

# KENYA MEDICAL SUPPLIES AUTHORITY

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*All Correspondence should be addressed to Chief Executive Officer*

When replying please quote our ref:

KEMSA/PROC/ONT/2022

Date: 11<sup>th</sup> October, 2022

To all Bidders,

## ADDENDUM NO. 3

Dear Sir/Madam,

### RE: TENDER NO. KEMSA/ONT04/2022-2024 FOR PROVISION OF MEDICAL INSURANCE COVER FOR KEMSA STAFF.

The following Queries were raised by interested bidders and responses provided as detailed below.

#### Question 1:

We have noted that the tender specifies that the bidder must have paid up capital of Kes. 1 billion. However, the Insurance Act specifies a minimum of Kes. 600 million. Maintaining this requirement will not only be unfair to bidders who have met the minimum capital requirement but will also lead to an uncompetitive bidding process as several major players will not participate.

#### Answer:

This query was responded to on 30<sup>th</sup> September, 2022. Kindly refer to addendum no. 1 on KEMSA Website and Public Procurement Information Portal (PIIP).

#### Question 2:

We hereby refer to mandatory item MR7 that states as follows: must have done Annual Premiums of Kes. 3.5 Billion the previous year, 2019, 2020 and 2021 (provide / attach evidence of this) and must be profitable for each year.

We write to seek this requirement be reviewed to Kes. 3 Billion as this threshold still demonstrates the ability to administer a scheme of this magnitude.

**Answer:**

**The Authority has agreed to review the requirement to Kes. 3 Billion as requested.**

**Question 3:**

We refer to letter dated 4<sup>th</sup> October, 2022 demanding that the tender be opened to Insurance Intermediaries under the Association of Insurance Broker of Kenya since the tender is in contravention of Article 227 (1) of the Constitution of Kenya.

**Answer:**

**The requirement have been reviewed and opened up to both underwriters and the insurance brokers.**

**NOTE:**

**Attached are the Amended Evaluation Criteria.**

Yours faithfully,



**JOHN KABUCHI  
Ag. PROCURMENT DIRECTOR  
FOR: CHIEF EXECUTIVE OFFICER**

<b>AMENDED EVALUATION CRITERIA</b>		
<b>PRELIMINARY EXAMINATION (MANDATORY REQUIREMENT)</b>		
<b>No.</b>	<b>Description</b>	<b>YES/NO</b>
MR1	Certificate of Registration/Incorporation with Registrar of Companies	
MR2	Valid certificate of registration with Insurance Regulatory Authority (IRA) to offer underwriting services and/ or Brokerage Services as a Medical Insurance provider (MIP)	
MR3	Current membership certificate with Association of Kenya Insurers (AKI) OR Association of Insurance Brokers of Kenya (AIBK) (Submit copy of membership certificate)	
MR4	Valid tax compliance certificate issued by Kenya Revenue Authority (KRA).	
MR5	Professional Indemnity cover of at least Kes. 50Million (Provide copy of Indemnity cover)	
MR6	Provide duly signed underwriter's Authorization- <b>Applicable to brokers only</b>	
MR7	Brokers MUST provide Copy of the recommended underwriters' Quotation (Quotation MUST be similar to the one provided by the Underwriter and certified by the under writer)- <b>Applicable to Brokers only.</b>	
MR5	Original Tender security of 1,300,000.00 of the bid price from a bank or PPRA recognized Insurance Company and valid for 150 days from the date of tender opening / closing	
MR8	Must have done Annual Gross Premiums of Ksh. 3 Billion the previous year, 2019, 2020 and 2021 (provide/attach evidence of this). And Must be profitable for each year.	
MR9	Must have paid up capital of at least Ksh. 600 Million and above (provide/attach evidence)	
MR10	Bidding documents must be paginated/serialized. All bidders are required to submit their documents paginated in a continuous ascending order from the first page to the last in this format; (i.e. 1,2,3..... n where n is the last page)	
MR11	Tender form (on a letterhead showing the tenderers complete name and business address) duly <b>completed and signed</b> . <i>The Form of Tender shall include the following Forms duly completed and signed by the Tenderer or authorized representative (attach power of attorney where applicable)</i> <ol style="list-style-type: none"> <li><i>i. Tenderer's Eligibility-Confidential Business Questionnaire (MANDATORY).</i></li> <li><i>ii. Certificate of Independent Tender Determination</i></li> <li><i>iii. Self-Declaration of the Tenderer</i> <ol style="list-style-type: none"> <li>(a) Duly completed and signed self-Declaration that the</li> </ol> </li> </ol>	

	<p>person/ tenderer is not debarred in the matter of the PPADA 2015 <b>(Mandatory)</b></p> <p>(b) Duly completed and signed self-Declaration that the person/ Tenderer will not engage in any corrupt/fraudulent practice <b>(Mandatory)</b></p> <p>(c) Duly completed and signed declaration and commitment to the code of ethics <b>(Mandatory)</b></p>	
MR12	Provide comprehensive and current schedule of preferred hospitals and doctors in all the 47 counties	
MR13	<p>Qualifications and experience of key staff</p> <p>Attach CV's and academic/professional certificates of:</p> <p>a) Chief Executive Officer - <b>YES/NO</b></p> <p>b) 3 senior staff handling the medical scheme with Degree and Advanced Diploma in Insurance or equivalent -<b>YES/NO</b></p> <p>c) 2 care Managers handling the medical scheme - <b>YES/NO</b></p> <p>(NB: The attached CV's <b>must</b> be signed by the key staff).</p>	

