



Kenya Electricity Transmission Company Limited

TENDER NO: KETRACO/PT/16/2015

**TENDER FOR PROVISION OF INSURANCE BROKERAGE
SERVICES FOR KETRACO SUBSTATIONS
FOR THE PERIOD 2015 TO 2017**

DATE OF TENDER DOCUMENT

**ALL TENDERERS ARE ADVISED TO READ CAREFULLY THIS TENDER
DOCUMENT IN ITS ENTIRETY BEFORE MAKING ANY BID**

THE KENYA ELECTRICITY TRANSMISSION COMPANY LIMITED
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CLOSING DATE 27TH NOVEMBER 2015.

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SECTION I - INVITATION TO TENDER

DATE:

The Kenya Electricity Transmission Company Limited Kenya Electricity Transmission Company Limited(KETRACO) invites tenders from eligible tenderers for provision of the following services:

TENDER NUMBER	TENDER DESCRIPTION	TENDER CLOSING DATE
KETRACO/PT/16/2015	Provision of Insurance Brokerage Services for 2 years- 2015 to 2017	27th November, 2015 at 10.00 a.m

A copy of the Tender documents detailing the requirements may be obtained from **the Manager, Supply Chain Management on 2nd Floor, Capitol Hill Square, Chyulu Road, Upper Hill Nairobi**, on normal working days, between **9.00 a.m. to 12.30 p.m.** and **2.00 p.m. to 4.30 p.m.**

Tenderers should submit the Technical and Financial Proposals in separate, plain, sealed envelopes marked with the “**Tender Number and Tender Description**” as more particularly described in the tender documents and addressed and delivered to:

**The Company Secretary
2nd Floor, Capitol Hill Square, Upper Hill, Nairobi
P O Box 30099 - 00100
Nairobi, Kenya.**

So as to be received not later than **27th November, 2015 at 10.00 a.m.** on the tender closing date shown above.

Technical Proposals will be opened promptly after closing and bidders or their representatives are welcome to witness the opening at **KETRACO Offices at 2nd Floor, Capitol Hill Square, Upper Hill, Nairobi, Nairobi.**

**MANAGER, SUPPLY CHAIN MANAGEMENT
FOR KENYA ELECTRICITY TRANSMISSION COMPANY**

SECTION II - TENDER SUBMISSION CHECKLIST

A. Tender Submission Format - Technical Proposals

This order and arrangement shall be considered as the Tender Submission Format for Technical Proposals. Tenderers shall tick against each item indicating that they have provided it, noting that the listed items are **Mandatory Requirements**.

No.	Item	Tick Where Provided
1.	Tender Security	
2.	Declaration Form	
3.	Duly Completed Tender Form	
4.	Copy of Company or Firm's Registration Certificate	
5.	Copy of PIN Certificate	
6.	Copy of Valid Tax Compliance Certificate	
7.	Confidential Business Questionnaire (CBQ) Form	
8.	Bank Guarantee Deposit with Insurance Regulatory Authority/Commissioner of Insurance of Kshs 3 million	
9.	List of five (5) previous customers of similar services, excluding KETRACO within the last three (3) years together with full contacts and physical addresses	
10.	Audited Financial Statements for years 2013 and 2014	
11.	Professional Indemnity Cover, minimum Kshs 50 million	
12.	Statement of Compliance to Details of Service	
13.	Premium Turnover- List of accounts, excluding KETRACO, constituting declared premium turnover of at least Kshs 10 million per year for the last two years	
14.	Certificate of Registration as an Insurance Broker, Year 2015	
15.	Membership Certificate with Association of Insurance Brokers of Kenya, Year 2015	
16.	Statement on Deviations to Compliance to Details of Service	
17.	Any other document or item required by the Tender Document that is non-financial. (The Tenderer shall specify such other documents or items it has submitted)	
18.	Proof of having undertaken provision of related brokerage services in the last 5 years (attach award letters)	

B. Tender Submission Format – Financial Proposal

This order and arrangement shall be considered as the Tender Submission Format, Financial Proposal. Tenderers shall tick against each item indicating that they have provided it, noting that the listed items are **Mandatory Requirements**.

No.	Item	Tick Where Provided
1.	Price Schedule(s), completed and signed	
2.	Recommended Underwriters' Audited Financial Statements Years 2013 2014. Underwriters may send directly to Ketraco but it is the obligation of the broker to make sure that such documents are delivered and attach letter of forwarding the documents. Failure of receipt of the documents will result in disqualification.	
3.	Letters from the Recommended Underwriters on their letterhead supporting the Tenderer's Price Quotations (Kindly attaché the original quotation)	
4.	Principals' (Recommended Underwriters') Authorization Letters	
5.	Sample Policies of Recommended Underwriters including all Extensions and warranties applicable.	
6*	Any other document or item required by the Tender Document that is financial. (The Tenderer shall specify such other documents or items it has submitted)	

***NOTES TO TENDERERS**

1. Valid Tax Compliance Certificate shall be one issued by the relevant tax authorities and valid for **at least up to the tender closing date**. All Tenderers must provide a valid Tax Compliance Certificate.
2. All Tenderers must provide the Personal Identification Number Certificate (PIN Certificate).
3. A non-financial document or item includes one that does not contain or reveal the tender price(s) of the services. **A Tenderer shall not insert financial documents or items in the Non-financial tender submission envelopes or packages.**
4. A financial document or item includes one that contains all information on the tender price(s) of the services **A Tenderer shall not insert Non-financial documents or items in the financial tender submission envelopes or packages.**

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SECTION III - INSTRUCTIONS TO TENDERERS (ITT)

3.1 Definitions

In this tender, unless the context or express provision otherwise requires: -

- a) *Any reference to any Act shall include any statutory extension, amendment, modification, re-amendment or replacement of such Act and any rule, regulation or order made there-under.*
- b) *“**Date of Tender Document**” shall begin with the first day and end on the last day of the month appearing on the cover page of the Tender Document.*
- c) *“**Day**” means calendar day and “**month**” means calendar month.*
- d) *“**KEBS**” wherever appearing means the Kenya Bureau of Standards or its successor(s) and assign(s) where the context so admits.*
- e) *“**PPOA**” wherever appearing means The Public Procurement Oversight Authority or its successor(s) and assign(s) where the context so admits.*
- f) *Reference to “**the tender**” or the “**Tender Document**” includes its appendices and documents mentioned hereunder and any reference to this tender or to any other document includes a reference to the other document as varied supplemented and/or replaced in any manner from time to time.*
- g) *“**The Procuring Entity**” means The Kenya Electricity Transmission Company Limited or its successor(s) and assign(s) where the context so admits (hereinafter abbreviated as KETRACO).*
- h) *“**The Tenderer**” means the person(s) submitting its Tender for the provision of services in response to the Invitation to Tender.*
- i) *Where there are two or more persons included in the expression the “**Tenderer**”, any act or default or omission by the Tenderer shall be deemed to be an act, default or omission by any one or more of such persons.*
- j) *Words importing the masculine gender only, include the feminine gender or (as the case may be) the neutral gender.*
- k) *Words importing the singular number only include the plural number and vice-versa and where there are two or more persons included in the expression the “**Tenderer**” the covenants, agreements and obligations expressed to be made or performed by the Tenderer shall be deemed to be made or performed by such persons jointly and severally.*

3.2 Eligible Tenderers

- 3.2.1 This Invitation to Tender is open to all Tenderers eligible as described in the *Appendix to Instructions to Tenderers*. Successful Tenderers shall provide the Services in accordance with this tender and the ensuing contract.
- 3.2.2 Notwithstanding any other provisions of this tender, the following are not eligible to participate in the tender:-
- a) KETRACO's employees, its Board or any of its committee members.
 - b) Any Cabinet Secretary or Principal Secretary of the Government of the Republic of Kenya (GoK).
 - c) Any public servant of GoK.
 - d) Any member of a Board or Committee or any department of GoK.
 - e) Any person appointed to any position by the President of Kenya.
 - f) Any person appointed to any position by any Cabinet Secretary of GoK.
- 3.2.3 For the purposes of this paragraph, any relative i.e. spouse(s) and child(ren) of any person mentioned in *sub-paragraph 3.2.2* is also ineligible to participate in the tender. In addition, a Cabinet Secretary shall include the President, Deputy-President or the Attorney General of GoK.
- 3.2.4 Tenderers shall provide the qualification information statement that the Tenderer is not associated, or have been associated in the past, directly or indirectly, with a firm or any of its affiliates which have been engaged by KETRACO to provide consulting services for the preparation of the design, specifications, and other documents to be used for the procurement of the services under this Invitation to Tender.
- 3.2.5 Tenderers shall not be under declarations of ineligibility for corrupt, fraudulent practices and are not amongst persons mentioned in *sub-paragraphs 3.2.2* and *3.2.3* above.
- 3.2.6 Tenderers who are not under these declarations shall complete the Declaration Form strictly in the form and content as prescribed at *Section XIII*.
- 3.2.7 Those that are under the Declaration for corrupt and fraudulent practices whether currently or in the past shall not complete the Form. They will submit a suitable Form giving details, the nature and present status of their circumstances.

3.3 Cost of Tendering

3.3.1 The Tenderer shall bear all costs associated with the preparation and submission of its Tender. KETRACO will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the tendering process.

3.3.2 The price to be charged for the Tender Document shall be as indicated in the Invitation to Tender but in any case ***not exceeding Kshs.1,000/=***.

3.4 Contents of the Tender Document

3.4.1 The Tender Document comprises the items listed below and Addendum (where applicable) issued in accordance with ***paragraph 3.6*** of these Instructions to Tenderers: -

- a) *Invitation to Tender*
 - b) *Tender Submission Checklist*
 - c) *Instructions to Tenderers*
 - d) *Appendix to Instructions to Tenderers*
 - e) *Schedule of Requirements*
 - f) *Price Schedule for Services*
 - g) *Evaluation Criteria*
 - h) *General Conditions of Contract*
 - i) *Special Conditions of Contract*
 - j) *Tender Form*
 - k) *Confidential Business Questionnaire Form*
 - l) *Tender Security Form*
 - m) *Principal's Authorization Letter*
 - n) *Declaration Form*
 - o) *Contract Form*
 - p) *Performance Security Form*
 - q) *Details of Service*
-
- (i.) *General Requirements*
 - (ii.) *Specific Details of Services*
-
- r) *Premium Turnover – List of Accounts (Excluding KETRACO Accounts)*

3.4.2 The Tenderer is expected to examine all instructions, forms, provisions, terms and specifications in the Tender Document. Failure to furnish all information required by the Tender Document or to submit a tender not substantially responsive to the Tender Document in every respect will be at the Tenderer's risk and shall result in the rejection of its Tender.

3.4.3 All recipients of the documents for the proposed Contract for the purpose of submitting a tender (whether they submit a tender or not) shall treat the details of the documents as "**Private and Confidential**".

3.5 Clarification of Documents

A prospective Tenderer requiring any clarification of the Tender Document may notify the Procurement Manager in writing or by post at KETRACO's address indicated in the Invitation to Tender. KETRACO will respond in writing to any request for clarification of the Tender documents, which it receives not later than seven (7) days prior to the deadline for the submission of Tenders, prescribed by KETRACO. Written copies of KETRACO's response (*including an explanation of the query but without identifying the source of inquiry*) will be sent to all prospective Tenderers that have duly received the Tender Document.

3.6 Amendment of Documents

3.6.1 At any time prior to the deadline for submission of Tenders, KETRACO, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Tenderer, may modify the tender documents by amendment.

3.6.2 All prospective Tenderers that have received the tender documents will be notified of the amendment(s) (*hereinafter referred to or otherwise known as addendum*) in writing and will be binding on them.

3.6.3 In order to allow prospective Tenderers reasonable time in which to take the amendment into account in preparing their Tenders, KETRACO, at its discretion, may extend the deadline for the submission of Tenders.

3.7 Language of Tender

The Tender prepared and submitted by the Tenderer, as well as all correspondence and documents relating to the tender, exchanged between the Tenderer and KETRACO, shall be written in English language.

3.8 Documents Comprising the Tender

The Tender prepared and submitted by the Tenderers shall include but not be limited to all the following components: -

- a) *Declaration Form, Tender Form and a Price Schedule completed in compliance with **sub- paragraph 3.2.6 and paragraphs 3.9, 3.10 and 3.11** respectively.*
- b) *Documentary evidence established in accordance with **paragraph 3.12** that the Tenderer is eligible to tender and is qualified to perform the contract if its tender is accepted.*
- c) *Documentary evidence established in accordance with **paragraph 3.13** that the services and any ancillary thereto to be provided by the Tenderer conform to the tender documents, and,*
- d) *Tender Security furnished in accordance with **paragraph 3.15***
- e) *A detailed list of previous customers, excluding KETRACO, as prescribed for similar services on tender and their contact addresses shall be submitted with the Tender for the purpose of reference, or for evaluation where the Details of Service so dictate.*
- f) *Declaration of Premium Turnover in the exact format as prescribed in **Section IXX**.*

3.9 Tender Form

The Tenderer shall complete and sign the Tender Form and all other documents furnished in the Tender Document, indicating the services to be performed, a brief description of the services, quantity (where applicable), and total prices amongst other information required.

3.10 Tender Prices

- 3.10.1 The Tenderer shall indicate on the appropriate Price Schedule, the unit prices (where applicable) and total tender price of the services it proposes to provide under the contract including premium, excess or deductible, brokerage remuneration and all duties, levies or taxes payable.

3.10.2 Prices indicated on the Price Schedule shall be of all costs for the services including duties, levies and other taxes payable. No other basis shall be accepted for evaluation, award or otherwise.

3.10.3 Tender prices to be submitted (quoted) by the Tenderer shall remain fixed for the contract duration. A tender submitted with variable tender prices and premium rates shall be treated as non-responsive.

3.11 Tender Currencies

3.11.1 The prices shall be quoted in Kenya Shillings, or in another freely convertible currency in Kenya. The currency quoted must be indicated clearly on the Price Schedule of Services.

3.11.2 The exchange rate to be used for currency conversion shall be the Central Bank of Kenya selling rate ruling on the Tender closing date.

3.12 Tenderer's Eligibility and Qualifications

3.12.1 Pursuant to *paragraph 3.2*, the Tenderer shall furnish, as part of its Tender, documents establishing the Tenderer's eligibility to tender and its qualifications to perform the contract if its Tender is accepted.

3.12.2 The documentary evidence of the Tenderer's qualifications to perform the contract if its Tender is accepted shall be established to KETRACO's satisfaction –

- a) *that, in the case of a Tenderer offering to perform the services under the contract which the Tenderer is not the Principal (Recommended Underwriter), the Tenderer has been duly authorized by the Principal (Recommended Underwriter) to provide the services. The authorization shall strictly be in the form and content as prescribed in the Principal's (Recommended Underwriter's) Authorization Letter in the Tender Document*
- b) *that the Tenderer has the financial capability necessary to perform the contract. The Tenderer shall be required to provide the documents as specified in the **Appendix to Instructions to Tenderers** including a current Tax Compliance Certificate issued by the relevant tax authorities.*
- c) *that the Tenderer has the technical and professional capability necessary to perform the contract.*

d) *that the Tenderer is duly registered and is a current member of a recognized body or institution accredited and or pertaining to that service.*

3.12.3 The Tenderer will furnish KETRACO with a copy of the accreditation or recognition certificate as applicable. KETRACO reserves the right to subject the certificate to authentication.

