

NAIROBI CITY WATER & SEWERAGE COMPANY LTD.

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NCWSC/SCD/CONT/42/2023/VOL.III/8991/BKK

18th April, 2024

ALL BIDDERS


To _____

Dear Sir,

RE: ADDENDUM NO. 3 - NCWSC/42/2023 - PROVISION OF INSURANCE BROKERAGE SERVICES (WIBA/GROUP LIFE COMBINED POLICY AND EMPLOYERS' LIABILITY POLICY).

Bidders are advised to take note of the changes on the evaluation criteria annex 1;

The closing date remains as per addendum 2 **Friday, 26th April, 2024 at 12:00 noon.**



Benedict Kiema
For Managing Director

Board of Directors:

A. Karanja (Chairman), B. Okumu (Vice-Chair), N.C.C. C.E.C.M. Finance & Economic Planning, N.C.C. C.E.C.M. Green Nairobi, R. Hassan, E. Mukuhi, C. Alaro, E. Wamuiya, J. Mukabwa, Eng. N. M. Muguna (Managing Director)

ANNEX 1;

NO	MANDATORY REQUIREMENTS
a)	General Conditions Apply to the bidder (Broker)
1.	<i>Bidders shall prepare and submit Two copies of the Bid, clearly marking each "ORIGINAL BID" and "COPY OF BID".</i>
2.	<i>The broker to provide an authorization letter from the proposed underwriter(s). Failure to submit the letter of authorization will render the broker non-responsive.</i>
3.	<i>Submit valid and original tender security of Kes 1,250,000/= (One Million, Two Hundred and Fifty Thousand) only from a reputable bank or an insurance company approved by IRA and listed by PPRA.</i>
4.	<i>Bid Security Valid for 240 Days from date of Bid Opening.</i>
5.	<i>Written confirmation on bidder's letter head that the bidder has not been debarred as a supplier, service provider or consultant for goods, services or works in Kenya; and that the bidder is eligible to participate in Procurement and a statement that the bidder will not engage in any corrupt or fraudulent practice.</i>
6.	<i>Confidential business questionnaire duly filled</i>
7.	<i>Attach a copy of Current Valid Tax Compliance Certificate from KRA</i>
8.	<i>Attach a copy of Certificate of Incorporation/Registration</i>
9.	<i>Attach copies Identification cards/passport for the company directors.</i>
10.	<i>Attach a copy of current valid certificate of compliance to NHIF</i>
11.	<i>Attach a copy of current valid certificate of compliance to NSSF</i>
12.	<i>Attach a copy of Current Business License from Nairobi County Government</i>
13.	<i>Submit written Power of Attorney</i>
14.	<i>Submit authority to seek reference from bidders' bankers and references</i>
15.	<i>Price Schedule duly completed, signed. Brokers should also enclose a corresponding premium schedule from the proposed underwriter(s)</i>
16.	<i>Declaration of having/not having any past or current litigation or arbitration proceedings in which the Bidder is/was involved as one of the parties</i>
17.	<i>Form of Tender duly completed, signed and stamped.</i>
18.	<i>Bidders must chronologically serialize all pages of their document NUMERICALLY (i. e 1, 2, 3.....) up to the last page including all attachments.</i>
19.	<i>Bidders must Stamp every Page of their document with Official Rubber Stamp for Ownership</i>
20.	<i>Attach a copy of the audited accounts for the last two (2) current financial years</i>
21.	<i>Attach valid current copy of Certificate of registration as a broker by IRA (Insurance Regulatory Authority) – 2024</i>
22.	<i>Bank guarantee of Ksh. 3 Million deposited with the IRA (Attach copy)</i>
23.	<i>Attach a copy of professional indemnity insurance cover of not less than Kshs.150 million</i>
24.	<i>Attach a copy of current membership registration with Association of Insurance Brokers of Kenya (AIBK)</i>
25.	<i>Attach Copy of Valid Certificate of Incorporation/Registration. Current valid certificate of Confirmation of Directors and Shareholding (CR12) for limited company dated within the last 3 months or/ an ID Card for Sole Proprietorship/partnership.</i>
26.	<i>Brokers handling outstanding claims (fully documented) that are pending for more than 12 months with the Company shall not be considered.</i>
27.	<i>Bid document issued by NCWSC and forms attached to be duly completed.</i>
28.	<i>The Original Bid Document issued by NCWSC shall be returned as part of the Tender Document. Bidders must submit all the pages of the Bid document as issued without altering the content therein. All required information shall be attached to the Original Tender document and neatly bound. Documents submitted as Loose papers (files) will be rejected at Preliminary evaluation stage and shall not progress to Technical Evaluation Stage.</i>

