



ISO 9001: 2015 CERTIFIED

TENDER NO.KRA/HQS/NCB-012/2017-2018

**PREQUALIFICATION OF INSURANCE UNDERWRITERS FOR A PERIOD OF THREE
(3) YEARS**

CLOSING DATE: TUESDAY 28th SEPTEMBER 2018
AT 11.00 A.M.

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TENDER NOTICE

Date: 28TH AUGUST 2018

Reference: KRA/HQS/NCB-012/2017-2018

Tender name: **PRE-QUALIFICATION OF INSURANCE UNDERWRITERS FOR THREE YEARS**

Kenya Revenue Authority (KRA) is a parastatal under the National Treasury and charged with the mandate to collect Exchequer Revenue on behalf of the Government of Kenya. KRA is now seeking to prequalify Insurance Underwriters for period of three (3) years.

KRA has taken note of the challenge of Insurance industry and has made a deliberate decision because of its large portfolio to work with only premium rated insurance companies. This mitigates the risk of claim non-payment when they fall due.

For underwriters who will be prequalified, KRA shall through Insurance Brokerage firms, place its insurance covers with them only.

Tender document may be obtained for free from the website at www.kra.go.ke under tenders tab and the National Treasury website www.tenders.go.ke. Completed tender documents clearly marked with the correct Tender Number should be dropped in the Tender Box on Ground Floor, Times Tower, on or before 11.00am 28th September 2018 .Late Tenders will not be accepted irrespective of the circumstances.

The Commissioner General
Kenya Revenue Authority
Times Tower
Haile Selasie Avenue
P.O. BOX 48240, 00100 NAIROBI
Email: eprocurement@kra.go.ke

Applications will be opened immediately thereafter, in the presence of bidders or their representatives who choose to attend at address indicated above.

PRE-QUALIFICATION INSTRUCTIONS

1.1 Introduction

KRA invites interested qualified candidates as per criteria as provided for in this Tender Document and eligible to perform the contract provision of insurance underwriting services. The prospective companies must have a global Credit Rating of **AA to AA-**. The companies must have an asset base above Kenya Shillings three (3) Billion and paid up capital of at least **KES 150 million**. The other key success criteria is outlined elsewhere in this document.

1.2 Pre-qualification Objective and Scope

KRA has various insurance covers including Assets and liability, WIBA, automotive insurances, fire and other risks and staff GPA and last expense covers. The objective is to get at least one underwriter for each for each class of insurance KRA has.

1.3 Invitation for Pre-qualification

Underwriters registered under the Laws of Kenya to provide respective insurance covers are invited to submit their PRE-QUALIFICATION documents to Commissioner General, Kenya Revenue Authority so that they can be pre-qualified for submission of quotations/Tenders. The prospective Suppliers are required to supply mandatory information for pre-qualification. KRA will instruct the insurance brokerage companies to obtain quotations from **only** the underwriters it has prequalified.

1.4 Threshold

Potential insurance companies must demonstrate the capacity, willingness and commitment to meet the pre-qualification criteria. All information quoted or referenced to **MUST** be adequately supported.

1.5 Pertinent information requirement

This document includes questionnaire forms and documents required of prospective underwriters.

1.6 In order to be considered for pre-qualification, prospective suppliers must submit all the information herein requested.

1.7 Mode of Submission of Pre-qualification Documents

Original and one (1) neatly bound hard copies of the completed pre-qualification data and other requested information shall be submitted to be received on or before date specified under invitation to tender.

1.8 Questions Arising from Documents

Questions that may arise from the pre-qualification documents should be directed to Deputy Commissioner- Supply Chain Management, at the address indicated under invitation to tender.

1.9 Additional Information

KRA reserves the right to request submission of additional information from prospective bidders. Such request shall not amount to modification of tender submitted but as supportive evidence to already submitted information.

2.0 PRE-QUALIFICATION DATA INSTRUCTIONS

2.1 Pre-qualification data forms

The attached questionnaire forms PQ-1, PQ-2, PQ-3, PQ-4, PQ-5, PQ-6, PQ-7, are to be completed by prospective underwriters who wish to be pre-qualified for submission of quotations through the Insurance Brokers for the specific tender(s).

2.1.1 Incomplete or incorrectly filled pre-qualification forms submitted in the prescribed manner will **NOT** be considered. All the documents that form part of the proposal must be written in English.