**NOTE:**

**1.Failure to comply with Mandatory requirements will lead to disqualification. Only bidders who are successful at this stage will proceed to the Technical Evaluation stage.**

**2.Underwriters who submit two bid documents with different prices will be automatically disqualified.**

## B. TECHNICAL EVALUATION CRITERIA

S/NO.	DESCRIPTION OF CRITERIA	SUB-CRITERIA	YES/NO
1.	Firm's experience in staff medical insurance business.	<p>a) No. of years during which the Underwriter has offered staff medical insurance services in the last 10 years (i.e. 2011 to date)</p> <p>b) Five (5) major clients to whom the bidder has offered staff medical insurance services in the last three (3) years: (YES/NO)</p> <p><b>NB:</b> Must attach evidence in form of copies of LPO's; or contracts</p>	
2.	Chronic illness and pre-existing conditions in-patient limits	<p>a) Limit for category 'A' members must be Ksh. 1M and above (YES/NO)</p> <p>b) Limit for all other categories (B ; C; E) must be Ksh. 750,000 - (YES/NO)</p>	
3.	Adherence to the provisions of the scope of cover (must fully provide for services indicated in the scope)	<p>Indicate and give details for all cover provisions on:</p> <p>a) In-patient - YES/NO</p> <p>b) Out-patient - YES/NO</p> <p>c) Dental - YESD / NO</p> <p>d) Optical with no capping on frames - YES/NO</p> <p>e) Maternity -YES/NO</p>	
4.	Adequacy of medical service providers	<p>a) The bidder should have a wide network of medical service providers within Nairobi County, equally distributed within the Nairobi Geographical Region; with at least 6 major hospitals listed and 30 other medical service providers:</p> <ul style="list-style-type: none"> <li>• List of 6 Major Hospitals within Nairobi - YES/NO</li> <li>• List of 30 other medical service providers within Nairobi - YES/NO</li> </ul> <p>b) The bidder should indicate the network of contracted medical service providers spread out in all the remaining 46 Counties, <b>with at least 2 hospitals</b> in each County-YES/NO</p>	



		c) Evidence of established international network of service provider panel for overseas referrals; with clearly indicated referral procedures - (attach agreement/ Contract). YES/NO	
5.	Emergency evacuation services (air evacuation and road ambulance services)	The Bidder must have contractual agreements for emergency air evacuation and road ambulance services. Attach list of contracted companies, their contacts and copies of <b>current</b> contractual agreements. a) 1-2 service providers - <b>YES/NO</b> b) 3 service providers - <b>YES/NO</b> c) 4 service providers - <b>YES/NO</b>	
6.	Methodology and work plan	a) The bidder must submit detailed procedures on hospital admission - <b>YES/NO</b> b) The bidder must indicate the procedure and timelines for processing of last expense for the principal member and spouse - <b>YES/NO</b> c) The bidder must indicate the claims reimbursement procedure and timelines for cash refunds - <b>YES/NO</b> d) The bidder must allow for and indicate the procedure & requirements for refund of premiums for staff who have exited from the medical scheme - <b>YES/NO</b> e) The bidder must indicate the procedure & requirements for handling entries into the scheme. All new members added to the scheme either through employment; marriage or newly born children will automatically be entitled to the medical scheme and NO WAITING period will apply - <b>YES/NO</b> f) The bidder must allow for category movement for staff especially after staff promotions in grade and indicate how pro-rata premiums will be paid for such members - <b>YES/NO</b> g) Bidder must allow/facilitate discharge for members incurring excess without extra charges - <b>YES/NO</b> h) Dedicated 24-hr contact team to handle the scheme - <b>YES/NO</b>	



7.	Scheme value-add services (member education;	a) Bidder must demonstrate that they allow annual medical check-ups for staff - <b>YES/NO</b> b) The bidder must provide a detailed member sensitization/education schedule for staff - <b>YES/NO</b> c) Bidder must indicate that the format and confirm that member utility statements will be issued (monthly to members via phone & quarterly to KEMSA) - <b>YES/NO</b> d) The bidder must demonstrate that they have a biometric service provider - ( <i>attach agreement letter with bio-metric service provider</i> ) <b>YES/NO</b>	
		<b>TECHNICAL EVALUATION RESPONSE</b>	

**Note:**

The Technical Evaluation is based on a YES / NO BASIS. Failure to comply with Technical requirements will lead to disqualification. Only bidders who are successful at this stage will proceed to the Financial Evaluation stage.

**C) FINANCIAL EVALUATION**

Bidders who are successful at preceding stages of evaluation will have their prices compared and award recommended to the lowest evaluated responsive bid.

**HOWEVER, BIDDERS WHO HAVE HAD UNSATISFACTORY PAST PERFORMANCE ON PROVISION OF STAFF MEDICAL COVER SHALL NOT BE RECOMMENDED FOR AWARD.**

**NOTE;**

Underwriters who submit two bid documents with different prices will automatically be disqualified.

**POST QUALIFICATION**

KEMSA will use this to determine whether the bidder who submitted the lowest evaluated responsive bid is qualified to perform the contract effectively.

**PERIOD: TWO YEARS**

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