



KENYA REINSURANCE CORPORATION LIMITED

KRC/2020/100

REQUEST FOR PROPOSAL (RFP)

**ENGAGEMENT OF A CONSULTANT TO REVIEW OF KENYA RE'S INTERNAL CAPITAL ADEQUACY
ASSESSMENT FRAMEWORK -2020**

JUNE 2020

1 INVITATION TO TENDER

1.1 The Kenya Reinsurance Corporation Ltd. invites interested bidders to tender for: -

TENDER NO	DESCRIPTION OF SERVICE	TENDER SUBMISSION FORMAT	BID SECURITY USD
KRC/2020/100	ENGAGEMENT OF A CONSULTANT TO REVIEW KENYA RE'S INTERNAL CAPITAL ADEQUACY ASSESSMENT FRAMEWORK	SEPARATE TECHNICAL & FINANCIAL PROPOSALS	USD 2,000.00

Prospective bidders may download the tender documents from the Kenya Reinsurance Corporation website www.kenyare.co.ke free of charge.

Tenders in sealed envelopes bearing the correct **tender number** should be deposited in the Tender Box located on the 16th floor of Reinsurance Plaza Aga Khan Walk Nairobi or be sent to:-

Managing Director
Kenya Reinsurance Corporation, Ltd
Reinsurance Plaza, Nairobi
Aga Khan Walk
P.O. Box 30271 - 00100
NAIROBI

To be received by **29th July 2020 at 10.00 a.m.** Tenders will be opened the same day and time in the Corporation's Boardroom in the presence of bidders or their representatives who choose to attend.

Bidders who download the tender document from the website must forward their particulars immediately via email to procurement@kenyare.co.ke. This is for records and any further tender clarifications and addenda where necessary. The particulars should include Name of the Firm, Address, Telephone Number, email, and tender name.

The tenderers are advised to **thoroughly read and understand the tender document before tendering**. Each page in the tender documents MUST be continuously **serialized and paginated**.

The tender security/Bid bond shall be **USD 2,000.00** which should remain valid for a period of **120 days** from the close of the tender. The tender Security should be in any of the following forms; Banker's cheques, a bank guarantee, an insurance company guarantee from Public Procurement Regulatory Authority (PPRA) approved Insurance firms, Letter of credit, or Guarantee by a deposit taking microfinance institution/Sacco society/Youth Development Fund/Women Enterprise Fund.

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SECTION II: - INFORMATION TO CONSULTANTS (ITC)

2.1 Introduction

2.1.1 The Client named the Appendix to "ITC" will select a firm among those invited to submit a proposal, in accordance with the method of selection detailed in the appendix. The method of selection shall be as indicated by the procuring entity in the Appendix.

2.1.2 The consultants are invited to submit a Technical Proposal and a Financial Proposal, or a Technical Proposal only, as specified in the Appendix "ITC" for consulting services required for the assignment named in the said Appendix. A

Technical Proposal only may be submitted in assignments where the Client intends to apply standard conditions of engagement and scales of fees for professional services which are regulated as is the case with Building and Civil Engineering Consulting services. In such a case the highest ranked firm of the technical proposal shall be invited to negotiate a contract on the basis of scale fees. The proposal will be the basis for Contract negotiations and ultimately for a signed Contract with the selected firm.

2.1.3 The consultants must familiarize themselves with local conditions and take them into account in preparing their proposals. To obtain firsthand information on the assignment and on the local conditions, consultants are encouraged to liaise with the Client regarding any information that they may require before submitting a proposal and to attend a pre-proposal conference where applicable. Consultants should contact the officials named in the Appendix "ITC" to arrange for any visit or to obtain additional information on the pre-proposal conference. Consultants should ensure that these officials are advised of the visit in adequate time to allow them to make appropriate arrangements.

2.1.4 The Procuring entity will provide the inputs specified in the Appendix "ITC", assist the firm in obtaining licenses and permits needed to carry out the services and make available relevant project data and reports.