3.12.4 Tenderers and or their recommended underwriters with a record of documented, unresolved and unsatisfactory performance or default in performance obligations in any previous contract risk not being considered for evaluation or award. For the avoidance of doubt, this shall include any Tenderer and or their recommended underwriter with unresolved case(s) in its obligations for more than three (3) months in any previous contract and or documented arbitrary rejection of claims.

3.13 Conformity of Services to Tender Documents

3.13.1 The Tenderer shall furnish, as part of its tender, documents establishing the conformity to the Tender Document of all services that the Tenderer proposes to perform under the contract.

3.13.2 The documentary evidence of conformity of the services to the Tender Document may be in the form of literature, drawings, and data, and shall (where applicable) consist of: -

- a) *a detailed description of the essential technical and performance characteristics of the services whether in brochures, catalogues, drawings or otherwise,*
- b) *duly completed Statement of Compliance to KETRACO's Details of Service demonstrating substantial responsiveness of the service to those Details or, a statement of deviations and exceptions to the provisions of the Details of Service.*

3.13.3 For purposes of the documentary and other evidence to be furnished pursuant to *sub-paragraphs 3.13.1, 3.13.2* and *paragraph 3.14*, the Tenderer shall note that standards for services designated by KETRACO in its *Details of Service* are intended to be descriptive only and not restrictive. The Tenderer may adopt higher standards in its Tender, provided that it demonstrates to KETRACO's satisfaction that the substitutions ensure substantial equivalence to those designated in the *Details of Service*.

3.14 Demonstration(s) and Inspection(s)

- 3.14.1 All Tenderers shall demonstrate ability of performance of the required service in conformity with the *Schedule of Requirements* and *Details of Services*.
- 3.14.2 KETRACO or its representative(s) shall have the right to inspect the Tenderer's capacity, equipment, premises, and to confirm their conformity to the tender requirements. This shall include any quality management system(s). KETRACO's representative(s) retained for these purposes shall provide appropriate identification at the time of such inspection.
- 3.14.3 KETRACO shall meet its own costs of the inspection. Where conducted on the premises of the Tenderer, all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to KETRACO.
- 3.14.4 Demonstration and or Inspection Report(s) shall be completed upon conclusion of the inspection. This Report will be considered at time of evaluation and or award.

3.15 Tender Security

- 3.15.1 The Tenderer shall furnish, as part of its Tender, a tender security of **two per cent (2%)** of the total annual premiums quoted.
- 3.15.2 The tender security shall be an **original Bank Guarantee** that is strictly in the form and content as prescribed in the Tender Security Form in the Tender Document.
- 3.15.3 The tender security is required to protect KETRACO against the risk of the Tenderer's conduct which would warrant the security's forfeiture pursuant to ***sub-paragraph 3.15.10***.
- 3.15.4 The Tender Security shall be denominated in Kenya Shillings or in another freely convertible currency, and shall be issued by a commercial bank licensed by the Central Bank of Kenya. The bank must be located in Kenya.
- 3.15.5 The Tender Security shall be valid for at least thirty (30) days beyond the validity of the tender i.e. at least one hundred twenty (120) days after tender closing date.

- 3.15.6 KETRACO shall seek authentication of the Tender Security from the issuing bank. It is the responsibility of the Tenderer to sensitize its issuing bank on the need to respond directly and expeditiously to queries from KETRACO. The period for response shall not exceed five (5) days from the date of KETRACO's query. Should there be no conclusive response by the bank within this period, such Tenderer's Tender Security may be deemed as invalid and the bid rejected.
- 3.15.7 Any Tender not secured in accordance with this paragraph will be rejected by KETRACO as non-responsive, pursuant to **paragraph 3.25**.
- 3.15.8 The unsuccessful Tenderer's Tender Security will be released as promptly as possible, in any of the following circumstances: -
- a) *the procurement proceedings are terminated,*
 - b) *KETRACO determines that none of the submitted Tenders is responsive,*
 - c) *a contract for the procurement is entered into,*
 - d) *the Tenderer does not qualify for Financial Evaluation in accordance with **paragraph 3.28**.*
- 3.15.9 The successful Tenderer's Tender Security will be released upon the successful Tenderer's signing the contract, pursuant to **paragraph 3.35** and furnishing an authentic Performance Security, pursuant to **paragraph 3.36**
- 3.15.10 The Tender Security shall be forfeited –
- a) *if the Tenderer withdraws its Tender after the deadline for submitting Tenders but before the expiry of the period during which the Tenders must remain valid,*
 - b) *if the Tenderer rejects a correction of an arithmetic error,*
 - c) *if the Tenderer fails to enter into a written contract in accordance with **paragraph 3.35**,*
 - d) *if the successful Tenderer fails to furnish the performance security in accordance with **paragraph 3.36**,*
 - e) *if the Tenderer fails to extend the validity of the tender security where KETRACO has extended the tender validity period in accordance with **sub-paragraph 3.16.2**.*

3.16 Validity of Tenders

- 3.16.1 Tenders shall remain valid for ninety (90) days after the date of tender opening as specified in the Invitation to Tender or as otherwise may be prescribed by KETRACO, pursuant to **paragraph 3.21**. A Tender that is valid for a shorter period shall be rejected by KETRACO as non-responsive.
- 3.16.2 In exceptional circumstances, KETRACO may extend the Tender validity period. The extension shall be made in writing. The tender security provided under **paragraph 3.15** shall also be extended. A Tenderer shall not be required nor permitted to modify its tender during the extended period.

3.17 Number of Sets of and Tender Format

- 3.17.1 The Tenderer shall prepare three complete sets of its Tender, identifying and clearly marking the “**ORIGINAL TENDER**”, “**COPY 1 OF TENDER**”, and “**COPY 2 OF TENDER**” as appropriate. Each set shall be properly bound. The copies shall be a replica of the Original. Each copy will be deemed to contain the same information as the Original.

- 3.17.2 The Tenderer shall divide and mark the sets as follows:-

3.20.2.1 NON-FINANCIAL – Three (3) sets i.e. Original, Copy 1 and Copy 2.

3.20.2.2 FINANCIAL – Three (3) sets i.e. Original, Copy 1 and Copy 2.

- 3.17.3 The Tenderer shall ensure that –

- a) the Non-Financial sets, envelopes or packages do not contain any or all the information that reveals the tender price(s) of the services.*
- b) no financial documents or items are included or inserted in the Non-Financial sets, envelopes or packages.*
- c) A Financial set, document or item includes one that contains any or all information on the tender price(s) of the services.*

- 3.17.4 The Tender shall be bound and divided clearly in descending order as listed in the Tender Submission Checklist. The divisions are for clear identification and

marking of the respective documents or information that are serially numbered in the Checklist.

3.17.5 The order and arrangement as indicated in the Tender Submission Checklists will be considered as the Tender Formats.

3.17.6 Any Tender not prepared and signed in accordance with this paragraph, and in particular *sub-paragraphs 3.17.1, 3.17.2 and 3.17.3* may be rejected by KETRACO as non-responsive, pursuant to *paragraph 3.25*.

3.18 Preparation and Signing of the Tender

3.18.1 The Original and all copies of the Tender shall be typed or written in indelible ink. They shall be signed by the Tenderer or a person or persons duly authorized to bind the Tenderer to the contract.

3.18.2 The authorization shall be indicated by a written Power of Attorney granted by the Tenderer to the authorized person before a Commissioner of Oaths, Notary Public or Magistrate of the Kenyan Judiciary.

3.18.3 All pages of the Tender, including un-amended printed literature, shall be initialed by the person or persons signing the Tender and serially numbered.

3.18.4 The Tender shall have no interlineations, erasures, or overwriting except as necessary to correct errors made by the Tenderer, in which case such corrections shall be initialed by the person or persons signing the Tender.

3.18.5 KETRACO will assume no responsibility whatsoever for the Tenderer's failure to comply with or observe the entire contents of this paragraph.

3.18.6 Any Tender not prepared and signed in accordance with this paragraph may be rejected by KETRACO as non-responsive, pursuant to *paragraph 3.25*.

3.19 Sealing and Outer Marking of Tenders

3.19.1 The Tenderer shall seal the Original and each Copy of the Tender in separate envelopes or packages, duly marking the envelopes or packages as "**ORIGINAL**", "**COPY 1 OF TENDER**" and "**COPY 2 OF TENDER**". The envelopes or packages shall then be sealed in outer envelopes or packages.

- 3.19.2 The Tenderer shall also ensure that the inner envelopes or packages are also marked *NON-FINANCIAL* and *FINANCIAL*, respectively.
- 3.19.3 The inner and outer envelopes or packages shall –
- a) *be addressed to KETRACO at the address given in the Invitation to Tender,*
 - b) *bear the tender number and name as per the Invitation to Tender and the words, “DO NOT OPEN BEFORE 27th November 2015 as specified in the Invitation to Tender.*
- 3.19.4 All inner envelopes or packages shall also indicate the name and full physical, telephone, e-mail, facsimile and postal contacts of the Tenderer to enable the Tender to be returned unopened in circumstances necessitating such return including where Tenders are received late, procurement proceedings are terminated before tenders are opened or the Tender does not qualify for further financial evaluation in accordance with the Evaluation Criteria set out in the Tender Document.
- 3.19.5 If the envelopes or packages are not sealed and marked as required by this paragraph, KETRACO will assume no responsibility whatsoever for the Tender’s misplacement or premature opening. A tender opened prematurely for this cause will be rejected by KETRACO and promptly returned to the Tenderer.

3.20 Deadline for Submission of Tenders

- 3.20.1 Tenders must be received by KETRACO by the time and at the place specified in the Invitation to Tender.
- 3.20.2 KETRACO may, at its discretion, extend this deadline for submission of Tenders by amending the tender documents in accordance with *paragraph 3.6*, in which case all rights and obligations of KETRACO and the Tenderer’s previously subject to the initial deadline, will therefore be subject to the deadline as extended.

3.21 Modification and Withdrawal of Tenders

- 3.21.1 The Tenderer may modify or withdraw its Tender after submitting it, provided that written notice of the modification, including substitution or withdrawal of the Tender is received by KETRACO prior to the deadline prescribed for submission of tenders.

- 3.21.2 The Tenderer's modification or withdrawal notice shall be prepared, sealed, marked, and dispatched in accordance with the provisions of *paragraphs 3.17, 3.18 and 3.19*. A withdrawal notice may also be sent by facsimile, electronic mail, cable or telex but followed by an original signed confirmation copy, postmarked not later than the deadline for submission of Tenders.
- 3.21.3 No Tender may be modified after the deadline for submission of Tenders.
- 3.21.4 No Tender may be withdrawn in the interval between the deadline for submission of tenders and the expiration of the period during which the Tender must remain valid. Withdrawal of a Tender during this interval shall result in forfeiture of the Tenderer's Tender Security.

3.22 Opening of Tenders

- 3.22.1 KETRACO shall, in accordance with the sub-paragraphs below, adopt a two tender opening system for this Tender.
- 3.22.2 At the first opening, KETRACO shall open all Tenders promptly after the tender closing date and time, at the location specified in the Invitation to Tender or as may otherwise be indicated. For purposes of clarity, this opening shall include the outer Financial Proposals' envelopes or packages of the duly submitted tenders.
- 3.22.3 The Tenderer's names, tender modifications or withdrawals, the presence or absence of requisite Tender Security, the number of sets of both Non-Financial as well as Financial Proposals tender documents duly received and such other details as KETRACO, at its discretion, may consider appropriate, will be announced at the first opening.
- 3.22.4 Tenderers whose tenders qualify after preliminary and technical evaluation will be promptly invited for the second opening i.e. of their detailed Financial sets, and in any event not more than five (5) days after completion of the process regarding the earlier evaluation(s).
- 3.22.5 At the opening of the detailed Financial sets, tender prices, discounts, and such other details as KETRACO, at its discretion, may consider appropriate, will be announced at this opening.
- 3.22.6 The Tenderers or their representatives may attend the openings and those present shall sign a register evidencing their attendance.

3.22.7 Tenders not opened and read out at the first tender opening shall not be considered further for evaluation, award or otherwise irrespective of the circumstances.

3.23 Process to be Confidential

3.23.1 After the First opening of tenders, information relating to the examination, clarification, evaluation and comparisons of tenders and recommendations arising there-from shall not be disclosed to a Tenderer or other person(s) not officially concerned with such process until conclusion of that process.

3.23.2 Conclusion of that process shall be deemed to have occurred, at the latest, by the date and time KETRACO announces to qualified bidder(s) the date and time for the second opening of the tenders i.e. of the detailed financial sets. In any event, official disclosure by KETRACO of any information upon conclusion of that process shall only be to the unsuccessful bidders and may contain only the information permissible by law in summary form.

3.23.3 After the second opening of tenders, information relating to the further examination, clarification, evaluation and comparisons of tenders and recommendations concerning the award of Contract shall not be disclosed to a Tenderer or other person(s) not officially concerned with such process until the award of Contract is announced.

3.23.4 Any effort by a Tenderer to influence KETRACO or any of its staff members in the process of examination, evaluation and comparison of tenders and information or decisions concerning award of Contract may result in the rejection of the Tenderer's tender.

3.24 Clarification of Tenders and Contacting KETRACO

3.24.1 To assist in the examination, evaluation and comparison of Tenders KETRACO may, at its discretion, ask the Tenderer for a clarification of its Tender. The request for clarification and the response shall be in writing, and no change in the prices or substance of the Tender shall be sought, offered, or permitted.

3.24.2 The Tenderer is required to provide timely clarification or substantiation of the information that is essential for effective evaluation of its qualifications. It is the responsibility of the Tenderer to provide in writing the clarification or substantiation which should reach KETRACO within five (5) days from the date

of KETRACO's query. Such writing may include by electronic mail, facsimile or postal mail. Should there be no conclusive response within this period, it shall result in the Tenderer's disqualification.

3.24.3 Save as is provided in this paragraph and **paragraph 3.23** above, no Tenderer shall contact KETRACO on any matter related to its Tender, from the time of the tender openings to the time the contract is awarded.

3.24.4 Any effort by a Tenderer to influence KETRACO in its decisions on tender evaluation, tender comparison, tender recommendation(s) or contract award shall result in the rejection of the Tenderer's Tender.

3.25 Preliminary Evaluation and Responsiveness

3.25.1 Prior to the detailed Technical and Financial evaluations, KETRACO will determine the substantial responsiveness of each Tender. For purposes of this tender, a substantially responsive Tender is one that conforms to the requirements of Preliminary Evaluation. KETRACO's determination of a Tender's responsiveness is to be based on the contents of the Tender itself without recourse to extrinsic evidence.

3.25.2 KETRACO will examine the Tenders to determine whether they conform to the Preliminary Evaluation Criteria set out in **Section VI**

3.25.3 Notwithstanding the contents of the foregoing sub-paragraphs, if a Tender is not substantially responsive, it will be rejected at the earliest stage of evaluation by KETRACO and cannot subsequently be made responsive by the Tenderer by correction of any non-conformity.

3.26 Minor Deviations, Errors or Oversights

3.26.1 KETRACO may waive any minor deviation in a Tender that does not materially depart from the requirements of the services set out in the Tender Document.

