



KenGen

**KENYA ELECTRICITY GENERATING COMPANY
LIMITED**

KGN-LEG-01-2016

**PRE-QUALIFICATION FOR
INSURANCE BROKERAGE SERVICES
FOR YEAR 2017-2019**

**Kenya Electricity Generating Company
Stima Plaza Phase III, Kolobot Road
Parklands
P.O. Box 47936, 00100
Nairobi, Kenya
Website: www.kengen.co.ke**

October, 2016

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SECTION I

PRE-QUALIFICATION OF INSURANCE BROKERAGE SERVICES

The Kenya Electricity Generating Company Limited invites sealed applications from eligible candidates for the **“Pre-qualification of Insurance Brokerage Services for a period 1st July 2017 to 30th June 2018, and 1st July 2018 to 30th June 2019 (Two years)**

Interested eligible firms may obtain information and pre-qualification documents at the office of:

Supply Chain Director,
Tel: (254) (020) 3666000
Fax: (254) (020) 3666200

The prequalification document may be collected from Supply Chain Division –Tenders section or be downloaded from KenGen website www.kengen.co.ke. Bidders who download the tender document from the website must forward their particulars immediately to Supply Chain Manager for records and for notification any further tender clarifications and addenda.

Applications for pre-qualification must be submitted in plain sealed envelopes clearly marked as follows: **“PRE-QUALIFICATION FOR INSURANCE BROKERAGE SERVICES FOR YEAR 2017-2019”** And must be delivered to;

**The Company Secretary & Legal Affairs Director
Kenya Electricity Generating Company Limited,
10th Floor Pension Plaza 2, Kolobot Road, Parklands
P.O Box 47936-00100
NAIROBI,
KENYA**

Deliver to the Tender box located on the Ground Floor of Stima Plaza, Phase III,

On or before: **1st December 2016 at 10.00am**

Tenders will be opened the same day at in the presence of tenderers' representatives who choose to attend in the Executive Room, 7th Floor, and Stima Plaza Phase III.

SUPPLY CHAIN DIRECTOR

SECTION II

INSTRUCTIONS TO TENDERERS

1.0 Introduction

- 1.1. The Kenya Electricity Generating Company Limited (Kengen) has a workforce of about 2600 located at different power Stations and locations in the country namely Olkaria, Kipevu, Garissa, Lamu, Seven Folks (Masinga, Kindaruma, Kiambere, Gitaru), Kamburu, Turkwel, Sondu Miriu, Gogo, Upper Tana (Muranga), and Central Office.
- 1.2. The Kenya Electricity Generating Company Limited (Kengen) will pre-qualify and enlist prospective Insurance Brokers who will be invited to submit proposals for **Insurance Brokerage services for Year 2017-2019** from among those who will have submitted their tenders, in accordance with the tender requirements to undertake the assignments described herein for a period of 2 years.
- 1.3. Bidders are invited to submit a proposal for **Pre-Qualification of Insurance Brokers for Year 2017-2019**.
- 1.4. The Pre-qualification document and the Tenderers response thereof shall be the basis for pre-qualification. Tenderers must familiarize themselves with the requirements described in this document including all attachments and take them into account while preparing their response.
- 1.5. Applicants will be informed in writing of the results of the prequalification, without assigning any reason for KenGen's decision thereof.
- 1.6. Tenderers will meet all costs associated with preparation and submission of their applications.
- 1.7. It is KenGen's policy to require that Tenderers observe the highest standard of professional and moral ethics during the selection and execution of such contracts. In pursuance of this policy, KenGen:
 - a) Defines for the purpose of this provision, the terms set forth below as follows:
 - (i) "Corrupt practice" means the offering, giving, receiving or soliciting of anything of value to influence the action of an officer of the Purchaser/Employer in the pre-qualification process; and
 - (ii) "Fraudulent practice" means a misrepresentation of facts in order to influence the pre-qualification process to the detriment of the Purchaser/Employer, and includes collusive practices among Tenderers (prior to or after submission of Tenders) designed to establish prices at artificial, non-competitive levels and to deprive the Purchaser of the benefits of free and open competition.