2.1.5 Please note that (i) the costs of preparing the proposal and of negotiating the Contract, including any visit to the Client are not reimbursable as a direct cost of the assignment; and (ii) the Client is not bound to accept any of the proposals submitted.

2.1.6 The procuring entity's employees, committee members, board members and their relative (spouse and children) are not eligible to participate.

2.2 Clarification and Amendment of RFP Documents

2.2.1 Consultants may request a clarification of any of the RFP documents only up to seven [7] days before the proposal submission date. Any request for clarification must be sent in writing by paper mail, cable, telex, facsimile or electronic mail to the Client's address indicated in the Appendix "ITC". If the clarification is material and warrants the attention of all bidders, the Client will respond by placing an advert in the dailies in form of an addendum. The client will determine if a clarification is material or not.

2.2.2 At any time before the submission of proposals, the Client may for any reason, whether at his own initiative or in response to a clarification requested by a firm, amend the RFP. Any amendment shall be issued through advertisement in the dailies. The Client may at his discretion extend the deadline for the submission of proposals.

2.3 Preparation of Technical Proposal

2.3.1 The Consultants proposal shall be written in English language

2.3.2 In preparing the Technical Proposal, consultants are expected to examine the documents constituting this RFP in detail. Material deficiencies in providing the information requested may result in rejection of a proposal.

2.3.3 While preparing the Technical Proposal, consultants must give particular attention to the following:

- i. If a firm considers that it does not have all the expertise for the assignment, it may obtain a full range of expertise by associating with individual consultant(s) and/or other firms or entities in a joint venture or sub-consultancy as appropriate. Consultants shall not associate with the other consultants invited for this assignment. Any firms associating in contravention of this requirement shall automatically be disqualified.
- ii. For assignments on a staff-time basis, the estimated number of professional staff-time is given in the Appendix. The proposal shall however be based on the number of professional staff-time estimated by the firm.
- iii. It is desirable that the majority of the key professional staff proposed be permanent employees of the firm or have an extended and stable working relationship with it.
- iv. Proposed professional staff must as a minimum, have the experience indicated in Appendix, preferably working under conditions similar to those prevailing in Kenya.
- v. Alternative professional staff shall not be proposed and only one Curriculum Vitae (CV) may be submitted for each position.

2.3.4 The Technical Proposal shall provide the following information using the attached Standard Forms;

- i. A brief description of the firm's organization and an outline of recent experience on assignments of a similar nature. For each assignment, the outline should indicate inter alia, the profiles of the staff proposed, duration of the assignment, contract amount and firm's involvement.
- ii. Any comments or suggestions on the Terms of Reference, a list of services and facilities to be provided by the Client.
- iii. A description of the methodology and work plan for performing the assignment.
- iv. The list of the proposed staff team by specialty, the tasks that would be assigned to each staff team member and their timing.
- v. CVs recently signed by the proposed professional staff and the authorized representative submitting the proposal. Key information should include number of years working for the firm/entity and degree of responsibility held in various assignments during the last ten (10) years.
- vi. Estimates of the total staff input (professional and support staff time) needed to carry out the assignment supported by bar chart diagrams showing the time proposed for each professional staff team member.
- vii. A detailed description of the proposed methodology, staffing and monitoring of training, if Appendix "A" specifies training as a major component of the assignment.
- viii. Any additional information requested in Appendix "A".

2.3.5 The Technical Proposal shall not include any financial information.

2.4 Preparation of Financial Proposal

2.4.1 In preparing the Financial Proposal, consultants are expected to take into account the requirements and conditions outlined in the RFP documents. The Financial Proposal should follow Standard Forms. It lists all costs associated with the assignment including; (a) remuneration for staff (in the field and at headquarters), and; (b) reimbursable expenses such as subsistence (per diem, housing), transportation (international and local, for mobilization and demobilization), services and equipment (vehicles, office equipment, furniture, and supplies), office rent, insurance, printing of

documents, surveys, and training, if it is a major component of the assignment. If appropriate these costs should be broken down by activity.