b)	The underwriter
1.	The Underwriter shall prepare and submit two copies of the bid, clearly marking each "ORIGINAL BID" and "COPY OF BID".
2.	Written confirmation on bidder's letter head that the bidder has not been debarred as a supplier, service provider or consultant for goods, services or works in Kenya; and that the bidder is eligible to participate in Procurement and a statement that the bidder will not engage in any corrupt or fraudulent practice.
3.	Confidential business questionnaire duly filled
4.	Attach a copy of Current valid tax compliance certificate from KRA
5.	Attach a copy of Certificate of Incorporation/Registration
6.	Attach Copy of Valid Certificate of Incorporation/Registration. Current valid certificate of Confirmation of Directors and Shareholding (CR12) for limited company dated within the last 3 months or/ an ID Card for Sole Proprietorship/partnership
7.	Attach a copy of current valid certificate of compliance to NHIF
8.	Attach copy of current valid certificate of compliance to NSSF
9.	Attach a copy of current Business License from Nairobi County Government
10.	Minimum solvency margin of 100% in the latest report
11.	Submit written Power of Attorney
12.	Attach valid certificate of registration by the Insurance Regulatory Authority
13.	Proof of capital paid-up for Life Assurance of not less Ksh 300 Million.
14.	Attach valid current copy of membership to the Association of Kenya Insurer.
15.	Attach copy of the proposed underwriter (s) audited accounts for the last two (2) financial years.
16.	Bidders must chronologically serialize all pages of their document NUMERICALLY (i. e 1, 2, 3.....) up to the last page including all attachments.
17.	Underwriters to Stamp every Page of their document with Official rubber Stamp for Ownership.
18.	Current ratio should be $\geq 1:1$ (CA:CL)
19.	Working ratio should be $\leq 90\%$ Working ratio = $(\text{Total expenses} - (\text{depreciation} + \text{debt expenses})/\text{total revenue}) \times 100$
20.	Proof of valid reinsurance arrangements approved by IRA
21.	Underwriters with outstanding claims (fully documented) that are pending for more than 12 months with the Company shall not be considered.

Bidders lacking any of the above mandatory requirements will be dropped at this stage and shall not proceed to the technical stage of evaluation.

TECHNICAL EVALUATION

	Criteria	Score
	Applicable to the Bidder (Brokers)	
A	Track record and references	
	a) Attach written proof from five clients that they have handled business of similar nature and magnitude of at least 10 Million over the last three (3) years. Attach proof by providing copies of duly signed contract agreements, LSOs/LPOs or letter of awards not reference letters (one undertaking=1marks)	10
	b) Must have continuously operated as an insurance broker for the last five (5) years - Each year (1 marks)	
B	Qualification & Competence (All the certificates and CVs to be stamped and certified by the principal officer or the Managing Director)	20
	a) Principal Officer (8 Marks)	
	➤ University Graduate (2 Marks)	
	➤ Fully qualified ACII/AIHK (2 Marks)	