3.26.2 Such minor deviation –

3.29.2.1 shall be quantified to the extent possible,

3.29.2.2 shall be taken into account in the evaluation process, and,

3.29.2.3 shall be applied uniformly and consistently to all qualified Tenders duly received by KETRACO.

3.26.3 KETRACO may waive errors and oversights that can be corrected without affecting the substance of the Tender.

3.27 Technical Evaluation and Comparison of Tenders

3.27.1 KETRACO will further evaluate and compare the Tenders that have been determined to be substantially responsive, in compliance to the Schedule of Requirements and Details of Services set out in the Tender Document and as per the prescribed Evaluation Criteria.

3.27.2 The Operational Plan is a critical aspect of the Tender. KETRACO requires that the Services shall be performed at the time specified in the Schedule of Requirements together with the Details of Services. KETRACO's evaluation of a tender will also take into account the Operational Plan proposed in the Tender. Tenderers offering to perform longer than KETRACO's required delivery time will be treated as non-responsive and rejected.

3.27.3 For Tenders that do not qualify past the technical evaluation stage, the Financial sets will be promptly returned unopened to the Tenderers together with the release and discharge of their Tender Securities. In any event such return, release and discharge will be commenced not later than five (5) days after the completion of the process regarding the Technical evaluation stage.

3.28 Financial Evaluation

3.28.1 The financial evaluation and comparison shall be as set out in the *Evaluation Criteria*. The comparison shall be:

- a) of the price including all costs as well as duties, levies and taxes payable on all the materials to be used in the provision of the Services.
- b) deviations in Payment Schedule from that specified in the Special Conditions of Contract

3.28.2 Where other currencies are used, KETRACO will convert those currencies to the same currency using the selling exchange rate ruling on the date of tender closing provided by the Central Bank of Kenya.

3.28.3 Arithmetical errors will be rectified on the following basis - if there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail, and the total

price shall be corrected. If there is a discrepancy between words and figures, the amount in words will prevail.

- 3.28.4 The Tenderer will be notified of the correction of the arithmetical error(s). If the Tenderer does not accept the correction of the error(s), its Tender will be rejected, and its Tender Security forfeited.

3.29 Tender Evaluation Period

The tender evaluation committee shall evaluate the tender within thirty five (35) days of the validity period from the date of the first opening of the Tender.

3.30 Debarment of a Tenderer

A Tenderer who gives false information in the Tender about its qualification or who refuses to enter into a contract after notification of contract award shall be considered for debarment from participating in future public procurement.

3.31 Confirmation of Qualification for Award

- 3.31.1 KETRACO may confirm to its satisfaction whether the Tenderer that is selected as having submitted the lowest evaluated responsive tender is qualified to perform the contract satisfactorily.

- 3.31.2 The confirmation will take into account the Tenderer's financial, technical, and performance capabilities. It will be based upon an examination of the documentary evidence of the Tenderer's qualifications submitted by the Tenderer, pursuant to *paragraph 3.12* as well as confirmation of such other information as KETRACO deems necessary and appropriate. This may include office and other facilities inspection and audits.

- 3.31.3 An affirmative confirmation will be a prerequisite for award of the contract to the Tenderer. A negative confirmation will result in rejection of the Tenderer's Tender, in which event KETRACO will proceed to the next lowest evaluated responsive tender to make a similar confirmation of that Tenderer's capabilities to perform satisfactorily.

3.32 Award of Contract

- 3.32.1 KETRACO will award the contract to the successful Tenderer whose Tender has been determined to be substantially responsive, compliant with the evaluation criteria and has been determined to be the lowest evaluated tender, and further, where deemed necessary, that the Tenderer is confirmed to be qualified to perform the contract satisfactorily.
- 3.32.2 Award will be done as indicated in the *Appendix to Instructions to Tenderers*.

3.33 Termination of Procurement Proceedings

- 3.33.1 KETRACO may at any time terminate procurement proceedings before contract award and shall not be liable to any person for the termination.
- 3.33.2 KETRACO shall give prompt notice of the termination to the Tenderers, and, on request from any Tenderer, give its reasons for termination within fourteen (14) days of such request.

3.34 Notification of Award

- 3.34.1 Prior to the expiration of the period of tender validity, KETRACO shall notify the successful Tenderer in writing that its Tender has been accepted.
- 3.34.2 The notification of award shall not constitute the formation of the contract until one is finally signed by both parties.
- 3.34.3 Simultaneously, and without prejudice to the contents of *paragraph 3.24*, on issuance of Notification of Award to the successful Tenderer, KETRACO shall notify each unsuccessful Tenderer.
- 3.34.4 A notification of the tender outcome does not reduce the validity period for any tender security whether the Tenderer is successful or not, except where such tender security is officially released to the Bank and/or the Tenderer and such Bank discharged of all its obligations by KETRACO prior to the expiry of its stated validity period.

3.35 Signing of Contract

- 3.35.1 At the same time as KETRACO notifies the successful Tenderer that its Tender has been accepted, KETRACO will send the Tenderer the Contract Agreement

- provided in the Tender Document together with any other necessary documents incorporating all agreements between the Parties.
- 3.35.2 Within fourteen (14) days of the date of notification of award, the successful Tenderer shall only sign the Contract Form and all the documents specified in that Form and return them to KETRACO within that period of fourteen (14) days.
- 3.35.3 KETRACO shall sign and date the Contract in the period between not earlier than fourteen (14) days from the date of notification of contract award and not later than thirty (30) days after expiry of tender validity. Further, KETRACO shall not sign the contract until and unless the authentic performance security is received in accordance with *paragraph 3.36*.
- 3.35.4 Failure of the successful Tenderer to sign the Contract, the award shall be annulled and its tender security forfeited in which event KETRACO shall notify the next lowest evaluated Tenderer that its Tender has been accepted.
- 3.35.5 *Paragraph 3.34* together with the provisions of this *paragraph 3.35* will apply with necessary modifications with respect to the Tenderer notified under *sub-paragraph 3.35.4*.

3.36 Performance Security

- 3.36.1 Within twenty one (21) days of the date of notification of award from KETRACO, the successful Tenderer shall furnish KETRACO with a Performance Security which shall be an original Bank Guarantee that is strictly in the form and content as prescribed in the Performance Security Form in the Tender Document.
- 3.36.2 The Performance Security shall be issued by a commercial bank licensed by the Central Bank of Kenya. The bank must be located in Kenya.
- 3.36.3 The successful Bidders together with their Recommended Underwriters shall furnish Performance Securities totaling **ten percent (10%)** of the total awarded annual premium i.e. A successful **Insurance Brokerage Firm** shall provide a Performance Security in the sum of **two point five percent (2.5%)** of their total awarded annual premium and a successful **Recommended Underwriter** shall provide a Performance Security of **seven point five percent (7.5%)** of their total awarded annual premiums.
- 3.36.4 KETRACO shall seek authentication of the Performance Security from the issuing bank. It is the responsibility of the successful Tenderer to sensitize its

issuing bank on the need to respond directly and expeditiously to queries from KETRACO. The period for response shall not exceed five (5) days from the date of KETRACO's query. Should there be no conclusive response by the Bank within this period, such successful Tenderer's Performance Security may be deemed as invalid.

3.36.5 Failure of the successful Tenderer to furnish an authentic Performance Security, the award shall be annulled and the Tender Security forfeited, in which event KETRACO may notify the next lowest evaluated Tenderer that its Tender has been accepted.

3.36.6 *Paragraph 3.34, 3.35* together with the provisions of this *paragraph 3.36* will apply with necessary modifications, and as far as circumstances permit, with respect to the Tenderer notified under *sub-paragraph 3.35.4*.

3.37 Corrupt or Fraudulent Practices

3.37.1 KETRACO requires that Tenderers observe the highest standard of ethics during the procurement process and execution of contracts. When used in the present Regulations, the following terms are defined as follows: -

- a) *“Corrupt practice” means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution;*
- b) *“Fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of KETRACO, and includes collusive practice among Tenderers (prior to or after Tender submission) designed to establish tender prices at artificial non-competitive levels and to deprive KETRACO of the benefits of free and open competition.*

3.37.2 KETRACO will reject a proposal for award if it determines that the Tenderer recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question.

3.37.3 Further, a Tenderer who is found to have indulged in corrupt or fraudulent practices risks being debarred from participating in public procurement in Kenya.

APPENDIX TO INSTRUCTIONS TO TENDERERS

The following information regarding the particulars of the tender shall complement and or amend the provisions of the Instructions to Tenderers *hereinafter abbreviated as ITT*. Wherever there is a conflict between the provisions of the ITT and the Appendix, the provisions of the Appendix herein shall prevail over those of the ITT.

No.	ITT Reference Clause	Particulars of Appendix
1.	3.2.1 Eligible Tenderers	<i>(i.) Insurance Brokerage Firms Registered and Operating in Kenya.</i>
2.	3.8 (e) Documents Comprising the Tender – List of Previous Customers	<i>(i.) The Tenderer shall submit at least five (5) names with full contact as well as physical addresses of previous customers (excluding KETRACO) of similar services and letters from the previous customers (excluding KETRACO) confirming completion of the contracts on schedule.</i>
3.	3.10 Tender Prices	<p><i>(i.) Tenderers shall recommend only one underwriter per policy. Where a tenderer provides quotations from more than one recommended underwriter for each policy, the tenderer’s bid shall be treated as non-responsive.</i></p> <p><i>(ii.) The tenderer’s price quotation for each policy shall be supported by an original quotation from the recommended underwriter. Where there is a price variation between the tenderer’s and the recommended underwriter’s quotations, this shall be accompanied by a letter from the recommended underwriter on original letterhead that they shall incept cover on the varied quotation.</i></p> <p><i>(iii.) Tenderers shall state the rates used to determine the prices indicated.</i></p> <p><i>(iv) Tenderers must make sure that the rate for Listed Risks is adhered to strictly as per IRA guidelines. Undercutting and premium discounting will lead to the tenderer not being considered for that class. Long Term Agreement (LTA) must be as per IRA guidelines.</i></p> <p><i>(v.) Tenderers shall deem each policy as a separate contract unless where specifically grouped for purposes of prudence in underwriting.</i></p> <p><i>(vi.) Tenderers shall not submit any conditional terms with regard to placement, co-insurance, reinsurance or accommodation terms –such bids will be treated as non-responsive.</i></p>

4.	3.12.2(a) Principal's Authorization Letter	<i>(i) Letter(s) from recommended underwriter(s) on their letterhead(s) indicating that they shall comply with the Schedule of Requirements together with the Details of Services in the exact form and content as specified in Section XII.</i>
4.	3.12.2 (b) Documentary evidence of financial capability	<p><i>(i.) The audited financial statements required must be those that are reported within fifteen (24) calendar months of the date of the tender document.</i></p> <p><i>(ii) PIN Certificate from Kenya Revenue Authority.</i></p> <p><i>(iii.) Current Tax Compliance Certificate</i></p> <p><i>(iv.) Professional Indemnity Cover from a reputable Insurance Company, minimum limit Kshs 50 million and valid for the full period of tender validity and if awarded the contract for the term of the contract.</i></p> <p><i>(v) Premium Turnover of at least Kshs 100 million per year for the last two years together with a list of accounts (excluding KETRACO) constituting the declared premium turnover. The list MUST indicate the insurance company(ies) with which the accounts were placed, the period of placement and a corresponding confirmation from the insurance company(ies) that indeed the accounts were placed with them for the specified periods and should be in the exact format as specified in Section IXX. KETRACO reserves the right to verify information provided with the Office of the Commissioner of Insurance, the listed Insurance Company(ies) and or the listed clients (Kindly attach letters of award).</i></p> <p><i>(vi.) Bank Guarantee of Kshs 3 million deposited with the Insurance Regulatory Authority</i></p>
6.	3.12.2(d) Tenderer's membership of a recognized or accredited institution.	<i>(i.) Certificate of Membership of the Association of Insurance Brokers of Kenya (AIBK)</i>
7.	3.15.1 Tender Security	<i>At least 2% of the total annual premium quoted.</i>
8.	3.32.2 Mode of Award of Contract	<i>Award of Contract shall be on item by item basis.</i>

SECTION IV - SCHEDULE OF REQUIREMENTS

PART A - SCHEDULE OF SERVICES

FIRE AND PERILS (SUBSTATIONS) INSURANCE

Indemnity against loss or damage occasioned by fire, lightning, bushfire, full explosion, earthquake, volcanic eruption, fire and shock, riot, strike, malicious damage and special perils A-H including spontaneous combustion.

Interest/Sum Insured:

•On transmission transformers and auxiliaries, circuit breakers, switchgear and other electrical equipment, control buildings and all other structures and contents within KETRACO's substations and or switchyards anywhere within Kenya.

•Sum Insured – As per the schedule here below

Deductible: Ksh. 10,000,000

Proposed Cancellation Notice: Minimum sixty (60) days.

Extensive Clauses:

1. 72 hours
2. 85% average condition
3. Accidental error or omission
4. Adjoining building
5. All other contents – Kshs 20,000,000/=
6. Alterations
7. Appraisalment
8. Architects, quantity surveyors and consulting engineers
9. Automatic increase
10. Automatic reinstatement of loss
11. Breach of conditions
12. Bush fire
13. Capital addition – 15%
14. Computer system records

15. **Contract works – Kshs 20,000,000/=**
16. **Cost of demolition, site clearance, and erection of hoardings**
17. **Cost of re-erection**
18. **Cross liability**
19. **Debris removal costs**
20. **Designation of property**
21. **Electrical III**
22. **Expediting expenses**
23. **Fines and damages**
24. **Fire brigade charges**
25. **General interest**
26. **Goods in trust and or on commission or fees**
27. **Import duty**
28. **Including hazardous goods**
29. **Landlords fixtures and fittings**
30. **Mis-description**
31. **Mortgagee's**
32. **Municipal plans and scrutiny fees**
33. **Parking of vehicles**
34. **Payment on account**
35. **Property of employees and visitors – Kshs 300,000/=**
36. **Public authorities**
37. **Public utilities**
38. **Arbitration**
39. **Reinstatement**
40. **Reinstatement value up to 24 months**
41. **Riot, strike and civil commotion**
42. **Spontaneous combustion**
43. **Subrogation waiver**
44. **Suppliers extension**
45. **Temporary removal**
46. **Tenants – either with the client as tenant or the client as owner**
47. **Vehicle load**
48. **VHF radio extension**
49. **Un-occupancy 30 days; No PMO**
50. **Terrorism and Sabotage**
51. **Political Risks**

List of Insured Substations:

1. Malindi 220/33kV Substation:

S/No	Equipment To Insure	Unit	Qty	Total Insurable Value (USD)
1	Power Transformer 23MVA 220/33kV	pcs	1	1,527,383.00
2	15MVAR 33kV Reactor	pcs	1	147,210.36
3	Circuit Breakers 220kV	pcs	3	481,853.21
4	Circuit Breakers 33kV	pcs	7	182,049.00
5	Control Cables	Lot	1	286,384.35
6	Protection and Control Cabinets 220kV	pcs	5	625,317.00
7	Protection and Control Cabinets 33kV	pcs	8	154,556.51
8	110V Battery Chargers and Batteries	set	2	123,311.00
9	48V Battery Chargers	set	2	38,639.17
10	Control Building		1	515,067.54
	TOTAL INSURABLE			4,081,771.14