2.4.2 The Financial Proposal should clearly identify as a separate amount, the local taxes, duties, fees, levies and other charges imposed under the law on the consultants, the sub-consultants and their personnel, unless Appendix "A" specifies otherwise.

2.4.3 Consultants shall express the price of their services in Kenya Shillings.

2.4.4 Commissions and gratuities, if any, paid or to be paid by consultants and related to the assignment will be listed in the Financial Proposal submission Form.

2.4.5 The Proposal must remain valid for 120 days after the submission date. During this period, the consultant is expected to keep available, at his own cost, the professional staff proposed for the assignment. The Client will make his best effort to complete negotiations within this period. If the Client wishes to extend the validity period of the proposals, the consultants shall agree to the extension.

2.5 Submission, Receipt, and Opening of Proposals

2.5.1 The original proposal (Technical and Financial) shall be prepared in indelible ink. It shall contain no interlineation or overwriting, except as necessary to correct errors made by the firm itself. Any such corrections must be initialed by the persons or person authorized to sign the proposals.

2.5.2 For each proposal, the consultants shall prepare two copies. Each Technical Proposal and Financial Proposal shall be marked "ORIGINAL" or "COPY" as appropriate. If there are any discrepancies between the original and the copies of the proposal, the original shall govern.

2.5.3 The completed Technical and Financial Proposals must be delivered at the Submission address on or before the time and date stated in the Invitation to Tender. Any proposal received after the closing time for submission of proposals shall be returned to the respective consultant unopened.

2.6 Proposal Evaluation General

From the time the bids are opened to the time the Contract is awarded, if any consultant wishes to contact the Client on any matter related to his proposal, he should do so in writing at the address indicated in the invitation to tender. Any effort by the firm to influence the Client in the proposal evaluation, proposal comparison or Contract award decisions may result in the rejection of the consultant's proposal.

2.7 Evaluation of Technical Proposal

2.7.1 The evaluation committee appointed by the Client shall evaluate the proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria given.

Each responsive proposal will be given a technical score (St).

A proposal shall be rejected at this stage if it does not respond to important aspects of the Terms of Reference or if it fails to achieve the minimum technical score.

2.8 Public Opening and Evaluation

2.8.1 The evaluation committee will determine whether the financial proposals are complete (i.e. whether the consultant has costed all the items of the corresponding Technical Proposal and correct any computational errors. The cost of any unpriced items shall be assumed to be included in other costs in the proposal. In all cases, the total price of the Financial Proposal as submitted shall prevail.

2.8.2 While comparing proposal prices between local and foreign firms participating in a selection process in financial evaluation of Proposals, firms incorporated in Kenya where indigenous Kenyans own 51% or more of the share capital shall be allowed a 10% preferential bias in proposal prices. However, there shall be no such preference in the technical evaluation of the tenders. Proof of local incorporation and citizenship shall be required before the provisions of this subclause are applied. Details of such proof shall be attached by the Consultant in the financial proposal.

2.8.3 The tender evaluation committee shall evaluate the tender within 21 days from the date of opening the tender.

2.8.4 Contract price variations shall not be allowed for contracts not exceeding one year (12 months).

2.8.5 Where contract price variation is allowed, the variation shall not exceed 15% of the original contract price.

2.8.6 Price variation requests shall be processed by the procuring entity within 30 days of receiving the request.

2.9 Negotiations

2.9.1 Negotiations will be held at the same address as indicated in the Invitation to Tender. The aim is to reach agreement on all points and sign a contract.

2.9.2 Negotiations will include a discussion of the Technical Proposal, the proposed methodology (work plan), staffing and any suggestions made by the firm to improve the Terms of Reference. The Client and firm will then work out final Terms of Reference, staffing and bar charts indicating activities, staff periods in the field and in the head office, staff-months, logistics and reporting. The agreed work plan and final Terms of Reference will then be incorporated in the "Description of Services" and form part of the Contract. Special attention will be paid to getting the most the firm can offer within the available budget and to clearly defining the inputs required from the Client to ensure satisfactory implementation of the assignment.