- b) Will reject a Tender for pre-qualification if it determines that a Tenderer has engaged in corrupt or fraudulent activities in competing for the contract in question;
 - c) Will declare a Tender ineligible, for pre-qualification if at any time it determines that Tenderer has engaged in corrupt or fraudulent practices in competing for, or in executing, a similar contract; and
 - d) Will have the right to examine financial records relating to the performance of such services to determine capability.
 - e) Will have the right to inspect the business premises of the tenderer.
 - f) Will declare a Tender ineligible for prequalification if at any time it determines that the Tender has no legal capacity to enter into a contract for the procurement.
 - g) Will declare a Tenderer ineligible for prequalification if at any time it determines that the Tenderer is insolvent, in receivership, bankrupt or in the process of being wound up and is not the subject of legal proceedings related to the foregoing.
 - h) Will declare a Tenderer ineligible for prequalification if at any time, it determines that the Tenderer has committed an offence relating to procurement, has breached for procurement before by another public company, has in procurement proceedings, given false information about its actions and/or has been blacklisted before by another public company.
- 1.8 Tenderers shall furnish information as described in the pre-qualification tender document.

2.0 **DOCUMENTS COMPRISING THE REQUEST FOR PRE-QUALIFICATION**

- 2.1 Tenderers may request a clarification on the Pre-qualification document up to **Five (5)** days before the Tender submission date. Any request for clarification must be sent in writing by mail, facsimile, or electronic mail to KenGen address. KenGen will respond in writing by normal postal mail, facsimile, or electronic mail to such requests and will send copies of the response to all Tenderers who intend to submit tenders.

3.0 **PREPARATION OF TENDER DOCUMENTS**

- 3.1 Tenderers are requested to submit a Tender written in English language.
- 3.2 Tenderers are expected to examine the documents comprising this Request for pre-qualification in detail. Material deficiencies in providing the information requested may result in rejection of a tender.
- 3.3 Tenderers are required to meet the qualification criteria stipulated in this document. Those who do not meet the requirements need not submit tenders. Only tenders, which fulfill these requirements, will be considered for detailed evaluation.

3.4 **Period of Evaluation**

KenGen will make the best effort to complete the evaluation and communicate within 30 (thirty) days.

4.0 SUBMISSION, RECEIPT, AND OPENING OF TENDERS

- 4.1 The original prequalification document shall be prepared in indelible ink. It shall contain no interlineations or overwriting, except as necessary to correct errors made by the Tenderer. Any such corrections must be initialed by the person or persons who sign(s) the prequalification document.
- 4.2 An authorized representative of the Tenderer should initial all pages of the prequalification document.
- 4.3 The Tender should be prepared and submitted as **One original and 2 (two) copies** in a plain sealed envelope clearly marked:

“PRE-QUALIFICATION FOR INSURANCE BROKERS FOR YEAR 2017-2019”
delivered to:

**The Company Secretary & Legal Affairs Director
Kenya Electricity Generating Company Limited.
10th Floor Pension Plaza 2, Kolobot Road, Parklands
P.O. Box 47936-00100 GPO
NAIROBI, KENYA**

- 4.4 **Deadline for Submission**
The closing date and time for the Tender shall be on **1st December 2016 at 10.00am** and shall be sent to the above address. Tenders shall be marked **One original and 2 (two) copies** in a plain sealed envelope clearly marked: **“PRE-QUALIFICATION FOR INSURANCE BROKERS FOR YEAR 2017-2019”**
- 4.5 **Late Tender**
Any Tender received after the deadline pursuant to clause 4.4 shall be rejected as a late tender and shall not be considered.
- 4.6 **Tender Opening and Evaluation**
 - 4.6.1 A committee of officials shall open the Tender immediately after the closing time for submission of the Tender.
 - 4.6.2 KenGen will prepare a record of the Tender opening.

SECTION III

FURTHER INSTRUCTIONS TO TENDERERS

5.0 EVALUATION CRITERIA

- 5.1 KenGen will examine the tenders to determine completeness, general orderliness and sufficiency in responsiveness.
- 5.2 Bidders shall not contact KenGen on the matter relating to their tender from the time of opening to the time the evaluation is finalized and official communication is sent to them. Any effort by the Bidder to influence KenGen in the Tender evaluation shall result in the rejection of their tender.
- 5.3 Pre-qualification will be based on meeting the minimum criteria regarding the applicant's legal status, general and particular experience, personnel and technical expertise as demonstrated by the responses in the attached forms.
- 5.4 The applicants should have registered offices and KenGen reserves the discretion of visiting Physical premises from which the applicant conducts business if so desired to confirm existence and capability to deliver the said services.
- 5.5 Tenderers who qualify according to the selection criteria will be invited to submit their quotations for the supply of Insurance Brokerage services as and when required.
- 5.6 KenGen reserves the right to accept or reject any or all Tenders without the obligation to assign any reason (s) for its decision thereof.

6.0 MANDATORY REQUIREMENTS

Tenderers are required to meet the qualification criteria stipulated in the appendix to instruction to tenderers. Only tenders, which fulfill these requirements, will be considered for detailed technical evaluation.