2.2 Qualification

2.2.1 It is understood and agreed that the pre-qualification data on prospective bidders is to be used by KRA in determining, according to its sole judgment and discretion, the qualifications of prospective bidders to perform in respect to the category as described.

2.2.2 Prospective bidders will not be considered qualified unless in the judgment of KRA that the bidder possesses the capability, experience, qualified personnel available and suitability of equipment and net current assets or working capital sufficient to satisfactorily execute the contract for the services.

2.3 Essential Criteria for Pre-qualification

Experience: Prospective bidders shall have outstanding experience in providing insurance underwriting services

Reputation: Prospective bidders shall have reputation in particular on expedient settlement of claims.

Solid Financial Base: Prospective bidders shall have pronounced financial base with asset base of at least KES 3Billion.

2.3.2 Personnel

The names and pertinent information and CV of the key personnel for individuals of at least 5 top management team to execute the contract must be indicated in form PQ-3. Please attach the organogram with a brief profile for each senior management team member.

2.3.3 Financial stability

The Supplier's financial stability will be determined by latest financial statements and the bank statement submitted with the prequalification documents as well as letters of reference from their bankers regarding suppliers/contractor's credit position. Potential suppliers/contractors will be pre-qualified on the satisfactory information given.

2.3.4 Special consideration will be given to the financial resources available as working capital, considering the amount of uncompleted orders, on contract and in progress (data on Form PQ-4). However, potential bidders should provide evidence of financial capability to deliver the services.

3.3.5 Past Performance

Past performance will be given due consideration in pre-qualifying bidders. Letter of reference from past customers/clients of similar size to KRA should be included in Form PQ-6

3.4 Accuracy of information submitted

The tenderer shall swear in (Form PQ-7) that the information submitted is nothing but the pure truth regarding the organization. Supply of false information is a sufficient ground for disqualification.

3.5 Withdrawal of Prequalification

Should a circumstance change between the time the firm bid for pre-qualification and the bid opening date, which in the opinion of KRA could substantially change the performance and qualification of the bidder or his

ability to perform such as but not limited to bankruptcy, change in ownership or new commitments, KRA reserves the right to reject the tender from such a bidder even though she was initially pre-qualified.

3.6 The firm must have a Fixed Business Premise (provide valid lease agreement or certificate of ownership to premise) and must be registered in Kenya, with certificate of registration/ incorporation and copies attached during bid submission.

3.6.1 The firm must prove that it has paid all its statutory obligations and have a valid Tax Compliance Certificate.

3.7 Prequalification Criteria
See the technical criteria.

All copy documents attached must be certified as true copies of Original by a Commissioner of Oaths or Public Notary.

FORM PQ-1 REGISTRATION DOCUMENTS

The following are mandatory documents that needs to be submitted : -

1. A valid Tax Compliance Certificate from Kenya Revenue Authority
(*non-submission hereof leads to automatic disqualification with no further evaluation of your application*).
2. Copy of Certificate of Incorporation
3. Copy of a Valid Business License
4. Valid Insurance Regulatory Authority License for the class of insurance applied for.

FORM PQ-2 -PRE-QUALIFICATION DATA

SUPPLIER REGISTRATION APPLICATION FORM

I/We hereby apply for registration as supplier(s)

(Name of Company/Firm)

of

.....
(Item Description)

.....
(Class of Insurance)

Post Office Address

.....
Town

.....
Street

.....
Name of building

.....
Room/Office No. Floor No.

.....
Telephone Nos. Fax.....email

.....
Full Name of applicant

.....
Other branches location

2. Organization & Business Information

Chief Executive/Managing Director

.....

Other senior management team

.....

.....

(Name and designation)

Partnership (if applicable)

Names of Partners.....

3. Business founded or incorporated in the year.....

4. Under present management since

5. Net worth equivalent KES

6. Bank reference and address

.....

.....

7. Organization's nature of business.....

8. What gives your organization an edge over your competitors

.....

.....

.....

.....

.....

9. Indicate terms of trade/sale

PQ-3 SUPERVISORY PERSONNEL

Name and

designation.....

.....

Age

.....

.....

Academic Qualification

.....

.....

.....

Professional Qualification

.....

.....

.....

Length of service with Contractor or Supplier and position held

.....

.....

.....

(Attach copies of certificates/CV of key personnel in the organization)

PQ-4 - FINANCIAL POSITION

- (1) Attach copies of firm's two recent certified audited books of Accounts for the last three (3) years.
- (2) Attach last three months bank statement
- (3) Attach letter of reference from the bankers regarding supplier's credit position.