2.9.3 Unless there are exceptional reasons, the financial negotiations will not involve the remuneration rates for staff (no breakdown of fees).

2.9.4 Having selected the firm on the basis of, among other things, an evaluation of proposed key professional staff, the Client expects to negotiate a contract on the basis of the experts named in the proposal. Before contract negotiations, the Client will require assurances that the experts will be actually available. The Client will not consider substitutions during contract negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable or that such changes are critical to meet the objectives of the assignment. If this is not the case and if it is established that key staff were offered in the proposal without confirming their availability, the firm may be disqualified.

2.9.5 The negotiations will conclude with a review of the draft form of the Contract. To complete negotiations the Client and the selected firm will initial the agreed Contract. If negotiations fail, the Client will invite the firm whose proposal received the second highest score to negotiate a contract.

2.9.6 The procuring entity shall appoint a team for the purpose of the negotiations.

2.10 Award of Contract

2.10.1 The Contract will be awarded following negotiations. After negotiations are completed, the Client will promptly notify other consultants that they were unsuccessful.

2.10.2 The selected firm is expected to commence the assignment on the date and at the location specified in Appendix "A".

2.10.3 The parties to the contract shall have it signed within 30 days from the date of notification of contract award unless there is an administrative review request.

2.10.4 The procuring entity may at any time terminate procurement proceedings before contract award and shall not be liable to any person for the termination.

2.10.5 The procuring entity shall give prompt notice of the termination to the tenderers and on request give its reasons for termination within 14 days of receiving the request from any tenderer.

2.10.6 To qualify for contract awards, the tenderer shall have the following:

- a. Necessary qualifications, capability experience, services, equipment and facilities to provide what is being procured.
- b. Legal capacity to enter into a contract for procurement
- c. Shall not be insolvent, in receivership, bankrupt or in the process of being wound up and is not the subject of legal proceedings relating to the foregoing.
- d. Shall not be debarred from participating in public procurement.

2.11 Confidentiality

Information relating to evaluation of proposals and recommendations concerning awards shall not be disclosed to the consultants who submitted the proposals or to other persons not officially concerned with the process, until the winning firm has been notified that it has been awarded the Contract.

2.12 Corrupt or fraudulent practices

2.12.1 The procuring entity requires that the consultants observe the highest standards of ethics during the selection and award of the consultancy contract and during the performance of the assignment. The tenderer shall sign a declaration that he has not and will not be involved in corrupt or fraudulent practices.

2.12.2 The procuring entity will reject a proposal for award if it determines that the consultant recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question.

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

Appendix to Information to Consultants (Appendix A)

1. The name of the Client is: **KENYA REINSURANCE CORPORATION LTD**

2. The method of selection is: **Quality and Cost Based Selection (QCBS)**

3. Technical and Financial Proposals are requested: Yes

4. The name of the Project is **ENGAGEMENT OF A CONSULTANT TO REVIEW KENYA RE'S INTERNAL CAPITAL ADEQUACY ASSESSMENT FRAMEWORK**

4. A pre-proposal conference will be held: **NO**

The name, address and telephone numbers of the Client's official(s) are:

KENYA REINSURANCE CORPORATION LTD

P.O BOX 30271, 00100

Nairobi.

TEL: 254 20 2202000, 0703-083000 Kenya Reinsurance Corporation Ltd. +254 20 2240188, Fax:

+254 20 2252106, 340486, 340132.