7.0 Requirements for Technical evaluation

- i) Evidence of Technical capability of the Broker to handle claims valued over **Kshs.20M** (Attach evidence of claims handled in the last 3 years to prove technical capability to handle claims of over Ksh. 20M).
- ii) Five (5) reference letters from reputable clients indicating that the broker has experience in handling insurance business with an annual premium turnover of not less than Ksh. 100 Million per annum in the year 2015 (Attach evidence)
- iii) Provide at least three (3) key professional staff as follows:-
 - a) Principal Officer must be a university graduate and an Associate of the

Chartered Insurance Institute of London or Insurance Institute or Insurance Institute of Kenya or its equivalent with at least seven years' experience as a senior manager in the Insurance Industry. Attach copy of CV certified by the employer.

- b) The other two staff must be University graduates with some progress as Associate of the Chartered Institute or Insurance Institute of Kenya or its equivalent with at least five years' experience in the insurance industry. Their CVs must be certified by the employer

vii. Detailed Operational Plan and Methodology

7.1 Evaluation of the Technical Proposal for Insurance Brokers

The technical proposals for insurance Brokers shall be evaluated using the criteria listed below:

- 7.2 A proposal must achieve a minimum technical score of **75%** to be included in the list of pre-qualified firms for year 2017-2019. Thereafter, the Pre-qualified firms will be invited to submit Request for Proposals (RFP) for premium quotations.

7.3 CONFIDENTIALITY

Information relating to evaluation of Tenders and recommendations concerning pre-qualification shall not be disclosed to the Tenderers until the pre-qualified firms have been advised accordingly.

7.4 LITIGATION

Applicants must disclose any current litigation involving the firm.

7.5 PAST PERFORMANCE

KenGen shall take into consideration previous past claims. The factors to be considered shall include failure to satisfactorily conclude claims to satisfy agreed performance benchmarks and arbitrary rejection of disputed claims, and adherence to the previous terms of reference whilst on contract.

7.6 Appendices;

- (i) Tender Submission Form duly completed and signed – Appendix I
- (ii) Mandatory Business Questionnaire –Appendix I
- (iii) Recommendation letters- Appendix III - At least five (5) Signed and stamped recommendation letter in a client's letter head.

N/B

- a) All documents must be properly bound and well presented. Loose and disorganized documents will not be accepted.
- b) All documents must be paginated and initialed

7.7 VERIFICATION OF INFORMATION

KENGEN reserves the right to verify any information provided by prospective bidders as a qualification for consideration for Insurance Brokerage Services for the **Years 2017-2019**

APPENDIX TO INSTRUCTION TO TENDERERS

The following information regarding the particulars of the tender shall complement supplement or amend the provisions of the instructions to tenderers. Wherever there is a conflict between the provision of the instructions to tenderers and the provisions of the appendix, the provisions of the appendix herein shall prevail over those of the instructions to tenderers

Instruction clause	Particulars of appendix to instructions to tenderers
Eligibility	The tender is open to National Service providers
Clarification Request	<p>Clarification period for bidders is not later than 5 days prior to tender closure. Clarification request should be sent to tenders@kengen.co.ke and copied to smwaura@kengen.co.ke</p> <p>The client shall respond to clarification request not later than 3 days to tender closure</p> <p>Bidders are advised to be checking KenGen website from time to time for any uploaded information on the tender</p>
Tender closing date and Time	The tender closes on 1 st December 2016 at 10.00am and will be opened immediately thereafter in the presence of bidder representatives who choose to attend at Stima Plaza III
Submission	Number of copies to be submitted is One Original and two copies
Evaluation Criteria	<p>The tender evaluations criteria will be as follows</p> <p>A. Preliminary /Mandatory Requirements Bidder must fulfill all the conditions as defined below.</p> <p>i. Tender Submission Form duly completed and signed – Appendix I</p> <p>ii. Duly completed Mandatory Business Questionnaire –Appendix I</p> <p>iii. Recommendation letters- Appendix III - At least five (5) Signed and stamped</p> <p>iv. Statutory Documents;</p> <ul style="list-style-type: none"> - Certified copy of the Certificate of Incorporation/Registration - must have been in existence for not less than 5 years - A copy of the valid KRA Tax Compliance Certificate - Copy of current Single Business Permit <p>v.AIBK Membership Certified copy of current membership certificates for AIBK (Association of Insurance Brokers of Kenya)</p> <p>vi. Certified copy of current IRA (Insurance Regulatory Authority) registration license for the year 2016</p> <p>vii. Valid Professional Indemnity cover of not less than Ksh100 million from a reputable insurance company.</p> <p>viii. Audited Accounts for last two year (2014,2015)</p> <p>ix. Annual premium turnover of not less than Kshs.100M for the year 2015.</p> <p>x.Company profile containing at least the organizational structure and staffing levels</p>