2. Galu 132/33Kv Substation

S/No	Equipment To Insure	Unit	Qty	Unit Value (USD)	Total Insurable Value (USD)
1	Power Transformer 23MVA 132/33kV	pcs	2	418,387.45	836,774.90
2	Circuit Breakers 132kV	pcs	3	34,496.00	103,488.00
3	Circuit Breakers 33kV	pcs	7	26,007.00	182,049.00
4	Control Cables	Lot	1	36,000.00	36,000.00
5	Protection and Control Cabinets 132kV	pcs	5	35,000.00	175,000.00
6	Protection and Control Cabinets 33kV	pcs	6	28,000.00	168,000.00
7	110V Battery Chargers	pcs	1	27,610.00	27,610.00
8	48V Battery Chargers	pcs	1	22,110.00	22,110.00
9	Contrl Building		1		108,100.00
	TOTAL INSURABLE				1,659,131.90

3. Kegati (Kisii) 132/33kV Substation

S/No	Equipment To Insure	Unit	Qty	Unit Value (USD)	Total Insurable Value (USD)
1	Power Transformer 23MVA 132/33kV	pcs	1	418,387.45	418,387.45
3	Circuit Breakers 220kV	pcs	1	31,360.00	31,360.00
4	Circuit Breakers 33kV	pcs	5	26,007.00	130,035.00
5	Control Cables	Lot	1	36,000.00	36,000.00
6	Protection and Control Cabinets 132kV	pcs	2	35,000.00	70,000.00
7	Protection and Control Cabinets 33kV	pcs	5	35,000.00	70,000.00
8	110V Battery Chargers and Batteries	pcs	1	27,610.00	27,610.00
9	48V Battery Chargers and Batteries	pcs	1	22,110.00	22,110.00
	TOTAL INSURABLE				805,502.45

4. Garsen 220/33kV Substation

S/No	Equipment To Insure	Unit	Qty	Unit Value
1	Power Transformer 23MVA 220/33kV	pcs	1	1,527,383.00
2	15MVAR 33kV Reactor	pcs	1	147,210.36
3	Circuit Breakers 220kV	pcs	3	281,853.21
4	Circuit Breakers 33kV	pcs	7	182,049.00
5	Control Cables	Lot	1	261,000.00
6	Protection and Control Cabinets 220kV	pcs	5	194,255.00
7	Protection and Control Cabinets 33kV	pcs	6	115,917.00
8	110V Battery Chargers and Batteries	set	2	55,220.00
9	48V Battery Chargers	set	2	44,220.00
10	Control Building		1	489,000.00
	TOTAL INSURABLE			3,298,107.57

5. Lamu 220/33kV Substation

S/No	Equipment To Insure	Unit	Qty	Total Insurable Value (USD)
1	Power Transformer 23MVA 220/33kV	pcs	1	1,212,200.00
2	15MVAR 33kV Reactor	pcs	1	147,210.36
3	Circuit Breakers 220kV	pcs	2	160,617.00
4	Circuit Breakers 33kV	pcs	4	104,028.00
5	Control Cables	Lot	1	86,384.35
6	Protection and Control Cabinets 220kV	pcs	2	125,063.00
7	Protection and Control Cabinets 33kV	pcs	4	77,278.25
8	110V Battery Chargers and Batteries	set	2	55,220.00
9	48V Battery Chargers	set	2	44,220.00
10	Control Building		1	388,320.00
	TOTAL INSURABLE			2,400,540.96

6. Isiolo 132/33kV Substation

S/No	Equipment To Insure	Unit	Qty	Unit Value (USD)	Total Insurable Value (USD)
1	Power Transformer 23MVA 132/33kV	pcs	1	418,387.45	418,387.45
2	Circuit Breakers 132kV	pcs	3	34,496.00	103,488.00
3	Circuit Breakers 33kV	pcs	5	26,007.00	130,035.00
4	Control Cables	Lot	1	36,000.00	36,000.00
5	Protection and Control Cabinets 132kV	pcs	5	35,000.00	175,000.00
6	Protection and Control Cabinets 33kV	pcs	5	28,000.00	140,000.00
7	110V Battery Chargers	pcs	1	27,610.00	27,610.00
8	48V Battery Chargers	pcs	1	22,110.00	22,110.00
9	Telecommunication & SCADA	lot	1	362,000.00	362,000.00
10.	Control Building		1		108,100.00
	TOTAL INSURABLE				1,522,730.45

7. Meru 132/33kV Substation

S/No	Equipment To Insure	Unit	Qty	Unit Value (USD)	Total Insurable Value (USD)
1	Power Transformer 23MVA 132/33kV	pcs	1	418,387.45	418,387.45
2	Circuit Breakers 132kV	pcs	3	34,496.00	103,488.00
3	Circuit Breakers 33kV	pcs	7	26,007.00	182,049.00
4	Control Cables	Lot	1	36,000.00	36,000.00
5	Protection and Control Cabinets 132kV	pcs	5	35,000.00	175,000.00
6	Protection and Control Cabinets 33kV	pcs	6	28,000.00	168,000.00
7	110V Battery Chargers	pcs	1	27,610.00	27,610.00
8	48V Battery Chargers	pcs	1	22,110.00	22,110.00
9	Telecommunication & SCADA	lot	1	362,000.00	362,000.00
10.	Control Building		1		108,100.00
	TOTAL INSURABLE				1,602,744.45

8. Githambo 132/33kV Substation

S/No	Equipment To Insure	Unit	Qty	Total Insurable Value (USD)
1	Power Transformer 23MVA 132/33kV	pcs	1	418,337.00
3	Circuit Breakers 132kV	pcs	2	78,021.00
4	Circuit Breakers 33kV	pcs	4	104,028.00
5	Control Cables	Lot	1	86,384.35
6	Protection and Control Cabinets 132kV	pcs	2	125,063.00
7	Protection and Control Cabinets 33kV	pcs	4	77,278.25
8	110V Battery Chargers and Batteries	set	2	55,220.00
9	48V Battery Chargers	set	2	44,220.00
10	Control Building		1	108,423.00
	TOTAL INSURABLE			1,096,974.60

9. Gatundu 132/33kV Substation

S/No	Equipment To Insure	Unit	Qty	Total Insurable Value (USD)
1	Power Transformer 23MVA 132/33kV	pcs	1	418,337.00
3	Circuit Breakers 132kV	pcs	2	78,021.00
4	Circuit Breakers 33kV	pcs	4	104,028.00
5	Control Cables	Lot	1	86,384.35
6	Protection and Control Cabinets 132kV	pcs	2	125,063.00
7	Protection and Control Cabinets 33kV	pcs	4	77,278.25
8	110V Battery Chargers and Batteries	set	2	55,220.00
9	48V Battery Chargers	set	2	44,220.00
10	Control Building		1	108,423.00
	TOTAL INSURABLE			1,096,974.60

10. Mangu 132/33kV Substation.

S/No	Equipment To Insure	Unit	Qty	Total Insurable Value (USD)
1	Power Transformer 23MVA 132/33kV	pcs	1	418,387.00
2	Circuit Breakers 132kV	pcs	4	181,984.00
3	Circuit Breakers 33kV	pcs	6	156,046.00
4	Control Cables	Lot	1	186,384.35
5	Protection and Control Cabinets 132kV	pcs	4	145,063.00
6	Protection and Control Cabinets 33kV	pcs	4	77,278.25
7	110V Battery Chargers and Batteries	set	2	55,220.00
8	48V Battery Chargers	set	2	44,220.00
9	Control Building		1	108,345.00
	TOTAL INSURABLE			1,372,927.60

11. Rangala 132/33kV Substation

S/No	Equipment To Insure	Unit	Qty	Total Insurable Value (USD)
1	Power Transformer 23MVA 132/33kV	pcs	2	836,674.00
3	Circuit Breakers 132kV	pcs	2	117,031.25
4	Circuit Breakers 33kV	pcs	4	104,028.00
5	Control Cables	Lot	1	86,384.35
6	Protection and Control Cabinets 132kV	pcs	5	192,500.00
7	Protection and Control Cabinets 33kV	pcs	6	115,917.40
8	110V Battery Chargers and Batteries	set	1	27,610.00
9	48V Battery Chargers	set	1	22,110.00
10	Control Building		1	108,423.00
	TOTAL INSURABLE			1,610,678.00

12. Embakasi 220/66kV Substation

S/No	Equipment To Insure	Unit	Qty	Unit Value (USD)	Total Insurable Value (USD)
1	Shunt Reactors 220kV 100MVAR	pcs	1	2,002,508.00	2,002,508.00
2	Circuit Breakers 132kV	pcs	5	315,230.50	315,230.50
3	Control Cables	Lot	1	374,570.50	374,570.50
4	Protection and Control Cabinets 220kV	pcs	5	391,673.00	391,673.00
5	Telecommunication & SCADA	lot	1	637,085.00	637,085.00
	TOTAL INSURABLE				3,721,067.00

13. Rabai 220/132kV Substation

S/No	Equipment To Insure	Unit	Qty	Unit Value (USD)	Total Insurable Value (USD)
1	Shunt Reactors 220kV 100MVAR	pcs	1	2,002,508.00	2,002,508.00
2	Circuit Breakers 132kV	pcs	5	315,230.50	315,230.50
3	Control Cables	Lot	1	374,570.50	374,570.50
4	Protection and Control Cabinets 220kV	pcs	5	391,673.00	391,673.00
5	110V Battery Chargers	pcs	2	27,610.00	55,220.00
6	48V Battery Chargers	pcs	2	22,110.00	44,220.00
7	Telecommunication & SCADA	lot	1	637,085.00	637,085.00
8	Contrl Building		1		108,100.00
	TOTAL INSURABLE				3,928,607.00

SUMMARY

No.	Substation(s)	Currency	Total Insurable
1	Malindi 220/33kV	USD	4,081,771.14
2	Galu 132/33kV	USD	1,659,131.90
3	Kegati (Kisii) 132/33kV	USD	805,502.45
4	Garsen 220/33kV	USD	3,298,107.57
5	Lamu 220/33kV	USD	2,400,540.96
6	Isiolo 132/33kV	USD	1,522,730.45
7	Meru 132/33kV	USD	1,602,744.45
8	Githambo 132/33kV	USD	1,096,974.60
9	Gatundu 132/33kV	USD	1,096,974.60
10	Mangu 132/33kV	USD	1,372,927.60
11	Rangala 132/33kV	USD	1,610,678.00
12	Embakasi 220/66kV	USD	3,721,067.00
13	Rabai 220/132kV	USD	3,928,607.00
14	TOTAL		28,197,757.72

4.18 FIRE AND PERILS (CONSEQUENTIAL LOSS) INSURANCE

Indemnity against reduction in gross profit or increase in the cost of working following damage to property occasioned by fire, bushfire, subterranean fire, spontaneous combustion. Lightning, explosion, earthquake, bursting or overflowing of water tanks and apparatus, impact with vehicles, riot, strike and malicious damage etc.

Coverage to include auditors' fees incurred in preparation of a claim under the policy and applies to all premises occupied within East Africa.

Indemnity period – 24 months.

Interest/Sum Insured:

- Gross Profit – Kshs. 1,000,000,000/=
- Increased Cost of Working – Kshs 10,000,000/=
- Auditors' Fees – Kshs 1,000,000/=

Policy subject to declaration.

Time Excess: 7 days

Proposed Cancellation Notice: Minimum sixty (60) days.

Extensive Clauses:

1. Denial of access
2. Fines and damages
3. Outstanding debit balances
4. Professional accountants
5. Payment on account
6. Alternative trading
7. Return premium
8. Upward adjustment up to 33 1/3%, downward adjustment 50%
9. Salvage sale
10. Suppliers
11. Departmental
12. Failure of power supply
13. Deterioration of undamaged stock
14. Waiver of material damage

15. **New, additional premises**
16. **Alternative basis of settlement**
17. **Increase in risk**
18. **Including standing charges**
19. **Including suppliers extension**
20. **Claims preparation costs – Kshs.1,000,000/=**
21. **Accumulated stocks**
22. **Special perils**
23. **Riot, strike and civil commotion**
24. **Malicious damage**
25. **Earthquake, fire and stock**
26. **Terrorism and Sabotage**

4.19 ENGINEERING/MACHINERY BREAKDOWN (TRANSFORMERS AND CIRCUIT BREAKERS) INSURANCE

Indemnity against sudden and unforeseen damage to machinery whilst working, at rest or dismantling or erection for inspection or repair, excluding risks normally covered under standard fire/perils policy.

Sum Insured – As per the schedule

Bidders to propose excess which shall be taken into account at evaluation.

Cancellation Notice: Minimum sixty (60) days.

Extensive Clauses:

1. **Automatic reinstatement of loss**
2. **Including fuel gas explosion**
3. **Expediting expenses including airfreight and overtime**
4. **Excluding escalation clause**
5. **Including inundation and silting up**
6. **Reinstatement value clause**
7. **Riot, strike and civil commotion**
8. **Surrounding own/third party property liability**

**4.20 ENGINEERING/MACHINERY BREAKDOWN CONSEQUENTIAL LOSS
(TRANSFORMERS AND CIRCUIT BREAKERS) INSURANCE**

Indemnity for loss of gross profit and/or increased cost of working resulting from loss or damage to items insured under the Respective machinery breakdown policies.

INTEREST AND SUM INSURED:

1. Gross Profits Kshs.1 billion
2. Wages NIL
3. Claims Preparation costs Kshs. 1Million

INDEMNITY PERIOD: 24 months

DEDUCTIBLE: 7 Days

Cancellation Notice: Minimum sixty (60) days.

Extensive Clauses

1. Automatic reinstatement of loss
2. Including fuel gas explosion
3. Expediting expenses including airfreight and overtime
4. Excluding escalation clause
5. Including inundation and silting up
6. Reinstatement value clause
7. Riot, strike and civil commotion
8. Surrounding own/third party property liability

4.27 Notes on Policies

4.27.1 The tenderer shall ensure that the recommended underwriter has the capacity to underwrite a minimum lead of 30% of the respective policy awarded. This applies to the asset class policies as selected by the Procuring Entity and marked with an asterisk in **Table 4.26** above.

4.27.2 The Procuring Entity reserves the right to the allocation of the co-insurance schedule. Further, the Procuring Entity shall not accept any conditions by the lead underwriter on any co-insurance or facultative placements.

4.27.3 Tenderers shall submit quotations for the following policies from the same recommended underwriter.

- Fire and Perils (Substations) with Fire and Perils (Consequential Loss)

4.27.4 Applicable excess under the Fire and Perils (Consequential Loss) shall be in monetary terms and not either time franchise or percentile terms for consistency of evaluation.

4.27.5 In comparing the impact of excess/deductible limits for policies where these are not specified in **Part A of this Section**, the Procuring Entity shall use the following factors:

- Fire and Perils (Substations) and Fire and Perils (Consequential Loss):- the excess/deductible limits quoted for each policy shall be added to the respective premiums.
Engineering (Transformers and Circuit Breakers):- the excess/deductible limits quoted for each policy shall be added to the respective premiums.