5. The Client will provide inputs: **AS APPROPRIATE**

6. The estimated number of professional staff months

Required for the assignment is: **AS APPROPRIATE**

The minimum required experience of proposed professional staff is:

_____ **TO BE EVALUATED** _____

7. Training is a specific component of this assignment:

_____ **AS PROVIDED** _____

8. Taxes: **PROVIDE INFORMATION AS APPROPRIATE**

9. Consultants must submit an original and ONE additional copy of each proposal.
10. The proposal submission address is: AS INDICATED IN THE INVITATION_ Information on the outer envelope should also include: TENDER NUMBER AND NAME OF THE TENDER.
11. Proposals must be submitted no later than the following date and time: **29th July 2020 10.00 am**
12. The address to send information to the Client is:
**KENYA REINSURANCE CORPORATION 16TH FLOOR, RE-INSURANCE PLAZA
P.O BOX 30271, 00100 NAIROBI,**
13. The minimum technical score required to pass is 70%
14. Alternative formulae for determining the financial scores is as provided
15. The assignment is expected to commence on 3rd Quarter of the year 2020

SECTION III: - TECHNICAL PROPOSAL

Notes on the preparation of the Technical Proposals

3.1 In preparing the technical proposals the consultant is expected to examine all terms and information included in the RFP. Failure to provide all requested information shall be at the consultants' own risk and may result in rejection of the consultant's proposal.

3.2 The technical proposal shall provide all required information and any necessary additional information and shall be prepared using the standard forms provided in this Section.

SECTION III - TECHNICAL PROPOSAL

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1. Technical proposal submission form
2. Firms references
3. Comments and suggestions of consultants on the Terms of reference and on data, services and facilities to be provided by the procuring entity
4. Description of the methodology and work plan for performing the assignment
5. Team composition and Task assignments
6. Format of curriculum vitae (CV) for proposed Professional staff

3.1 TECHNICAL PROPOSAL SUBMISSION FORM

[_____ *Date*]

To: _____ [*Name and address of Client*]

Ladies/Gentlemen:

We, the undersigned, offer to provide the----- in accordance with your Request for Proposal dated _____ [*Date*] and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal.

We understand you are not bound to accept any Proposal that you receive.
We remain,

Yours sincerely,

_____ [*Authorized Signature*]:

_____ [*Name and Title of Signatory*]

_____ [*Name of Firm*]

_____ [*Address*:]

3.2. FIRM'S REFERENCES

Relevant assignments carried out in the last five years that best competence of the firm.

Using the format below, provide information on each assignment for which your firm either individually, as a corporate entity or in association, was legally contracted.

Project Name	Name of Client and Contact Person	Type of Work Performed	Year of Completion	Value of Contract

Firm's Name: _____

3.3 COMMENTS AND SUGGESTIONS OF FIRMS ON THE TERMS OF REFERENCE AND ON INFORMATION, SERVICES AND FACILITIES TO BE PROVIDED BY THE CLIENT.

On the Terms of Reference:

- 1.
- 2.
- 3.
- 4.
- 5.

On the information, services and facilities to be provided by the Client:

- 1.

- 2.
- 3.
- 4.
- 5.

3.4 DESCRIPTION OF THE METHODOLOGY AND WORK PLAN FOR PERFORMING THE ASSIGNMENT

3.5 TEAM COMPOSITION AND TASK ASSIGNMENTS

3.5.1 Technical/Managerial Staff

Name	Position	Task

3.5.2 Support Staff

Name	Position	Task

3.6 FORMAT OF CURRICULUM VITAE (CV) FOR PROPOSED PROFESSIONAL STAFF

Proposed Position: _____

Name of Firm: _____

Name of Staff: _____

Profession: _____

Date of Birth: _____

Years with Firm: _____ Nationality: _____

Membership in Professional Societies: _____

Detailed Tasks Assigned: _____

Key Qualifications:

[Give an outline of staff member's experience and training most pertinent to tasks on assignment. Describe degree of responsibility held by staff member on relevant previous assignments and give dates and locations].

Education:

[Summarize college/university and other specialized education of staff member, giving names of schools, dates attended and degree[s] obtained.]

Employment Record:

[Starting with present position, list in reverse order every employment held. List all positions held by staff member since graduation, giving dates, names of employing organizations, titles of positions held, and locations of assignments.]