The following mandatory requirements **MUST** be met by the Insurance Company (Underwriter).

Stage 1:

ITEM	REQUIREMENT S	BIDDER'S RESPONSE
1.	Copies of audited Financial Statements for the for the three accounting years falling within 2015,2016 and 2017	
2.	Copy of the company's current Certificate of Tax Compliance issued by Kenya Revenue Authority (KRA) valid as at the closing date of the Tender.	
3.	Copy of Certificate of Incorporation	
4.	Copy of current membership with the Association of Kenya Insurers (AKI)	
5.	Company's profile	
6.	Credit Rating of A- (MINUS) and above by GCR (Global Credit Rating) on Claims Paying Ability	

Bidders will be required to meet all the Mandatory Requirements to qualify to proceed to stage 2 of evaluation on minimum technical requirements.

Stage 2. MINIMUM TECHNICAL REQUIREMENTS ON INSURANCE COMPANIES

ITEM	PARAMETER	RESPONSE	COMPLIANCE (YES/NO)
1.	Must have done annual gross premium of at least KES 1Billion per year from 2015, 2016 and 2017.		
2.	Provide at least three reputable clients business whose annual premiums for each is above KES 50 Million falling between 2015 and 2017.		
3.	Must have total number of management staff of at least 20 No. as stated in the company profile		

Bidders shall be required to meet all the minimum technical requirements to proceed to stage 3 of the evaluation.

Stage 3. TECHNICAL EVALUATION (CAPACITY TO DELIVER THE SERVICE)

The bidding Underwriter will be subjected to technical evaluation on capacity to deliver the service using the technical parameters detailed below:

	Evaluation Criteria		Weight	Maximum Score
1.	Life Insurance Premium Turnover for 2017	(i) 1Billion and above (ii) 700 – 799Million (iii)500 -699Million	20 15 10	20
2.	Free Cover Limit (FCL)	Kshs 25Million	5	5
3.	Liquidity Ratio for the 2015,2016 and 2017 financial years	i) Greater than 1:1 (ii) 0.5:1 to 1:1 (iii) Less than 0.5:1	5 marks per year 3 marks per year 0 mark per year	15
4.	Profitability margin	i)10% and Above (ii) 5 – 9% (iii) 1 – 4% Below 1%	15 10 5 0	15
5.	Branch Network of the Underwriter	i)At least 3 (ii) Less than 3	10 5	10
6.	Revenue Reserve for 2017	i)20Million and above (ii) Below 20Million	10 5	10
7.	Share Capital	(i) 150Million and above (ii) Below 150Million	5 0	5
8.	Actuarial valuation Report for the last 3 years i.e 2015, 2016 and 2017.	3Years	5	15
	TOTAL			80

Passmark 60/80

FORM PQ-5 CONFIDENTIAL BUSINESS QUESTIONNAIRE (\$33)

You are requested to give the particulars indicated in Part I and either Part 2 (a), 2 (b) or 2 (c) whichever applies to your type of business.

You are advised that it is a serious offence to give false information on this form

<i>Part I- General :</i>	
Business Name	
.....	
Location of business	
premises.....	
Plot No.	
Street/Road.....	
Postal Address.....Tel.	
No.....	
Nature of	
business.....	
Current Trade Licence No.....Expiring	
date.....	
Maximum value of business which you can handle at any one time :	
Kshs.....	
Name of your bankers.....Branch	
.....	

<input type="checkbox"/>	<i>Part 2 (a) – Sole Proprietor</i>
	Your name in
	full.....Age.....
	Nationality.....Country of
	origin.....
<input type="checkbox"/>	*Citizenship
	details.....

