 - a. Kshs.9,306/- for 51 seater bus capacity
 - b. Kshs.9,056 for 46 & below seater bus capacities.
22. All buses shall fuel and be repaired at a Workshop recognized by KBSM in line with NTSA requirement.
23. Where a Franchisee so wishes to appoint a Bus Overseer, he/she shall introduce the Bus Overseer to KBSM in writing. The Bus Overseer will then sign a Contract between him and Employer (Franchisee) and Bus Overseers’ Rules and Regulation. (**Annex 3** and **Annex 4**)
24. Franchisees are legible to join our Abiria Sacco where they can save money to assist their bus business. (**Fill Application Form annex 5**)
25. The Bus Owner shall be required to consent to Transit Advertising, Private Hire/Contract Hire terms and conditions.

I have received and read the Franchise Requirements.

Name Sign Date