Certification:

I, the undersigned, certify that these data correctly describe me, my qualifications, and my experience.

_____ Date: _____

[Signature of staff member]

_____ *Date;*

_____ *[Signature of authorised representative of the firm]*

Full name of staff member: _____

Full name of authorized representative

SECTION IV: - FINANCIAL PROPOSAL

Notes on preparation of Financial Proposal

4.1 The Financial proposal prepared by the consultant should list the costs associated with the assignment. These costs normally cover remuneration for staff, subsistence, transportation, services and equipment, printing of documents, surveys etc as may be applicable. The costs should be broken down to be clearly understood by the procuring entity.

4.2 The financial proposal shall be in Kenya Shillings or any other currency allowed in the request for proposal and shall take into account the tax liability and cost of insurances specified in the request for proposal.

4.3 The financial proposal should be prepared using the Standard forms provided in this part.

SECTION IV - FINANCIAL PROPOSAL STANDARD FORMS

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1. Financial proposal submission Form
2. Summary of costs

4.1 FINANCIAL PROPOSAL SUBMISSION FORM

_____ *[Date]*
 To: _____

[Name and address of Client]

Ladies/Gentlemen:

We, the undersigned, offer to provide -----
 ----- in accordance with your Request for Proposal dated (_____) *[Date]*
 and our Proposal. Our attached Financial Proposal is for the sum of
 (_____) *[Amount in*
words and figures] inclusive of the taxes.

We remain,

Yours sincerely,

_____ *[Authorized Signature]:*

_____ *[Name and Title of Signatory]:*

_____ *[Name of Firm]*

_____ *[Address]*

4.2 SUMMARY OF COSTS

Costs	Currency(ies)	Amount(s) Year Totals
Subtotal		
Taxes		
Total Amount of Financial Proposal		

SECTION V: TERMS OF REFERENCE FOR PROVISION OF CONSULTANCY SERVICES TO REVIEW KENYA RE'S INTERNAL CAPITAL ADEQUACY ASSESSMENT FRAMEWORK

5.1 INTRODUCTION

The Kenya Reinsurance Corporation is a quasi-government state corporation which operates in a complex environment with ever increasing competition, greater accountability and even higher quality standards of service delivery which are placing more pressure on resources.

The Corporation established a capital adequacy framework in the year 2014 and enhanced the framework in year 2017. The framework has been instrumental to the Corporation in establishing risk management and making strategic decisions on the optimal capital levels to support the Corporation's operations.

The Corporation is now seeking to review the existing capital adequacy framework by embedding it further into its operations. We would like to see to it that it is updated with the current updates in solvency II, technical validation of the model, review of the assumptions made and the regulatory capital requirements in the Corporation's chosen markets.

5.2 BACKGROUND

CORPORATE BACKGROUND

Kenya Reinsurance Corporation Limited is the oldest Reinsurer in Eastern and Central Africa. Kenya Re was established through an Act of Parliament in December 1970 and commenced business in January 1971. Kenya Re's core activity is providing quality reinsurance services. The Corporation conducts reinsurance business in Kenya, Africa, Middle East and Asia. Locally, the operations of Kenya Reinsurance Corporation Limited are regulated by the Insurance Regulatory Authority. Besides the head office based in Nairobi, the Corporation has 3 subsidiaries in Ivory Coast, Zambia and Uganda. The Corporation has a staff compliment of approximately 160 staff.

In an effort to offer world-class reinsurance service, and to benchmark its quality to international standards, the Corporation got rated. The ratings are: Financial Strength Rating of B (Fair) and Long Term Issuer Rating of bb+ by A. M Best. These are premier global rating agencies, which also serve as reconfirmations of Kenya Re's financial strength. Kenya Re is also ISO 9001:2015 certified. These ratings and grading has been maintained to date.