4.27.7 All applicable declaration premium rates must be indicated together with the quotations.

SECTION V – FORMAT OF PRICE SCHEDULE FOR SERVICES

Table 5.1: Premium Schedule Summary 2015 TO 2016

No.	Policy	Net Premium (a)	Levies (b)	Annual Total Premium (c)	Excess/Limits	Recommended Underwriter

5.1.1 Tenderers shall note that the sums of columns (a) and (b) must equal the amount indicated under column (c)

Table 5.2: Premium Schedule Summary 2016 – 2017

No.	Policy	Net Premium (a)	Levies (b)	Annual Total Premium (c)	Excess/Limits	Recommended Underwriter

5.2.1 Tenderers shall note that the sums of columns (a) and (b) must equal the amount indicated under column (c).

Table 5.3: Premium Schedule Summary 2015 – 2017

No.	Policy	Net Premium (A)	Taxes/Levies (B)	Two Year Total Premium (c)	Excess/Limits	Recommended Underwriter

5.3.1 Tenderers shall note that the sums of columns (a), and (b) must equal the amount indicated under column (c)

TENDER FORM

Date:

Tender Number and Name:

To:

The Kenya Electricity Transmission Company Limited,
Capitol Hill Square,
Chyulu Road, Upper Hill,
PO Box 34942-00100,
Nairobi, Kenya.

Dear Sirs and Madams,

Having read, examined and understood the Tender Document including all Addenda, receipt of which we hereby acknowledge, we, the undersigned Tenderer, offer to provide *insurance brokerage services* for the sum of.....(*total tender price in words and figures*) or such other sums as may be ascertained in accordance with the schedule of prices inserted by me/ us above.

Name of Tenderer

Name and Capacity of authorised person signing the Tender

Signature of authorised person signing the Tender

Stamp of Tenderer

SECTION VI - EVALUATION CRITERIA

Evaluation of duly submitted tenders will be conducted along the following stages: -

6.1 Part 1 - Preliminary Evaluation under Paragraph 3.25 of the ITT. These are *mandatory requirements*. This shall include confirmation of the following:-

6.1.1 *Submission of the required number of sets (original and copies) of Tender.*

6.1.2 *Submission of the following:-*

a) Company or Firm's Registration Certificate.

b) PIN Certificate.

c) Valid Tax Compliance Certificate.

6.1.3 *Submission and considering the Confidential Business Questionnaire:-*

a) Is fully filled.

b) That details correspond to the related information in the bid.

*c) That the Tenderer is not ineligible as **per paragraph 3.2** of the ITT.*

6.1.4 *Submission of the following-*

a) Commentary of Compliance to the Details of Service

b) Tenderer's membership of a recognized or accredited organisation

6.1.5 *Submission of Tender Form duly completed and signed.*

6.1.6 *Submission of Tender Security - Checking its validity, whether it is Original; whether it is issued by a local bank; whether it is strictly in the format required in accordance with the Tender Security Form.*

6.1.7 *That the Tender is valid for the period required.*

6.1.8 *Submission of Declaration Form duly completed and signed.*

6.1.9 *Notwithstanding the above, considering the performance capacity indicated by the Tenderer.*

Tenderers will proceed to the Technical Evaluation Stage only if they qualify in compliance with **Part I** above, Preliminary Evaluation under **Paragraph 3.25**.

6.2 Part II – Technical Evaluation and Comparison of Tenders under Paragraph 3.27 of the ITT. These are **mandatory requirements**.

6.2.1 Verification of information and documents submitted with the Tender:

6.2.2 Detailed Technical Evaluation – involving a conclusive determination of the Tenderer's Technical and Financial Capability with regard to the **mandatory**

requirements as set out in the **Special Conditions of Contract**. Recommended Underwriters shall not be evaluated at this stage.

6.2.2.1 Tenderers shall be expected to indicate full compliance to the Schedule of Requirements and Details of Service.

6.2.2.2 Evaluation of Demonstration of ability of the offered service, to comply with the Schedule of Requirements and Details of Service.

6.2.2.3 Considering any Demonstration and Inspection Report(s) where applicable.

6.2.2.4 Identifying and determining any deviation(s) from the requirements; errors and oversights.

6.2.2.5 Confirmation of compliance of previous contract(s) in accordance with its/ their terms and conditions where applicable.

Tenderers who qualify in compliance with **Parts I and II** i.e. **Preliminary** and **Technical** stages will be invited for Financial opening of their tenders and proceed to Financial Evaluation.

6.3 Part III – Financial Evaluation Criteria under Paragraph 3.28 of the ITT. These are mandatory requirements.

6.3.1 Only Tenderers who qualify in compliance with **Parts I** and **II** i.e. **Preliminary** and **Technical** Stages of Evaluation shall be considered for Financial Evaluation

6.3.2 Financial Evaluation of Tenderers shall involve and include the following:

- (a) Confirmation of and considering Price Schedules duly completed and signed.
- (b) Checking that the Tenderer has quoted prices based on all costs including duties, levies, brokerage commission/remuneration.
- (c) Correction of arithmetical errors
- (d) Confirmation that Tenderers have recommended only one underwriter per policy.
- (e) Confirmation and verification of recommended underwriters' financial ratios as submitted by Tenderers.
- (f) Considering information submitted in the Confidential Business Questionnaire against other information in the bid including declared maximum value of business.
- (g) Taking into account the cost of any deviations from the tender.
- (h) Confirmation of the extent of the Tenderers responsiveness to KETRACO's Schedule of Requirements and Details of Service

- (i) Conducting a financial comparison, including conversion of tender currencies into one common currency.
- (j) Confirmation that the Tenderers' offered Terms of Payment meets KETRACO's requirements.

6.3.2 Detailed Technical and Financial Evaluation of Recommended Underwriters with regard to the **mandatory requirements** as set out in the **Special Conditions of Contract**.

6.3.2.1 The evaluation of **Recommended Underwriters** shall take into account the

following liquidity and solvency parameters:

- (i) **Solvency Ratio** i.e. Debts to Assets Ratio – the acceptable threshold shall be a **maximum of 2**.
- (ii) **Claims Coverage Ratio** i.e. Net Liquid Assets to Outstanding Claims Ratio – the acceptable threshold shall be a **minimum of 1**.
- (iii) **Current Ratio** i.e. Current Assets to Current Liabilities Ratio – the acceptable threshold shall be a **minimum of 1** as tabulated in **Section IV** of this Tender Document.

6.3.2.2 Reinsurance arrangements shall not be factored in the calculation of the above ratios.

6.3.2.3 KETRACO shall not accept any acceptance conditions in any submitted bid. Such conditions would include conditions such as lead percentage, co-insurance or reinsurance placement or any form of placement. All clauses shall form an integral part of the policies except where it can be demonstrated that the clause enhances the scope of cover.

6.3.2.4 Only Recommended Underwriters who qualify in compliance with the **Detailed Technical and Financial Evaluation** shall be considered for award of policies.

6.3.3 KETRACO shall evaluate the proposals on the basis of responsiveness to the Tender Document requirements.

6.3.4 KETRACO shall evaluate the proposals on a policy by policy basis. Where policies are grouped together as indicated on **Section IV**, the grouped policies shall be evaluated as grouped.

6.3.5 The comparison of the price shall take into account premiums (including all costs, duties, levies and taxes payable in the provision of services), broker remuneration/commission and excess/deductible/limits where the Tenderer is required to propose as specified in *Section IV*.

6.5.6 In comparing the impact of excess/deductible/limits where these are not specified in *Section IV*, KETRACO shall use the following factors:

- *Fire (Substations) and Fire (Consequential Loss) and Engineering (Transformers and Circuit Breakers) Policies*: the total excess/deductible limits quoted for each policy shall be added to the respective premiums.

6.6 The Successful Tenderer shall be the one with the lowest evaluated compliant price.

NOTES: -

1. For purposes of evaluation, the exchange rate to be used for currency conversion shall be the selling exchange rate ruling on the date of tender closing provided by the Central Bank of Kenya. (Visit the Central Bank of Kenya website).
2. Total tender value means the Tenderer's total tender price inclusive of taxes, duties and levies for the services it offers to provide.

TABLE OF CLAUSES ON GENERAL CONDITIONS OF CONTRACT

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SECTION VII – GENERAL CONDITIONS OF CONTRACT

The General Conditions of Contract *hereinafter referred abbreviated as the GCC* shall form part of the Conditions of Contract in accordance with the law and KETRACO's guidelines, practices, procedures and working circumstances. The provisions in the GCC will apply unless an alternative solution or amendment is made under other parts of the Contract including the Special Conditions of Contract.

7.1 Definitions

In this contract, the following terms shall be interpreted as follows: -

- a) *“Day” means calendar day and “month” means calendar month.*
- b) *“The Contract” means the agreements entered into between KETRACO and the Contractor, as recorded in the Contract Form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.*
- c) *“The Contract Price” means the price payable to the Contractor under the contract for the full and proper performance of its contractual obligations.*
- d) *“The Services” means services or art thereof to be provided by the Contractor and includes all of the materials and incidentals, which the Contractor is required to perform and provide to KETRACO under the contract.*
- e) *“The Procuring Entity” means Kenya Electricity Transmission Company Limited or its successor(s) and assign(s) where the context so admits (hereinafter abbreviated as KETRACO).*
- f) *“The Contractor” means the individual or firm providing the services under this contract or his/ her/ its permitted heir(s), personal representative(s), successor(s) or permitted assign(s) where the context so admits. For the avoidance of doubt this shall mean the successful Tenderer(s) pursuant to the tender.*
- g) *Wherever used in the contract, “performance” shall be complete or be deemed to be complete, unless the circumstances indicate otherwise, when the services have been performed in accordance with the Contract and where KETRACO does not signify its approval to the Contractor, but without giving notice of dissatisfaction, on the expiration of thirty (30) days from date of documented completion of performance of the service.*

7.2 Application

These General Conditions shall apply to the extent that provisions of other parts of the contract do not supersede them.

7.3 Standards

The Services supplied under this contract shall conform to the standards mentioned in the Details of Service and Schedule of Requirements..

7.4 Use of Contract Documents and Information

7.4.1 The Contractor shall not, without KETRACO's prior written consent, disclose the contract, or any provision thereof or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of KETRACO in connection therewith, to any person other than a person employed by the Contractor in the performance of the contract.

7.4.2 The Contractor shall not, without KETRACO's prior written consent, make use of any document or information enumerated in *clause 7.4.1* above.

7.4.3 Any document, other than the contract itself, enumerated in *clause 7.4.1* shall remain the property of KETRACO and shall be returned (including all copies) to KETRACO on completion of the Contractor's performance under the contract if so required by KETRACO.

7.5 Patent Rights

The Contractor shall indemnify KETRACO against all third party claims of infringement of patent, trademark, or industrial design rights arising from provision of the services or any part thereof.

7.6 Performance Security

7.6.1 Within twenty one (21) days of the date of the notification of contract award, the Contractor shall furnish to KETRACO the Performance Security which shall be an original Bank Guarantee that is strictly in the form and content as prescribed in the Performance Security Form in the Tender Document.

7.6.2 The Performance Security shall be issued by a commercial bank licensed by the Central Bank of Kenya. The bank must be located in Kenya.

- 7.6.3 The Performance Security shall be the sum of **ten percent (10%)** of the contract price. It shall be in the currency of the contract price.
- 7.6.4 Failure of the Contractor to furnish the Performance Security, the award shall be annulled and the Tender Security forfeited, in which event KETRACO may notify the next lowest evaluated Tenderer that its Tender has been accepted.
- 7.6.5 The proceeds of the Performance Security shall be payable to KETRACO as compensation for any loss resulting from the Contractor's failure to comply with its obligations in accordance with the contract without KETRACO being required to demonstrate the loss it has suffered.
- 7.6.6 The Performance Security shall be valid for a minimum of sixty (60) days after satisfactory delivery of services.
- 7.6.7 KETRACO shall seek authentication of the Performance Security from the issuing bank. It is the responsibility of the Contractor to sensitize its issuing bank on the need to respond directly and expeditiously to queries from KETRACO. The period for response shall not exceed five (5) days from the date of KETRACO's query. Should there be no conclusive response by the Bank within this period, such Contractor's Performance Security may be deemed as invalid and the Contract nullified, unless information to the contrary is received by KETRACO two (2) days before the expiry of the Contractor's Tender Security.
- 7.6.8 Subject to the provisions of this contract, the Performance Security will be discharged by KETRACO and returned to the Contractor not earlier than sixty (60) days following the date of completion of the Contractor's obligations under the contract, including any warranty obligations, under the contract.

7.7 Inspections

- 7.7.1 KETRACO or its representative(s) shall have the right to inspect the services to confirm their conformity to the contract specifications. KETRACO shall notify the Contractor in writing in a timely manner, of the identity of any representative(s) retained for these purposes. Such visit and or inspection shall in no way prejudice KETRACO's rights and privileges.
- 7.7.2 In appropriate circumstances, Inspection Report(s) shall be completed upon conclusion of the inspection.

- 7.7.3 The inspections and tests may be conducted in the premises of the Contractor or its subcontractor(s). If conducted on the premises of the Contractor or its subcontractor(s), all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to KETRACO.
- 7.7.4 Should any inspected services fail to conform to the specifications, KETRACO may reject the Service(s), and the Contractor shall either replace or remedy the rejected services or make alterations necessary to meet specification requirements free of cost to KETRACO.
- 7.7.5 KETRACO's right to inspect and where necessary, reject the services after provision shall in no way be limited or waived by reason of the services having previously been inspected and passed by KETRACO or its representative(s) prior to the services performance / delivery.
- 7.7.6 For the avoidance of doubt, any acknowledgement by KETRACO on the Contractor's or sub-contractor's document shall not be conclusive proof or evidence of satisfactory performance without duly authorized approval by KETRACO.
- 7.7.7 Nothing in this *clause 7.7* shall in any way release the Contractor from any warranty or other obligations under this Contract.

7.8 Packaging and Labelling

- 7.8.1 Where applicable, the Contractor shall provide such packaging of the material and equipment as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract.
- 7.8.2 The method of packaging, labeling and marking shall comply strictly with such special requirements as shall be specified and attached to the Contract and particular Order.
- 7.8.3 The labelling, marking and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract.
- 7.8.4 The materials and equipment shall be packed in good condition suitable for sea/air/road/rail dispatch. Hazard in transit to the final destination shall include rough handling and storage in tropical conditions.

7.8.5 The Contractor shall enclose a packing list in each package and all documents relating to the Order shall show the Tender reference number and name against the items or package as follows:-

*Kenya Electricity Transmission Company Limited,
Tender Number.....Name of Tender
Care of The Procurement Manager,
Nairobi, Kenya.*

7.9 Delivery and Documents for Materials/ Equipment

7.9.1 Where applicable, delivery of the materials/ equipment shall be made by the Contractor to the place and in accordance with the terms specified by KETRACO in its Schedule of Requirements or as may be otherwise indicated.

7.9.2 The Contractor shall notify KETRACO of the full details of the delivered materials/ equipment by delivering the materials/ equipment with a full set of the following documents: -

- a) *Contractor's invoice showing the materials/ equipment description, quantity, unit price and total price.*
- b) *Delivery note.*
- c) *Packing list identifying contents of each package*

7.9.3 It is the responsibility of the Contractor to ensure that the delivery documents are received by KETRACO at the designated delivery point at the time of delivery.