	<p>xi. Submission of the required number of copies</p> <p>xii. Properly organized bid document – The document should be serialized on every page and a referenced table of contents of every attachments in the bid.</p> <p>Only those bidders who qualify under the Mandatory requirements will proceed for detailed technical evaluation</p> <p>B. Technical Evaluation Requirements</p> <ul style="list-style-type: none"> - a Detailed Technical evaluation criteria is as per the table below - The minimum score for qualification is 75% - Only those bids that will satisfy the technical requirement will be prequalified.
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Detailed Technical evaluation for Insurance Brokers

	<u>Evaluation Criteria</u>	<u>Max %</u>
1.	<p>Years of experience of the firm (Maximum 15).</p> <ul style="list-style-type: none"> • Between 5 - 10 years' experience (10 Marks) • Over 10 years' experience (15 Marks) 	15
2.	<p>Technical capability of the Broker to handle claims of over Kshs.20M (Provide evidence for the last three (3) years) (Maximum 20 Marks)</p>	20
3.	<p>Financial Capability (Premium turnover) (Maximum 20 Marks)</p> <p>Must attach Five (5) reference letters from reputable clients indicating that the broker has experience in handling insurance business with an annual premium turnover of not less than Ksh 100Million per annum for the year 2015 (Provide evidence)</p>	20
4.	<p>Qualification & Competence - (Maximum 20 Marks)</p> <p>Qualifications and competence of 3 key staff as follows;</p> <ul style="list-style-type: none"> •Principal Officer – University Graduate <ul style="list-style-type: none"> - ACII/AIHK - Experience Minimum 7 years •Two other Technical Officers <ul style="list-style-type: none"> - University Graduate - Part ACII/AIHK - Experience Minimum 5 years 	6 2 2 6 2 2

5.	<p>Detailed Operational Plan and Methodology- 25 Marks</p> <p>This will include detailed execution of service, work plan and timeframe on following:-</p> <ul style="list-style-type: none"> • Claims Management - Turnaround time, handling of loss Adjusters etc • Underwriting- Placement of new covers and review of policy documents • Copies of Service level Agreement (SLA) showing turnaround time with the underwriters • Risk Management advisory and risk surveys • Training KenGen Staff and technical consultancy/advisory services 	<p>5</p> <p>5</p> <p>5</p> <p>5</p> <p>5</p>
	Total Marks	100 Marks

APPENDIX I:

TENDER SUBMISSION FORM

To: Company Secretary & Legal Affairs Director
Kenya Electricity Generating Company Limited
Pension Plaza 2, 10th Floor, Kolobot Road: Parklands
P.O. Box 47936 – 00100, GPO
NAIROBI, KENYA

FAX: 254-2-248848

Dear Madam/Sir,

We, the undersigned, hereby submit our proposal to provide Insurance Brokerage services in accordance with your Request for Pre-qualification of Insurance Brokerage Services, and we hereby submit our Tender Document.

Our Tender is binding to us and if found acceptable we shall be pleased to be included in the list of pre-qualified firms.

We understand you are not bound to accept any tender you receive.

We remain

Yours sincerely,

Authorized Signature:

Name and Title of Signatory:

Name of Tenderer:

Address:

APPENDIX II

***MANDATORY CONFIDENTIAL BUSINESS QUESTIONNAIRE**

(Must be filled by all applicants or Tenderers' who choose to participate in this tender)

Name of Applicant(s).....

You are requested to give the particulars in Part 1 and either Part 2 (a), 2 (b) or 2 (c), whichever applies to your type of business. Part 2 (d) to part 2(i/j) must be filled. You are advised that giving wrong or false information on this Form will lead to automatic disqualification/termination of your business proposal at your cost.

Part 1 – General

Business Name:.....Certificate of Incorporation / Registration No.
.....Location of business premises:
CountryPhysical address
TownBuilding.....
Floor.....Plot No.
Street / RoadPostal Address
Postal / Country Code.....Telephone No's.....
Fax No's.E-mail address
Website
Contact Person (*Full Names*) Direct / Mobile No's.....
Title Power of Attorney (**Yes / No**)
If **Yes**, attach written document.
Nature of Business (*Indicate whether manufacturer, distributor, etc*)

(Applicable to Local suppliers only)

Local Authority Trading License No. Expiry Date
Value Added Tax No.....
Value of the largest single assignment you have undertaken to date (**USD/KShs**)
Was this successfully undertaken? **Yes / No**.(If **Yes**, attach reference)
Name (s) of your banker (s)
Branches Tel. No's.