5.3 TERMS OF REFERENCE

In order to carry out the review of the internal Capital Adequacy Assessment framework, the Consultant hereby agrees to provide the Services on behalf of and to the satisfaction of the Corporation which shall include (but is not limited to) the following activities: -

5.3.1 Objectives

The objective of this engagement is to review the Corporation's internal Capital Adequacy Assessment Framework, especially reviewing assumptions and parameters used for calibrating the internal capital model (ICM). Besides meeting regulatory requirement, the ICM gives a snapshot of the Corporation's risk profile and informs strategic decision-making process.

The consultant is expected to advise the Corporation on the appropriateness of the framework in informing decision making and meeting the leading practices in reinsurance capital risk management such as (but not limited to) Solvency II, rating agencies and regulatory requirements in the Corporation's chosen markets. This is by undertaking thorough technical review surrounding the structural design, parameterization and implementation of the Corporation's internal capital model.

The consultant will train the users of the model on its application, especially in informing strategic decision-making process and capital management. In addition, the consultant will also be expected to display high level of knowledge and experience in matters risk modelling in the reinsurance industry throughout the engagement.

5.3.2 SCOPE

The successful firm will be expected to review the Corporation's internal Capital Adequacy Assessment Framework including the Internal Capital Model and the accompanying framework as follows:

- (a) Conduct gap analysis review on the Corporation's Capital Adequacy Framework to determine the gaps and areas of improvement against best practices. These gaps should be from the design, implementation and maintenance of this Framework.
- (b) Benchmark the current internal capital model with the global best models in capital management, especially the ICMs that meet expectations of the rating agencies (A.M Best and GCR) and regulators in the Corporation's chosen markets.
- (c) Develop a roadmap for resolving gaps identified from the review of the wider Capital Adequacy Framework, including gaps noted from benchmarking the ICM.
- (d) Detailed review of documentation informing the existing Corporation's Capital Adequacy Framework and effectiveness of this framework in risk management.
- (e) Integrate the Capital Adequacy Framework to other existing internal models in the

Corporation to avoid duplication of effort and harmonize outputs (these will be shared with the successful consultant).

- (f) Develop and apply a methodology that the Corporation can use to allocate/reallocate capital to business lines and/or business units.
- (g) Based on the ICM, advise the Corporation on the optimal capital, reinsurance and investment portfolio mixes. This should include capital savings from reduced capital requirements, assessing the value attained from the current retro-program and propose any changes, etc.
- (h) Develop Liquidity Contingency Plan (LCP) for the Corporation and link it to the revised ICM.
- (i) Validate the assumptions and parameters of the internal capital model to ensure it adequately quantifies risks and the relevant economic capital. The model setting should include multi-period setting runs since the Corporation underwrites longtail classes (*this will address the 12-months limitations of the ordinary economic models*).
- (j) Calibrate/update the existing internal capital model with the outputs of the items listed above. The consultant will be expected to streamline the parameters of the model to be in line with the Corporation's risk appetite, expectations of rating agencies and regulators in Kenya, Zambia and Ivory Coast. Model should be adaptable enough to accommodate future changes in regulation in multiple regions beyond 12 months.
- (k) Forward and back/reverse-test the model to ascertain its resilience, adequacy and accuracy of its output over time. In addition, advise on use of the model to undertake Stress and Scenario Testing.
- (l) Run the updated model with the most current financial data in the Corporation and together with management, report to the board.
- (m) Link the updated ICM to the existing capital risk appetite and advise on remedial action for any deviations. Also, advise on embedment of the Capital Adequacy Framework in strategic decision making and risk management.
- (n) Align the internal capital model to cater for the provisions of IFRS 17, especially on future capital projections.
- (o) Update the internal Capital Adequacy Assessment framework supporting documentation for approval by the Board and Management. The documentation should also be aligned to existing related policies
- (p) Facilitate operationalization of the existing Own Risk and Solvency Assessment (ORSA) framework. Undertake ORSA workshops with departmental heads / management and develop the initial ORSA report. The consultant will present the report to Management and the Board.
- (q) Conduct in depth training for Risk department, Actuarial department and Finance department on the updated model and Capital Adequacy Assessment framework.
- (r) Undertake high level training for the Management and Board Risk Committees.