7.10 Insurance

7.10.1 The Contractor shall be responsible for and keep in force current appropriate insurance covers for its property and persons engaged in the performance and or provision of the Services under the contract.

7.10.2 The Contractor shall (*except in respect to losses, injuries or damage resulting from any act or neglect of KETRACO*) indemnify and keep indemnified KETRACO against all losses and claims for injuries or damage to any person or property whatsoever which may arise out of or in consequence of the contract and against all claims, demands, proceedings, damages, costs, charges, and expenses whatsoever in respect thereof or in relation thereto.

7.11 Payment

- 7.11.1 Payments shall be made promptly by KETRACO and shall not be less than thirty (30) days from completion of satisfactory performance and submission of invoice together with other required and related documents or as otherwise prescribed in the contract.
- 7.11.2 Payment shall primarily be through KETRACO's cheque or Real Time Gross Settlement (RTGS) or telegraphic transfer. Where applicable, a copy of a valid Performance Security, stamped, certified as authentic by KETRACO, shall form part of the documents to be presented to KETRACO before any payment is made.
- 7.11.3 A Contractor who requests for a Letter of Credit (*hereinafter abbreviated as LC*)–
- a) *Shall meet the LC bank charges levied by its bank while KETRACO shall meet the LC bank charges levied by its bank.*
 - b) *Any extension and or amendment charges and any other costs that may result from the Contractor's delays, requests, mistakes or occasioned howsoever by the Contractor shall be to the Beneficiary's account.*
 - c) *The maximum number of extensions and amendments shall be limited to two (2).*
 - d) *Notwithstanding sub-clause 7.11.3 (a), should the Contractor require a confirmed LC, then all confirmation and any other related charges levied by both the Contractor's and KETRACO's bank shall be to the Beneficiary's account.*
 - e) *The LC shall be opened only for the specific Order within the validity period of the contract.*
 - f) *LCs shall be partial for partial performance or full for whole performance as per the contract.*
 - g) *The Contractor shall be required to submit a proforma invoice for each lot for use in the placement of order and opening of the LC. The proforma invoice shall be on total all-inclusive costs basis.*
 - h) *A copy of the Performance Security, stamped and certified as authentic by KETRACO, whose expiry date should not be less than sixty (60) days from the LC expiry date, shall form part of the documents to be presented to the Bank before any payment is effected.*
- 7.11.4 KETRACO shall have the sole discretion to accept or decline any Contractor's payment request through Letters of Credit without giving any reason for any decline.

7.12 Interest

Interest payment by KETRACO is inapplicable in the contract.

7.13 Prices

7.13.1 Subject to *clause 7.14* herein below, prices charged by the Contractor for services performed under the contract shall be fixed for the period of the contract with no variations.

7.13.2 A price that is derived by a pre-disclosed incorporation or usage of an internationally accepted standard formula shall not be deemed to be a price variation within the meaning of this clause.

7.14 Variation of Contract

KETRACO and the Contractor may vary the contract only in accordance with the following: -

- a) the quantity variation for services shall not exceed ten percent (10%) of the original contract quantity.*
- b) the quantity variation must be executed within the period of the contract.*

7.15 Assignment

The Contractor shall not assign in whole or in part its obligations to perform under this contract, except with KETRACO's prior written consent.

7.16 Subcontracts

7.16.1 The Contractor shall notify KETRACO in writing of all subcontracts awards under this contract if not already specified in the tender. Such notification, in the original tender or obligation under the Contract shall not relieve the Contractor from any liability or obligation under the Contract.

7.16.2 In the event that an award is given and the contract is sub-contracted, the responsibility and onus over the contract shall rest on the Contractor who was awarded.

7.17 Termination of Contract

7.17.1 KETRACO may, without prejudice to any other remedy for breach of contract, by written notice sent to the Contractor, terminate this contract in whole or in part due to any of the following: -

- a) *if the Contractor fails to perform any or all of the services within the period(s) specified in the contract, or within any extension thereof granted by KETRACO.*
- b) *if the Contractor fails to perform any other obligation(s) under the contract.*
- c) *if the Contractor, in the judgment of KETRACO has engaged in corrupt or fraudulent practices in competing for or in executing the contract.*
- d) *by an act of force majeure.*
- e) *if the Contractor becomes insolvent or bankrupt*
- f) *if the Contractor has a receiving order issued against it, compounds with its creditors, or an order is made for its winding up (except for the purposes of its amalgamation or reconstruction), or a receiver is appointed over its or any part of its undertaking or assets, or if the Contractor suffers any other analogous action in consequence of debt.*
- g) *if the Contractor abandons or repudiates the Contract.*

7.17.2 In the event that KETRACO terminates the contract in whole or in part, it may procure, upon such terms and in such manner as it deems appropriate, services similar to those undelivered or not rendered, and the Contractor shall be liable to KETRACO for any excess costs for such similar services and or any other loss PROVIDED that the Contractor shall not be so liable where the termination is for convenience of KETRACO.

7.17.3 The Parties may terminate the Contract by reason of an act of *force majeure* as provided for in the contract.

7.17.4 The Contract may automatically terminate by reason of an act of *force majeure* as provided for in the Contract.

7.18 Liquidated Damages

Notwithstanding and without prejudice to any other provisions of the contract, if the Contractor fails to perform any or all of the services within the period specified in the contract, KETRACO shall, without prejudice to its other remedies

under the contract, deduct from the contract prices, liquidated damages sum equivalent to 0.5% of the performance price per day of delay of the delayed due services up to a maximum of ten percent (10%) of the performance price of the delayed due services.

7.19 Warranty

- 7.19.1 Where applicable, the Contractor warrants that the Services provided under the contract are of the highest quality or current specification and incorporate all recent improvements unless provided otherwise in the contract. The Contractor further warrants that any materials/ equipment provided under this contract shall have no defect arising from manufacture, materials or workmanship or from any act or omission of the Contractor that may develop under normal use of the materials/ equipment provided under the conditions obtaining in Kenya.
- 7.19.2 This Warranty will remain valid for one (1) year after the services, or any part thereof as the case may be, have been performed as indicated in the contract.
- 7.19.3 KETRACO shall promptly notify the Contractor in writing of any claims arising under this Warranty.
- 7.19.4 Upon receipt of such a notice, the Contractor shall, with all reasonable speed, remedy the defective services without cost to KETRACO.
- 7.19.5 If the Contractor having been notified, fails to remedy the defect(s) within a reasonable period, KETRACO may proceed to take such remedial action as may be necessary, at the Contractor's risk and expense and without prejudice to any other rights which KETRACO may have against the Contractor under the contract.

7.20 Resolution of Disputes

- 7.20.1 KETRACO and the Contractor may make every effort to resolve amicably by direct informal negotiation any disagreement or dispute arising between them under or in connection with the contract.
- 7.20.2 If, after thirty (30) days from the commencement of such informal negotiations both parties have been unable to resolve amicably a contract dispute, either party may resort to resolution before a recognized local forum for the resolution of disputes.

7.21 Language and Law

The language of the contract and the law governing the contract shall be the English language and the laws of Kenya respectively unless otherwise stated.

7.22 Waiver

Any omission or failure by KETRACO to exercise any of its rights or enforce any of the penalties arising from the obligations imposed on the Contractor shall in no way, manner or otherwise howsoever, alter, amend, prejudice, vary, waive or be deemed to alter, amend, prejudice, vary, waive or otherwise whatsoever any of KETRACO's powers and rights as expressly provided in and as regards this contract.

7.23 Force Majeure

7.23.1 Force majeure means any circumstances beyond the control of the parties, including but not limited to:

- a) *war and other hostilities (whether war be declared or not), invasion, act of foreign enemies, mobilization, requisition or embargo;*
- b) *ionizing radiation or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, radioactive toxic explosives or other hazardous properties of any explosive nuclear assembly or nuclear components thereof;*
- c) *rebellion, revolution, insurrection, military or usurped power & civil war;*
- d) *riot, commotion or disorder except where solely restricted to employees servants or agents of the parties;*
- e) *un-navigable storm or tempest at sea.*

7.23.2 Notwithstanding the provisions of the contract, neither party shall be considered to be in default nor in breach of its obligations under the Contract to the extent that performance of such obligations is prevented by any circumstances of *force majeure* which arise after the contract is entered into by the parties.

7.23.3 If either party considers that any circumstances of *force majeure* are occurring or have occurred which may affect performance of its obligations it shall promptly notify the other party and provide reasonable proof of such circumstances.

- 7.23.4 Upon the occurrence of any circumstances of *force majeure*, the Contractor shall endeavour to continue to perform its obligations under the contract so far as is reasonably practicable. The Contractor shall notify KETRACO of the steps it proposes to take including any reasonable alternative means for performance, which is not prevented by *force majeure*. The Contractor shall not take any such steps unless directed so to do by KETRACO.
- 7.23.5 If the Contractor incurs additional costs in complying with KETRACO's directions under sub clause 7.23.4, then notwithstanding the provisions of the contract, the amount thereof shall be agreed upon with KETRACO and added to the contract price.
- 7.23.6 If circumstances of *force majeure* have occurred and shall continue for a period of twenty one (21) days then, notwithstanding that the Contractor may by reason thereof have been granted an extension of time for performance of the contract, either party shall be entitled to serve upon the other seven (7) days' notice to terminate the contract. If at the expiry of the period of twenty-eight (28) days, *force majeure* shall still continue, the contract shall terminate.

SECTION VIII – SPECIAL CONDITIONS OF CONTRACT

The Special Conditions of Contract *hereinafter abbreviated as SCC* shall form part of the Conditions of Contract. They are made in accordance with the law and KETRACO's guidelines, practices, procedures and working circumstances. They shall amend, add to and vary the GCC. The clauses in this section need not therefore, be completed but must be completed by KETRACO if any changes to the GCC provisions are deemed necessary. Whenever there is a conflict between the GCC and SCC, the provisions of the SCC shall prevail over those in the GCC.

8.1 Special Conditions of Contract (SCC) as relates to the General Conditions of Contract (GCC)

No.	GCC Reference Clause	Particulars of SCC
1.	7.5 Patent Rights	<i>Not Applicable</i>
2.	7.6.6 Validity of Performance Security	<i>The performance Security shall be valid for a minimum of sixty (60) days after contract expiry date.</i>
3.	7.8 Packaging and Labelling	<i>Not Applicable</i>
4.	7.9 Delivery and Documents for Materials/Equipment	<i>Not Applicable</i>
5.	7.10 Insurance	<i>Not Applicable</i>
6.	7.11.3 and 7.11.4 Terms of Payment - Letters of Credit	<i>Not Applicable</i>
7.	7.19 Warranty	<i>Not Applicable</i>

8.2 Mandatory Requirements to be met by the Tenderers (Insurance Brokers)

- 8.2.1 Must be registered under the Companies Act, Cap. 486 and must have been in existence as an Insurance Broker for at least five (5) years. The registered office and physical address must be indicated and a copy of the certificate of registration or incorporation submitted together with the tender;
- 8.2.2 Must be registered with the Commissioner of Insurance or Insurance Regulatory Authority for the year 2015 and a copy of the license submitted together with the tender;
- 8.2.3 Must be a current member of the Association of Insurance Brokers of Kenya and a certified copy of the membership certificate for year 2015 submitted together with the tender;

- 8.2.4 Must have a Professional Indemnity Insurance Cover of at least Kshs 50 million obtained from a reputable Insurance Company. A copy of the policy or policy schedule indicating the amount and expiry date must be submitted together with the tender. The Cover must be valid for the full period of tender validity, and if awarded the contract, remain so for the duration of the contract;
- 8.2.5 Must submit documentary evidence indicating that their Premium Turnover over the last two (2) years was at least Kshs 100 million per year and at least Kshs 200 million for the two years i.e. 2012 and 2013. Separate lists of accounts, excluding KETRACO accounts, for each year shall be submitted in support of the declared underwritten premiums indicating the insurance companies with which the accounts were placed and a corresponding confirmation from the insurance companies that indeed the accounts were placed with them for the specified periods and should be in the exact format as specified in **Section IXX**. KETRACO reserves the right to verify information provided with the Office of the Commissioner of Insurance, the listed Insurance Company or the listed clients.
- 8.2.6 Must submit audited financial statements for years 2012 and 2013;
- 8.2.7 Must submit a tender security of 2% of the total annual quoted premium, valid for one hundred and twenty (120) days from the tender closing date.
- 8.2.8 Must have a Bank Guarantee of Kshs.3 million deposited with the Insurance Regulatory Authority and a copy of the Bank Guarantee submitted together with the tender at time of tender submission;
- 8.2.9 Must submit copies of PIN Certificate and current Tax Compliance Certificate from the Kenya Revenue Authority;
- 8.2.10 Must have undertaken at least five (5) similar assignments, excluding KETRACO assignments, over the last five (3) years. A list of the five (5) clients, excluding KETRACO, together with references, letters of award and contacts shall be submitted together with the tender; KETRACO reserves the right to verify information provided with the references submitted;
- 8.2.11 Must have at least Two (2) professional or technical staff with minimum academic/professional qualification being either a University degree or Associate ship from a reputable Insurance Institute. Documentary evidence of such qualification shall accompany the tender;

8.2.12 The team proposed by the Insurance Broker to carry out the services as specified in the Tender Document must comprise of at least two Associates of the Chartered Insurance Institute (UK) and documentary evidence of such qualification shall be submitted together with the tender;

8.2.13 The Insurance Broker shall apply all reasonable means to ascertain the solvency and financial security of the relevant recommended underwriter(s). Brokers shall also furnish sample policies together with letters supporting price quotations from Recommended Underwriters as part of their Tender.

8.3 Mandatory Requirements to be met by the Recommended Underwriters

8.3.1 Insurance Companies recommended by the Tenderer(s):

- (a) should be limited liability companies registered under the Companies Act;
- (b) must have been in existence for a minimum period of seven (7) years;
- (c) must have been underwriting the quoted business for a minimum period of seven (7) years;
- (d) must indicate physical address and registered office and;
- (e) must attach certificate of registration or incorporation.

8.3.2 Must be registered with the Commissioner of Insurance or Insurance Regulatory Authority for the year 2015 and a certified copy of the current license submitted together with the tender.

8.3.3 Must be a member of the Association of Kenya Insurers (AKI) and a certified copy of the membership certificate for year 2015 submitted together with the tender.

8.3.4 Must submit copies of the audited financial statements for years 2013 and 2014. Each Recommended Underwriter may table the requisite statements directly with KETRACO. However, it is the responsibility of the Tenderers to ensure that the statements are received by KETRACO by the tender closing date indicated on the Invitation to Tender and should attach documentary evidence i.e. a copy of letter from underwriter forwarding the financial statements before closing date.

8.3.5 Must have underwritten a minimum Kshs 150 million gross premium per year under General Business for the last two years i.e. minimum of Kshs 300 million in the preceding two years, not including business earlier than year 2011 and excluding motor vehicle insurance portfolio. However, with regard to motor insurance business, this requirement shall not apply to underwriters who have previously competently handled the KETRACO main staff motor insurance policies within the last two years.