	<ul style="list-style-type: none"> ➤ Relevant Experience Minimum 20 years- current CV signed, certified and stamped by commissioner of oaths two (2 Marks). ➤ Length of service with the firm for at least 5 years (2 Marks) <p>b) Two (2) other Technical Officers (12 Marks)</p> <ul style="list-style-type: none"> ➤ University Graduate (1) Mark for each (Maximum 2 Marks) ➤ Diploma in ACII/AIHK certified copies of certificates must be attached (by commissioner of oaths) (2) Mark for each (Maximum 4 Marks) ➤ Experience Minimum 5 years current CVs signed, certified, and stamped by commissioner of oaths (1) Mark for each (Maximum 2 Marks) ➤ Current Professional Membership (2024) from Institute of Insurance or any other Insurance institute the two technical staff. (2) Mark for each membership (Maximum 4 Marks) 	
C	<p>Volume of business handled in the last audited year (2022/2023) (Attach evidence)</p> <ul style="list-style-type: none"> i. Equal or over Kshs. 300 million (8 mks) ii. 100 million >=and< 300million (4 mks) iii. Below 100 million (0 mark) 	8
D	<p>Enclose duly completed 3 Client Reference forms for similar undertakings and magnitude of at least 10 Million in the last 2 years (refer to Appendix I) Average Scores will be computed for each form; Rating: Excellent (3 Marks), Good (2 marks), Average (1 Marks), Poor (0 marks)</p>	9
E	Account Management strategy. Indicate TAT for all services to be offered by the Broker	3
Broker Score		50
Applicable to the Bidder's Recommended Underwriter / Lead Underwriter		
F	<p>Years of experience of the firm (Attach Certificate of Incorporation)</p> <ul style="list-style-type: none"> ➤ Over 10 years – (5 Marks) ➤ 5 – 10 Years (3 Marks) ➤ Below 5 Years (1 Mark) 	5
G	<p>Adequate Share Capital as filled with IRA as at end of 2022 or 2023 Provide documentary evidence of certified paid-up capital-CR12</p> <ul style="list-style-type: none"> ➤ Above Kshs. 1 billion (nominal shares) (6 Marks) ➤ Kshs. 500 Million > Kshs. 1 Billion (3 Marks) ➤ Below Kshs. 500 Million (1 Mark) 	6
H	<p>Experience to handle group life business: Cumulative group life premium as per latest 3 years IRA annual reports.</p> <ul style="list-style-type: none"> ➤ Above Kshs. 2 billion (6 Marks) ➤ Kshs. 1 billion > Kshs. 2 billion (3 Marks) ➤ Below Kshs. 1 billion (1 Mark) 	6
I	<p>Experience in handling GPA/ WIBA business: Cumulative GPA/WIBA premium as per latest 3 years IRA annual reports.</p> <ul style="list-style-type: none"> ➤ Above Kshs. 500 million (6 Marks) ➤ Kshs. 300 million > Kshs. 500 million (3 Marks) ➤ Below Kshs. 300 million (1 Mark) 	6
J	<p>Solvency Ratio for the last audited financial year 2023:</p> <ul style="list-style-type: none"> ➤ 120% and above (5 Marks) ➤ 100% > 120% (2 Mark) ➤ Below 100% (1 Mark) 	5
K	<p>Underwriting experience (Within the last three years) (Attach the said public sector/parastatal current client award letters/LSO's and Contract) Attach at least Five (5) clients with premiums of over Kshs. 20 million each in GPA/WIBA or Group Life (10 Marks) 1 Marks for each</p>	5

L	Recommendation letters from the 5 clients above (Must be within the last 2 Months) Verifiable Recommendation letters (5 Marks) 1 Mark for each	5
M	Claims Turnaround time – Provide proof in form of signed and stamped discharge vouchers and proof of payment. At Least 5 Claims (WIBA / GPA / GLA POLICY) claims (above Kshs. 1,000,000) settled in the last one year) ➤ 0 to 30 days - (2 Marks each) ➤ 31 to 90 days – (1 Mark each) Above 90 days – (0 Mark)	10
N	Underwriters underwriting plan Provide a methodology & work plan ➤ Claims &Underwriting Management -Illustrating a clear working plan and Turnaround time. (2 marks)	2
Underwriter / Lead Underwriter Score		50
TOTAL SCORE		100

Broker and Underwriter combined shall be required to obtain a minimum of eighty-five (85) marks at the Technical Evaluation in order to qualify to proceed to next Financial Evaluation stage.

Financial Evaluation

The lowest Evaluated bidder shall be awarded the contract.