



Kenya Bureau of  
Standards  
Standards for Quality life

Our Ref: **KEBS/T007/2020/2021**

**11<sup>TH</sup> November, 2020**

M/s

Dear Sir,

**ADDENDUM NO. 2 TO THE TENDER NO. KEBS/T007/2020/2021 FOR PROVISION OF STAFF MEDICAL INSURANCE COVER 2020/2021**

The following amendments are made to the specified provisions of the Tender document for the Provision of Staff Medical Insurance Cover 2020/2021

**1. RELATIONSHIP WITH THE PRINCIPAL TENDER DOCUMENT**

Save where expressly amended by the terms of this Addendum, the Principal Tender Document shall continue to be in full force and effect.

The provisions of this Addendum shall be deemed to have been incorporated in and shall be read as part of the Principal Tender Document.

**2. CLARIFICATION HAVE BEEN SOUGHT AS FOLLOWS:**

**Question 1:** Section IV Special Conditions of the Contract and Preliminary Mandatory Requirements under evaluation criteria negate the principles of fair, equitable, transparent, competitive and cost effectiveness.

**Answer:** Section 60 of Public Procurement and Asset Disposal (PPAD) Act 2015 gives the absolute mandate to the procuring entity to prepare specific requirements that meet the needs of the entity and mitigation of risks that emanate from the service provision. The procuring entity has a constitutional right to provide specifications that conform to the functionality and performance of the expected service.

The section has defined the aspect of open competition amongst those who wish to participate and it is established that there are Kenyan Registered Insurance underwriters who meet the specifications.

When one insists a revision to suit their capacity this is equivalent to coerce KEBS to provide specifications to suit them. Therefore, subjecting this tender to be vendor driven. It is fair to let those who meet the specifications compete in an open and transparent manner.

**Question 2:** Clause 4.1.23 and 4.1.48 "Sum assured on paid up capital of Kshs 1 Billion" is not clear.

**Answer:** The two clauses are revised to read, ***"Paid up capital of Kshs 400 million"***

**Question 3:** Regulation 45 (1) has allowed guarantee from an insurance company registered by Insurance Regulatory Authority, why does the tender omit bid security by insurance firms?

**Answer:** PPAD Act 2015 Section 61 (1) and Public Procurement and Asset Disposal Regulations (PPADR) 2020 Section 45 (1) has listed the forms of tender securities and KEBS as a procuring entity has a right on the choice of the form of bid security. Either way a credible firm should not have a challenge in securing bid securities from a bank as described in clause 2.12.4 of the tender document.

More so PPADR 2020 Section 45(2) cautions bidders not to issue a tender security to guarantee itself.

**Question 4:** The tender has failed to comply with Section 86(2) of the PPAD Act 2015.

**Answer:** Please note that the all underwriters registered with the Insurance Regulatory Authority (Kenya) are eligible to bid as indicated in clause 2.1 of the tender document.

**Question 5:** The tender does not comply with Section 86 (1) of the PPAD Act 2015.

**Answer:** The award criteria is clearly defined in clause 2.25.1 of the tender document and is in line with the said Section 86(1) of the PPAD Act 2015 and also explained in the instructions to tenderers.

**Question 6:** With reference to clause 4.1.47 the bid security of Kshs 1 million is high.

**Answer:** The bid security remains to be of kshs 1 million and to be valid for 210 days from the date of closing.

**Question 7:** Revise clause 4.1.3 and 4.1.28

**Answer:** Clauses 4.1.3 and 4.1.28 have changed to read, "Must give at least a list and reference letters of three (3) reputable corporate entities with premiums of at least kshs 150,000,000 each in the previous year and current year.

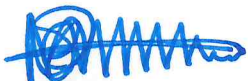
### **3. DEADLINE FOR SUBMISSION OF TENDER**

The tender closing date has been revised. The tender shall be closed on the **26<sup>th</sup> November, 2020**. The time for submission and opening remains the same as indicated in the Tender document.

All the other terms and conditions remain as per the tender document.

Yours faithfully,

**For: KENYA BUREAU OF STANDARDS,**



**Lt. Col. BERNARD NJIRAINI**  
**MANAGING DIRECTOR**