- 8.3.6 For the Group Life Policy, must have underwritten a minimum Kshs 100 million gross premium per year under Group Life Business for the last two years, i.e. a minimum Kshs 200 million in the preceding two years excluding business earlier than year 2011 and individual life and pensions business.(N/A)
- 8.3.7 Must have a minimum claims coverage ratio and current ratio of one (1), without factoring reinsurance arrangements. The basis of calculation of these ratios shall be the Association of Kenya Insurers (AKI) Reports for year 2014.
- 8.3.8 Must have paid up share capital of at least Kshs 300 million for General Insurance and Kshs. 150 million for Group Life Assurance or as required by the Insurance Regulatory Authority, at the time of tender submission.
- 8.3.9 Must submit a list of at least five (5) reputable clients, excluding KETRACO, and indicate the clients' premiums for the year 2012 together with references and contacts of the clients. KETRACO reserves the right to verify information provided.
- 8.3.10 Must submit copies of PIN Certificate and current Tax Compliance Certificate from the Kenya Revenue Authority.
- 8.3.11 Must indicate whether they have established and implemented a Quality Management System e.g. ISO 9001:2008 and if they have, attach a copy of valid certification.
- 8.3.12 Must submit Principal's (Recommended Underwriter's) Authorization Letters in the exact format as specified in **Section IXX** for each Tenderer who has recommended them, indicating that they shall comply with the Schedule of Requirements and Details of Service in respect of the policies for which they have been recommended.
- 8.3.13 Records of any unsatisfactory or default in performance obligations in any contract, including any unresolved claims in any previous contract shall be considered.

SECTION IX - TENDER FORM

Date:

Tender No.

To:

The Kenya Electricity Transmission Company Limited,
Capitol Hill Square,
Chyulu Road, Upper Hill,
PO Box 34942-00100,
Nairobi, Kenya.

Ladies and Gentlemen,

1. Having read, examined and understood the Tender Document including all Addenda, the receipt of which is hereby duly acknowledged, we, the undersigned Tenderer, offer to perform, deliver, install and commission (*the latter two where applicable*) (*insert services description*) in accordance and conformity with the said tender document and in particular the Schedule of Prices that are made part of this Tender.
2. We undertake, if our Tender is accepted, to perform and provide the services in accordance with the Schedule of Requirements and the Details of Service.
3. If our Tender is accepted, we will obtain the guarantee of a bank in a sum of equivalent to ten percent (10%) of the contract price for the due performance of the contract, in the exact form and content prescribed by The Kenya Electricity Transmission Company Limited.
4. We agree to abide by this Tender for a period of.....days (**Tenderer please indicate validity of your Tender**) from the date fixed for tender opening as per the Tender Document, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.
5. This Tender, together with your written acceptance thereof and your notification of award, shall not constitute a contract, between us. The contract shall be formed between us when both parties duly sign the written contract.

1. We understand that you are not bound to accept any Tender you may receive.

Yours sincerely,

Name of Tenderer

Signature of duly authorized person signing the Tender

Name and Capacity of duly authorized person signing the Tender

Stamp or Seal of Tenderer

***NOTES:**

1. KETRACO requires a validity period of at least ninety (90) days.
2. This form must be duly signed, stamped and/or sealed.

SECTION X - CONFIDENTIAL BUSINESS QUESTIONNAIRE FORM

All Tenderers are requested to give the particulars indicated in Part 1 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.

Part 1 – General

Business Name.....

Location of business premises.....

Plot No.Street/ Road

Postal Address Postal Code

Tel No.....

Facsimile.....

Mobile and/ or CDMA No.....

E-mail:.....

Nature of your business

Registration Certificate No.....

Maximum value of business which you can handle at any time KSh.....

Name of your BankersBranch.....

*Names of Tenderer’s contact person(s)

Designation/ capacity of the Tenderer’s contact person(s)

Address, Tel, Fax and E-mail of the Tenderer’s contact person(s)

.....
.....

Part 2 (a) Sole Proprietor

Your name in full

NationalityCountry of origin

*Citizenship details.....

Part 2 (b) Partnership

Give details of partners as follows: -

Names	Nationality	*Citizenship Details	Shares
-------	-------------	----------------------	--------

1.....

2.....

3.....

4.....

5.....

Part 2 (c) Registered Company

Private or Public

State the nominal and issued capital of company-

Nominal KSh.....

Issued KSh.....

Give details of all directors as follows

Name	Nationality	*Citizenship Details	Shares
------	-------------	----------------------	--------

1.....

2.....

3.....

4.....

5.....

Name of duly authorized person to sign for and on behalf of the Tenderer

.....

Capacity of the duly authorized person.....

Signature of the duly authorized person.....

***NOTES TO THE TENDERERS ON THE QUESTIONNAIRE**

1. *The address and contact person of the Tenderer provided above shall at all times be used for purposes of this tender.*
2. *If a Kenyan citizen, please indicate under “Citizenship Details” whether by birth, naturalization or registration.*

The details on this Form are essential and compulsory for all Tenderers.

Failure to provide all the information requested shall lead to the Tenderer’s disqualification.

SECTION XI - TENDER SECURITY FORM

(To Be Submitted On Bank’s Letterhead)

Date:

To:

The Kenya Electricity Transmission Company Limited,
Capitol Hill Square,

Chyulu Road, Upper Hill,

PO Box 34942-00100,

Nairobi, Kenya.

WHEREAS (*name of the Tenderer*) (*hereinafter called “the Tenderer”*) has submitted its Tender dated for the provision of insurance brokerage services for the period 2012/2013..... (*please insert KETRACO tender no. and name*) (*hereinafter called “the Tender”*);

KNOW ALL PEOPLE by these presents that **WE**.....ofhaving our registered office at.....(*hereinafter called “the Bank”*), are bound unto Kenya Electricity Transmission Company Limited (*hereinafter called “KETRACO” which expression shall where the context so admits include its successors-in-title and assigns*) in the sum of for which payment well and truly to be made to the said KETRACO, the Bank binds itself, its successors, and assignees by these presents.

We undertake to pay you, upon your first written demand declaring the Tenderer to be in breach of the tender requirements and without cavil or argument, the entire sum of this guarantee being (*amount of guarantee*) as aforesaid, without you needing to prove or to show grounds or reasons for your demand or the sum specified therein.

This tender guarantee will remain in force up to and including thirty (30) days after the period of tender validity, and any demand in respect thereof should reach the Bank not later than the date below.

This guarantee is valid until theday of.....20.....

EITHER

SEALED with the)

COMMON SEAL)

of the said **BANK**)

thisday)

of20....)

_____)
BANK SEAL

in the presence of :-)
)
)
 _____)
)
and in the presence of:-)
)
 _____)
)

OR

SIGNED by the **DULY AUTHORISED REPRESENTATIVE(S)/ ATTORNEY(S)** of the **BANK**

Name(s) and Capacity (ies) of duly authorised representative(s)/ attorney(s) of the Bank

Signature(s) of the duly authorised person(s)

NOTES TO TENDERERS AND BANKS

1. *Please note that no material additions, deletions or alterations regarding the contents of this Form shall be made to the Tender Security to be furnished by the Tenderer. If any are made, the Tender Security shall not be accepted and shall be rejected by KETRACO. For the avoidance of doubt, such rejection will be treated as non-submission of the Tender Security where such Security is required in the tender.*

2. *It is the responsibility of the Tenderer to sensitize its issuing bank on the need to respond directly and expeditiously to queries from KETRACO. The period for response shall not exceed five (5) days from the date of KETRACO's query. Should there be no conclusive response by the Bank within this period, such Tenderer's Tender Security shall be deemed as invalid and the bid rejected.*

3. *The Tender validity period is ninety (90) days as set out in the Invitation to Tender (at **Section I** of the Tender document) or as otherwise may be extended by KETRACO. Therefore the Tender Security must at all times be valid for at least 30 days beyond the tender validity period.*

SECTION XII - PRINCIPAL'S AUTHORIZATION LETTER

(To Be Submitted On Principal's (Recommended Underwriter's Letterhead)

To:

The Kenya Electricity Transmission Company Limited,
Capitol Hill Square,

Chyulu Road, Upper Hill,

PO Box 34942-00100,

Nairobi, Kenya.

WHEREAS WE (*Name of Recommended Underwriter*) who are established and reputable providers of (*name and description of the services provided by Recommended Underwriter*) having offices at (*full address and physical location of offices*) do hereby confirm that (*name and address of Tenderer*) has recommended us to underwrite the services required against your Tender (*insert reference number and name of the Tender*) in respect of:

No.	Policy	Total Tender Price (Kshs)	Applicable Excess
	Total		

WE HEREBY extend our full guarantee and warranty to perform as per the Schedule of Requirements, Details of Services and Conditions of Contract for the services offered for provision by the above firm in respect of the Invitation to Tender.

Dated this..... day of.....20.....

Signature of duly authorised person for and on behalf of the Recommended Underwriter.

Name and Capacity of duly authorised person signing on behalf of the Recommended Underwriter.

NOTES TO TENDERERS & PRINCIPALS (RECOMMENDED UNDERWRITERS)

*Only a competent person, preferably the **Principal Officer** in the service of the Recommended Underwriter should sign this letter of authority. The **Total Tender Price** is the **Gross Premium** inclusive of relevant duties, levies, brokerage commission/remuneration*

SECTION XIII - DECLARATION FORM

Date _____

To:

The Kenya Electricity Transmission Company Limited,
Capitol Hill Square,

Chyulu Road, Upper Hill,

PO Box 34942-00100,
Nairobi,
KENYA.

Ladies and Gentlemen,

The Tenderer i.e. (full name and complete physical and postal address) _____
_____ declares the following:

- a) That I/ We have not been debarred from participating in public procurement by any body, institution or person.
- b) That I/ We have not been involved in and will not be involved in corrupt and fraudulent practices regarding public procurement any where.
- c) That I/We or any director of the firm or company is not a person within the meaning of paragraph 3.2 of ITT (Eligible Tenderers) of the Instruction to Bidders.

Yours sincerely,

Name of Tenderer

Signature of duly authorized person signing the Tender

Name and Capacity of duly authorized person signing the Tender

Stamp or Seal of Tenderer

SECTION XIV – DRAFT LETTER OF NOTIFICATION OF AWARD

To:

(Name and full address of the Successful Tenderer).....

Dear Sirs/ Madams,

RE: NOTIFICATION OF AWARD OF TENDER NO.

We refer to your Tender dated..... and are pleased to inform you that following evaluation, your Tender has been accepted as follows: -

.....
.....

This notification does not constitute a contract. The formal Contract Agreement, which is enclosed herewith shall be entered into upon expiry of fourteen (14) days from the date hereof but not later than thirty (30) days after expiry of tender validity pursuant to the provisions of the Public Procurement and Disposal Act, 2005 *(or as may be amended from time to time, or replaced)*.

Kindly sign, and seal the Contract Agreement. Further, initial and stamp on all pages of the documents forming the Contract that are forwarded to you with this letter. Thereafter return the signed and sealed Contract together with the documents to us within fourteen (14) days of the date hereof for our further action.

We take this opportunity to remind you to again note and strictly comply with the provisions as regards the Tender Security, Signing of Contract and Performance Security as stated in the Instructions to Tenderers.

We look forward to a cordial and mutually beneficial business relationship.

Yours faithfully,

FOR: THE KENYA ELECTRICITY TRANSMISSION COMPANY LIMITED

MANAGER, SUPPLY CHAIN MANAGEMENT
FOR THE MANAGING DIRECTOR

Enclosures

SECTION XV – DRAFT LETTER OF NOTIFICATION OF REGRET

To: *(Name and full address of the Unsuccessful Tenderer).....*

Dear Sirs/ Madams,

**RE: NOTIFICATION OF REGRET IN RESPECT OF TENDER NO.
.....**

We refer to your Tender dated..... and regret to inform you that following evaluation, your Tender is unsuccessful. It is therefore not accepted. The brief reasons are as follows:-

1.
2.
3. etc...

The successful bidder was _____.

However, this notification does not reduce the validity period of your Tender Security. In this regard, we request you to relook at the provisions regarding the Tender Security, Signing of Contract and Performance Security as stated in the Instructions to Tenderers.

You may collect the tender security from our *Legal Department, on the 2nd Floor, Capitol Hill Square Chyulu Road, Upper Hill Nairobi, Nairobi* only after expiry of twenty five (25) days from the date hereof. It is expected that by that time KETRACO and the successful bidder will have entered into a contract pursuant to the Public Procurement and Disposal Act, 2005 *(or as may be amended from time to time or replaced)*.

When collecting the Security, you will be required to produce the original of this letter.

We thank you for the interest shown in participating in this tender and wish you well in all your future endeavor's.

Yours faithfully,

FOR: THE KENYA ELECTRICITY TRANSMISSION COMPANY LIMITED

HEAD, SUPPLY CHAIN MANAGEMENT.

SECTION XVI - CONTRACT AGREEMENT FORM

THIS AGREEMENT made this.....day of.....**20....** **BETWEEN THE KENYA ELECTRICITY TRANSMISSION COMPANY LIMITED**, a limited liability company duly incorporated under the Companies Act, Chapter 486 of the Laws of Kenya, with its registered office situated at Capitol Hill Square, Chyulu Road, Upper Hill, Nairobi in the Republic of Kenya and of Post Office Box Number 34942-00100, Nairobi in the Republic aforesaid (*hereinafter referred to as the “KETRACO”*) of the one part,

AND

..... (*Contractor’s full name and principal place of business*) a duly registered entity according to the laws of Kenya and of Post Office Box Number.....(*full address physical and postal of Contractor*) in the Republic aforesaid, (*hereinafter referred to as the “Contractor”*) of the other part;

WHEREAS KETRACO invited tenders for certain services, that is to say for(*KETRACO insert description of services*) under Tender Number..... (*KETRACO insert tender number*)

AND WHEREAS KETRACO has accepted the Tender by the Contractor for the services in the sum of(*KETRACO specify the total amount in words which should include any payable taxes, duties and levies where applicable (hereinafter called “the Contract Price”*).

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS: -

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract and the Tender Document.
2. Unless the context or express provision otherwise requires: -
 - a) Reference to “this Agreement” includes its recitals, any schedules and documents mentioned hereunder and any reference to this Agreement or to any other document includes a reference to the other document as varied supplemented and or replaced in any manner from time to time.
 - b) any reference to any Act shall include any statutory extension, amendment, modification, re-amendment or replacement of such Act and any rule, regulation or order made thereunder.

- c) words importing the masculine gender only, include the feminine gender
or (as the case may be) the neutral gender.
 - d) words importing the singular number only include the plural number and vice-versa and where there are two or more persons included in the expression the “*Contractor*” the covenants, agreements obligations expressed to be made or performed by the Contractor shall be deemed to be made or performed by such persons jointly and severally.
 - e) where there are two or more persons included in the expression the “*Contractor*” any act default or omission by the Contractor shall be deemed to be an act default or omission by any one or more of such persons.
3. In consideration of the payment to be made by KETRACO to the Contractor as hereinbefore mentioned, the Contractor hereby covenants with KETRACO to perform and provide the services and remedy any defects thereon in conformity in all respects with the provisions of the Contract.
 4. KETRACO hereby covenants to pay the Contractor in consideration of the proper performance and provision of the services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.
 5. The following documents shall constitute the Contract between KETRACO and the Contractor and each shall be read and construed as an integral part of the Contract: -
 - a) this Contract Agreement
 - b) the Special Conditions of Contract as per the Tender Document
 - c) the General Conditions of Contract as per the Tender Document
 - d) the Price Schedules submitted by the Contractor and agreed upon with KETRACO.
 - e) the Details of Service as per KETRACO’s Tender Document
 - f) the Schedule of Requirements
 - g) **KETRACO’s Notification of Award dated.....**
 - h) the Tender Form signed by the Contractor
 - i) the Declaration Form signed by the Contractor/ successful Tenderer
 - j) the Principal’s Authorization Letter(s) completed and signed by the Recommended Underwriter.