<input type="checkbox"/>	<p>Part 2 (b) Partnership</p> <p>Given details of partners as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 30%; text-align: center;"><i>Name</i></th> <th style="width: 20%; text-align: center;"><i>Nationality</i></th> <th style="width: 20%; text-align: center;"><i>Citizenship Details</i></th> </tr> </thead> <tbody> <tr> <td><i>Shares</i></td> <td></td> <td></td> <td></td> </tr> <tr><td>.....</td><td></td><td></td><td></td></tr> <tr><td>.....</td><td></td><td></td><td></td></tr> <tr><td>.....</td><td></td><td></td><td></td></tr> <tr><td>.....</td><td></td><td></td><td></td></tr> <tr><td>.....</td><td></td><td></td><td></td></tr> <tr><td>.....</td><td></td><td></td><td></td></tr> <tr><td>.....</td><td></td><td></td><td></td></tr> </tbody> </table>		<i>Name</i>	<i>Nationality</i>	<i>Citizenship Details</i>	<i>Shares</i>																																					
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<p>Part 2 (c) – Registered Company:</p> <p>Private or Public.....</p> <p>State the nominal and issued capital of company-</p> <p style="padding-left: 40px;">Nominal Kshs.....</p> <p style="padding-left: 40px;">Issued Kshs.....</p> <p>Given details of all directors as follows:-</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 30%; text-align: center;"><i>Name</i></th> <th style="width: 20%; text-align: center;"><i>Nationality</i></th> <th style="width: 20%; text-align: center;"><i>Citizenship Details</i></th> </tr> </thead> <tbody> <tr> <td><i>Shares</i></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1.</td> <td></td> <td></td> <td></td> </tr> <tr><td>.....</td><td></td><td></td><td></td></tr> <tr><td>...</td><td></td><td></td><td></td></tr> <tr> <td>2.</td> <td></td> <td></td> <td></td> </tr> <tr><td>.....</td><td></td><td></td><td></td></tr> <tr><td>...</td><td></td><td></td><td></td></tr> <tr> <td>3.</td> <td></td> <td></td> <td></td> </tr> <tr><td>.....</td><td></td><td></td><td></td></tr> <tr><td>...</td><td></td><td></td><td></td></tr> <tr> <td>4.</td> <td></td> <td></td> <td></td> </tr> <tr><td>.....</td><td></td><td></td><td></td></tr> <tr><td>...</td><td></td><td></td><td></td></tr> <tr> <td>5.</td> <td></td> <td></td> <td></td> </tr> <tr><td>.....</td><td></td><td></td><td></td></tr> <tr><td>....</td><td></td><td></td><td></td></tr> </tbody> </table>		<i>Name</i>	<i>Nationality</i>	<i>Citizenship Details</i>	<i>Shares</i>				1.							2.							3.							4.							5.						
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DateSignature of

Candidate.....

*if Kenya Citizen, indicate under “Citizenship Details” whether by Birth, Naturalization or Registration.

15

FORM PQ-6 - PAST EXPERIENCE**NAMES OF THE APPLICANTS CLIENTS IN THE LAST TWO YEARS
AND VALUES OF CONTRACT/ORDERS (give five best by value)****1. Name of 1st Client (Organization)**

i) Name of Client (organization)

.....

ii) Address of Client (organization)

.....

iii) Name of Contact Person at the client (organization)

.....

iv) Telephone No. of Client

.....

v) Value of Contract

.....

vi) Duration of Contract (date)

.....

(Attach documental evidence of existence of contract)

2. Name of 2nd Client (organization)

i) Name of Client (organization)

.....

ii) Address of Client (organization)

.....

iii) Name of Contact Person at the client (organization)

.....

iv) Telephone No. of Client

.....

v) Value of Contract

.....

vi) Duration of Contract (date)

.....

(Attach documental evidence of existence of contract)

3. Name of 3rd Client (organization)

i) Name of Client (organization)

.....

ii) Address of Client (organization)

.....

iii) Name of Contact Person at the client (organization)

.....

iv) Telephone No. of Client

.....

v) Value of Contract

.....

vi) Duration of Contract (date)

.....

(Attach documental evidence of existence of contract)

4. Others

.....

(30 Points)

FORM PQ-7 - SWORN STATEMENT

Having studied the pre-qualification information for the above project we/I hereby state:

- a. The information furnished in our application is accurate to the best of our knowledge.
- b. That in case of being pre-qualified, we acknowledge that this grants us the right to participate in due time in the submission of a tender or quotation on the basis of provisions in the tender or quotation documents to follow.
- c. We will not engage in corrupt practices with the KRA Members of Staff.
- d. We have not been debarred from participating in Public Procurement Proceedings.
- e. When our legal, technical or financial conditions or the contractual capacity of the firm changes, we volunteer to inform you of the status and acknowledge your right to review the pre-qualification made.
- f. We enclose all the required documents and information for the pre-qualification evaluation.

Date

Applicant's Name

Represented by

Signature

(Full name and designation of the person signing and stamp or seal)