Part 2 (a) – Sole Proprietor (if applicable)

Full names
Nationality..... Country of Origin.....
.....
Company Profile (*Attach brochures or annual reports in case of public company*)

Part 2 (b) – Partnerships (if applicable)

Give details of partners as follows:

Full Names Nationality Citizenship Details Shares

1.
2.
Company Profile(*Attach brochures*)

Part 2 (c) – Registered Company (if applicable)

Private or public
Company Profile(*Attach brochures or annual reports in case of public companies*)
State the nominal and issued capital of the Company
Nominal KShs
Issued KShs

List of top ten (10) shareholders and distribution of shareholding in the company. Give details of all directors as follows:-

Full Names Nationality Citizenship Details Shares

1.....
2.....

Part 2 (d) – Debarment

I/We declare that I/We have not been debarred from any procurement process and shall not engage in any fraudulent, corrupt, coercive and obstructive acts with regard to this or any other tender by the KENGEN and any other public or private institutions.

Full Names
Signature
Dated this day of 2016.
In the capacity of
Duly authorized to sign Tender for and on behalf of

Part 2 (e) – Bankruptcy / Insolvency / receivership.

I/We declare that I/We have not been declared bankrupt or insolvent by the competent Authorities in Kenya and neither are we under receivership:

Full Names
Signature
Dated this day of 2016.
In the capacity of
Duly authorized to sign Tender for and on behalf of

Part 2 (f) – Criminal Offence

I/We, (Name (s) of Director (s)):-

a)

b)

Have not been convicted of any criminal offence relating to professional conduct or the making of false statements or misrepresentations as to its qualifications to enter into a procurement contract within a period of three (3) years preceding the commencement of procurement proceedings.

Signed
For and on behalf of M/s
In the capacity of

Dated this day of 2016.

Suppliers' / Company's Official Rubber Stamp

Part 2 (g) – Conflict of Interest

I/We, the undersigned state that I / We have no conflict of interest in relation to this procurement:

a)

b)

For and on behalf of M/s

In the capacity of

Dated this day of 2016

Suppliers' / Company's Official Rubber Stamp

Part 2 (h) – Interest in the Firm:

Is there any person/persons in KENGEN or any other public institution who has interest in the Firm? Yes/No

..... (Delete as necessary) Institution

(Title) (Signature) (Date)

Part 2(i) – Experience: NOTE

Please list here below similar projects accomplished or companies / clients you have supplied with similar items or materials in the last 5 years.

	Company Name	Country	Contract/Order No.	Value	Contact person (Full Names)	E-mail address	Cell phone No.
1							
2							
3							
4							

Part 2(i or j) – Declaration

I / We, the undersigned state and declare that the above information is correct and that I / We give KENGEN authority to seek any other references concerning my / our company from whatever sources deemed relevant, e.g. Office of the Registrar of Companies, Bankers, etc.

Full names

Signature.....

For and on behalf of M/s

In the capacity of

Dated thisday of2016.

Suppliers' / Company's Official Rubber Stamp

.....

APPENDIX III: - [To be completed on client's letterhead]

Date:

To: Kenya Electricity Generating Company Limited
Stima Plaza, Phase III, Kolobot Road: Parklands
P.O. Box 47936 – 00100, GPO
NAIROBI, KENYA

This is to certify that:
[Name of Insurance Broker]

who is participating in your pre-qualification of Insurance Brokerage Services Tender **LEGAL-----** has provided us with Insurance Brokerage services as follows;

(i) Insurance Policies handled:

Class of Insurance	Insurance Period	Total underwritten premium

(ii) Insurance Claims handled

Class of Insurance with claims	Amount of claims handled	Turnaround time of claim settlement

(iii) Performance Evaluation

(The insured to indicate client rating by ticking the appropriate box)

How do you rate the performance of the Services of above Insurance Broker in the following areas:-	Excellent 80-100	Good 50-79	Average 50	Poor Below 50
1. Claims handling				
2. Underwriting responsiveness				
3. General customer care				

Declaration

We confirm that the above Insurance Brokerage firm is currently engaged to handle our insurance policies and the total Annual premium paid is approximately **Kshs.**

Name of Authorized Signatory

Title/designation **Signature** ----- **Date** -----

Official Stamp of the Insured

Telephone Contacts