6. In the event of any ambiguity or conflict between the contract documents listed above, the order of precedence shall be the order in which the contract documents are listed in 5 above except where otherwise mutually agreed in writing.
7. The Commencement Date shall be the working day immediately following the fulfillment of all the following: -
 - a) Execution of this Contract Agreement by KETRACO and the Contractor.
 - b) Issuance of the Performance Security by the Contractor and confirmation of its authenticity by KETRACO.
8. The period of contract validity shall begin from the Commencement date and end sixty (60) days after the last date of the agreed performance schedule i.e. sixty (60) days after 30th July, 2016, unless otherwise stated or agreed.
9. It shall be the responsibility of the Contractor to ensure that its Performance Security is valid at all times during the period of contract validity and further is in the full amount as contracted.
10. Any amendment, change, addition, deletion or variation howsoever to this Contract shall only be valid and effective where expressed in writing and signed by both parties.
11. No failure or delay to exercise any power, right or remedy by KETRACO shall operate as a waiver of that right, power or remedy and no single or partial exercise of any other right, power or remedy.
12. Notwithstanding proper completion of performance or parts thereof, all the provisions of this Contract shall continue in full force and effect to the extent that any of them remain to be implemented or performed unless otherwise expressly agreed upon by both parties.
13. Any notice required to be given in writing to any Party herein shall be deemed to have been sufficiently served, if where delivered personally, one day after such delivery; notices by electronic mail and facsimile shall be deemed to be served one day after the date of such transmission and delivery respectively, notices sent by post shall be deemed served seven (7) days after posting by registered post (*and proof of posting shall be proof of service*), notices sent by courier shall be deemed served two (2) days after such receipt by the courier service.

14. For the purposes of Notices, the address of KETRACO shall be Company Secretary, The Kenya Electricity Transmission Company Limited, 2nd Floor, Capitol Hill Square, Upper Hill, PO Box 34942-00100, NAIROBI,. The address for the Contractor shall be the Contractor's address as stated by it in the Confidential Business Questionnaire provided in the Tender Document.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with the laws of Kenya the day and year first above written.

SIGNED for and on behalf of **KETRACO**

MANAGING DIRECTOR & CEO

COMPANY SECRETARY

SEALED with the **COMMON SEAL**
of the **CONTRACTOR**
in the presence of:-

DIRECTOR

Affix Contractor's Seal here

DIRECTOR'S FULL NAMES

and in the presence of:-

DIRECTOR/ COMPANY SECRETARY

DIRECTOR/ COMPANY SECRETARY'S FULL NAMES

DRAWN BY

The Company Secretary
Kenya Electricity Transmission Company Limited,
7th Floor, Capitol Hill Square,
Chyulu Road, Upper Hill,
P.O. Box 34942-00100,
NAIROBI, KENYA,

SECTION XVII - PERFORMANCE SECURITY FORM

(To Be Submitted On Bank’s Letterhead)

Date:

To:

The Kenya Electricity Transmission Company Limited,
Capitol Hill Square,

Chyulu Road, Upper Hill,

PO Box 34942-00100,

Nairobi, Kenya.

WHEREAS.....(hereinafter called “the Supplier”) has undertaken, in pursuance of your Tender Number.....(*reference number of the Tender*) and its Tender dated(*insert Supplier’s date of Tender taken from the Tender Form*) to provide(*description of the services*) (hereinafter called “the Contract);

AND WHEREAS it has been stipulated by you in the said Contract that the Supplier shall furnish you with a bank guarantee by an acceptable bank for the sum specified therein as security for compliance of the Supplier’s performance obligations in accordance with the Contract;

AND WHEREAS we have agreed to give the Supplier a guarantee;

THEREFORE WE HEREBY AFFIRM that we are Guarantors and responsible to you, on behalf of the Supplier, up to a total of..... (*amount of the guarantee in words and figures*) and we undertake to pay you, upon your first written demand declaring the Supplier to be in default under the Contract and without cavil or argument, any sum or sums within the limits of (*amount of guarantee*) as aforesaid, without you needing to prove or to show grounds or reasons for your demand or the sum specified therein.

This guarantee is valid until theday of.....20....

EITHER

SEALED with the)
COMMON SEAL)
of the said **BANK**)
)
thisday)

of20....)
in the presence of :-)
)
_____)
)
and in the presence of:-)
)
_____)

BANK SEAL

OR

SIGNED by the **DULY AUTHORISED REPRESENTATIVE(S)/ ATTORNEY(S)** of the **BANK**

Name(s) and Capacity(ies) of duly authorised representative(s)/ attorney(s) of the Bank

Signature(s) of the duly authorised person(s)

NOTES TO SUPPLIERS AND BANKS

1. *Please note that no material additions, deletions or alterations regarding the contents of this Form shall be made to the Performance Security Bond (the Bond) to be furnished by the successful Tenderer/ Supplier. If any are made, the Bond may not be accepted and shall be rejected by KETRACO. For the avoidance of doubt, such rejection will be treated as non-submission of the Bond where such Bond is required in the tender and Contract.*
2. *KETRACO shall seek authentication of the Performance Security from the issuing bank. It is the responsibility of the Supplier to sensitize its issuing bank on the need to respond directly and expeditiously to queries from KETRACO. The period for response shall not exceed five (5) days from the date of KETRACO's query. Should there be no conclusive response by the Bank within this period, such Supplier's Performance Security may be deemed as invalid and the Contract nullified.*
3. *The issuing Bank should address its response or communication regarding the bond to KETRACO at the following e-mail address – "info@ketraco.co.ke "*

SECTION XVIII - THE DETAILS OF SERVICES

The Details of Services describe the basic requirements for services. In addition to the information and documentation in the Tender Document regarding the technical aspects of this tender, all Tenderers shall comply with the following -

PART A - GENERAL REQUIREMENTS

1. Technical documentation shall be in English language. The specific services on offer shall be marked clearly for the services they intend to provide.
2. Deviations from the basic requirements, if any, shall be explained in detail in writing with the offer, with supporting data including calculation sheets, detailed drawings and certified reports. KETRACO reserves the right to reject the services if such deviations shall be found critical to the use and operation of the services.
3. The Contractor shall submit a Commentary on the Details of Service as well as Commentary of Compliance to the Details of Service. In submitting the Commentaries the Contractors and or Principals should provide cross-references to the documents submitted.
4. The Commentaries shall be in table form, and shall cover in detail, all clauses of the Detail(s).
5. Detailed contact information including title, e-mail, facsimile, telephone or any other form of acceptable communication of the certification or recognition and standards body used shall be provided.
6. Where Certificates and their Reports and are translated into English, all pages of the translations must be signed and stamped by the certifying authority.
7. The Principal's Declaration of Conformity to reference standards and copies of quality management certifications including valid and current ISO certifications shall be submitted for evaluation.
8. Contractors are required to provide information on proper representative(s) including their names, telephone, facsimile, e-mail, physical and postal addresses, along with their offers.
9. Structuring and obtaining optimum policy covers from the Recommended Underwriters in accordance with the tenders submitted;

10. Premiums will be paid directly to the Underwriting Company as per the **Insurance Act, Cap.481** and confirmation of receipt to be done within 7 days of remittance;
11. Analyze, review, scrutinize the Policy Document and any Endorsements there-in. Cover should be as in the Tender document and should not be restricted, by way of warranties or endorsements or special conditions, subsequent to award. Should this occur, KETRACO shall call on the tender security.
12. If the entire policy document is found to be satisfactory, such document to be deposited with the Company Secretary not later than fifteen (15) days of inception of cover;
13. Ensure preparation of monthly claims bordereaux which must be submitted to the Procuring Entity by the 15th of the following month;
14. Arrange quarterly meetings to review performance of the policy by 15th day of the beginning of the following quarter;
15. Ensure that the sums insured under the policy will be adjustable accordingly by suitable means at the discretion of the Procuring Entity from time to time;
16. Negotiate with the qualified Underwriter any other pertinent aspects of the policy that may arise during the term of the policy;
17. Carry out Loss control surveys and make viable appropriate risk improvement recommendations;
18. Ensure settlement of documented claims by the recommended underwriter within an average of twenty-one (21) days upon full documentation.
19. Ensure Service Level Agreement between the broker and underwriter is submitted to KETRACO within twenty-one (21) days of commencement of coverage.

PART B – SPECIFIC DETAILS OF SERVICE (SDS)

1. Air Travel Insurance (Not Applicable)

- 1.1 Ensure that travel cards, cover schedules and letters where applicable are received within six (6) hours of request for cover.
- 1.2 Ensure requests for cover amendments and cancellations are effected within six (6) hours of request.
- 1.3 Ensure submission of premium reconciliation statements and corresponding invoices on a quarterly basis.

2. Employers' Liability Insurance (Common Law) (Not Applicable)

- 2.1 It shall be generally understood that a claim shall attach to the policy upon receipt of either a demand letter or summonses to enter an appearance by KETRACO and NOT on the occurrence of an occupational injury/illness as not all occupational injuries end up in litigation.
- 2.2 Ensure appointment of a defense advocate by the recommended underwriter and submit copy of letter appointing advocate to KETRACO within three (3) days of notification of a claim by KETRACO.
- 2.3 Ensure entering of appearance by the appointed advocate and submit memo of appearance to KETRACO within seven (7) days of receipt of summonses from KETRACO.
- 2.4 Prepare and submit to KETRACO updated litigation schedule of upcoming court appointments on a quarterly basis.
- 2.5 Prepare and submit to KETRACO claim status summary reports on a quarterly basis.

3. Group Life Assurance (with Last Expense and Critical Illness Riders) (Not Applicable)

- 3.1 Partial Discharge Vouchers (DVs) on accruing accidental medical expenses shall be issued and payment processed on a quarterly basis.

- 3.2 For PTD claims with an initial disability assessment greater than 5%, the claimants shall be referred for medical re-examination (2nd opinion) by the recommended underwriter within fourteen (14) days of submission of the initial assessment medical certificate by KETRACO.
- 3.4 A copy of the medical re-examination report and a corresponding discharge voucher where applicable shall be availed to KETRACO within fourteen (14) days of medical re-examination of claimants by the recommended underwriter.
- 3.5 Last Expense claims shall be settled within 48 hours of notification of claim.
- 3.6 Permanent Total Disability (PTD) claims with an initial disability assessment of 5% or less shall not be subjected to the requirement of a medical re-examination by the recommended underwriter.
- 3.7 Ensure inclusion of doctors and other relevant service providers in KETRACO's panel into the panel of the Recommended Underwriter.
- 3.8 The policy shall be written on a declaration basis, with deposit premium paid at commencement of cover and declaration premium paid not later than three months after expiry of term. **The declaration premium shall be subject to maximum 33 1/3% upward adjustments and maximum 50% downward adjustments i.e. additional premium shall not exceed one-third of the deposit premium and refund premium shall not exceed half of the deposit premium.**

6. Motor Insurances (Not Applicable)

- 6.1 It shall be generally understood that the average repair time for own damage claims shall be two (2) weeks upon issuance of repair authority. Consequently, tenderers are to ensure that the Service Level Agreements (SLAs) between the recommended underwriter(s) and garages reflect this basic performance standard.
- 6.2 Ensure appointment of assessor by the recommended underwriter(s) within 24 hours of notification of a claim and submission of claim form and copy of driver's license by KETRACO.
- 6.3 Ensure submission of assessor's report to the recommended underwriter(s) within 48 hours of their (assessors) appointment.

- 6.4 Ensure issuance of repair authority letter by the recommended underwriter(s) within 48 hours of submission of the assessor's report.
- 6.5 Ensure issuance of release letter by the recommended underwriter(s) within 2 days of completion of repairs.
- 6.6 Ensure payment of incurred towing costs by the recommended underwriter(s) within 7 days of issuance of release letter.
- 6.7 For non-reimbursement windscreen/window claims, ensure submission of the recommended underwriter's letter of undertaking within 24 hours of documentation of the claim.
- 6.8 For re-imbusement windscreen/window claims, ensure payment of claim within 7 days of documentation of the claim.
- 6.9 Ensure and advise appointment of a defiance advocate by the recommended underwriter within three (3) days of notification of a litigation claim by KETRACO.
- 6.10 Ensure and advise entering of appearance and filing of defense within seven (7) days of receipt of summonses from KETRACO.
- 6.11 Prepare and submit to KETRACO updated litigation schedules of upcoming court appointments on a quarterly basis.
- 6.12 Prepare and submit to KETRACO litigation claim status summary reports on a quarterly basis.
- 6.13 Prepare and submit to KETRACO premium reconciliation statements and corresponding debit/credit notes on a monthly basis by the 5th day of every month.
- 6.14 Ensure renewal certificates are received in KETRACO within thirty (30) days before expiry of policies .

7. Public Liability Insurance (Not Applicable)

- 7.1 Ensure immediate appointment of Investigator upon notification of a claim. The Investigator shall conduct a site visit within 48 hours of appointment.

- 7.2 Ensure a copy of Investigators' preliminary report is submitted to KETRACO within 7 days of site visit.
- 7.3 Ensure appointment of a defense advocate by the recommended underwriter and submit copy of appointment letter within three (3) days of notification of a litigation claim by KETRACO.
- 7.4 Ensure entering of appearance by the appointed advocate and submit memo to enter appearance within seven (7) days of receipt of summonses from KETRACO.
- 7.5 Prepare and submit to KETRACO updated litigation schedules of upcoming court appointments on a quarterly basis.
- 7.6 Prepare and submit to KETRACO litigation claim status summary reports on a quarterly basis.
- 7.7 Advise amount of claims reserves for notified claims within 7 days of claim notification.

8. Asset Based Insurances

- 8.1 Ensure appointment of loss adjustor within 12 hours after notification of a claim. The loss adjustor shall conduct a site visit within 48 hours of appointment.
- 8.3 Ensure copy of loss adjustors' preliminary reports are submitted to KETRACO within 7 days of site visit.

**SECTION IXX: PREMIUM TURNOVER – LIST OF ACCOUNTS
(EXCLUDING KETRACO)**

PART A: PREMIUM TURNOVER – LIST OF ACCOUNTS (YEAR 2013)

No.	Account Name and Policy	Account Contact Person(s) and Contact Details	Period of Insurance	Annual Premium (Kshs)	Underwriter	Underwriter Contact Person(s) and Contact Details
			Total			

PART B: PREMIUM TURNOVER – LIST OF ACCOUNTS (YEAR 2014)

No.	Account Name	Account Contact Person(s) and Contact Details	Period of Insurance	Annual Premium (Kshs)	Underwriter	Underwriter Contact Person(s) and Contact Details
			Total			

***NOTES TO TENDERERS**

- 19.1 Contact details should include physical address, postal address, telephone, facsimile and e-mail address.
- 19.2 The start date of the period of insurance should fall within the year under consideration.
- 19.3 KETRACO reserves the right to verify details declared with the listed client and or the listed underwriter.