5.1 KEY DELIVERABLES

- a) A gap analysis report including a roadmap for the implementation of the identified gaps.
- b) Updated Capital adequacy framework including

- i. A validated and well-calibrated internal Capital Adequacy Assessment model that should have among other features, an inbuilt Economic Scenario Generator (ESG) and a Loss Distribution Approach (LDA).
 - ii. Updated documentation for approval by the Board and Management i.e. Updated Policy, Model documentation, Stress and Scenario testing guidelines, loss data framework etc.
 - iii. Updated risk tolerance limits for the Capital Adequacy indicators.
- c) A detailed and well-supported Liquidity Contingency Plan (LCP)
 - d) Output from the updated capital adequacy model shared with management and the Board.
 - e) An Updated Own Risk and Solvency Assessment (ORSA) framework and a Completed ORSA report ready, discussed and agreed with management including training for the relevant staff as defined in the scope of work above.
 - f) A report with output on selected scenarios and stress conditions shared with management and Board.
 - g) Detailed capital management framework clearly indicating various capital risk management approaches and considering the Corporation is running group operations in Africa, Middle East and Asia where is increasing changes in capital requirements.
 - h) In-depth training for the Risk department, Finance department and Actuarial department. Areas of training may include but not limited to maintenance of the internal capital model internally consisting of periodic validation, calibration and parameterization as well as reporting on the model outputs to various stakeholders. These will however be fine-tuned with the successful firm at the point of training.
 - i) High level training for the Management and Board Risk Committees with emphasis on decision making, risk management, enhancing shareholders value and attaining competitive advantage using the internal capital model.

- **PROJECT APPROACH**

- **The consultant:**

- Will report to the Manager (Risk & Compliance).
- Will be expected to make recommendations, and provide other information as necessary to the Risk and Compliance Committee of the Board
- Will be provided on-site office accommodations and generally expected to be available during regular business hours.

- **EVALUATION CRITERIA**

- MANDATORY REQUIREMENTS

The following documents are mandatory and should be submitted with the technical proposal. Failure to submit any of the documents below, will lead to automatic disqualification (i.e. the firm will not be subjected to the technical and financial evaluations):

- I. Certificate of registration / incorporation

- II. Bid bond 2000 USD

The Corporation is interested in dealing with firms that have and can provide proof of expertise and capacity in such projects and be compliant with global best practice. To demonstrate that the firm can undertake this assignment, the interested firms (which should not have either real or an apparent conflict of interest) must provide the following:

(NB: The Technical and Financial proposals will be evaluated together, and bidders are requested to submit the same in one envelope.)

- **TECHNICAL & FINANCIAL EVALUATION MATRIX**

Parameter	Max Score (POINTS)
Company Profile (Max 10 pts) <ol style="list-style-type: none"> a) Number of years in operations <ul style="list-style-type: none"> < 3 years (2 pts) ➤ 3 years (5 pts) b) Number of professional staff in actuarial / risk management consultancy <ul style="list-style-type: none"> < 5 staff (2 pts) >5 staff (5 pts) 	10

<p>Service provider's overall capacity to undertake such assignment:</p> <p>a) Three (3) reference sites for similar projects undertaken</p> <p>i.e. Development / Implementation of Capital Adequacy frameworks (Max 20 pts).</p> <p>At least two sites in long- or short-term insurance business, composite insurers or reinsurance companies (20 pts)</p> <ul style="list-style-type: none"> ▪ At least two sites in other financial sector e.g. banking (15 pts) ▪ Reference sites provided not in the financial sector site (10 pts) ▪ Reference sites provided are not in regard to Capital Adequacy development and (or) implementation (0 points) <p>b) Team experience in capital management and modeling (Max 20 pts)</p> <ul style="list-style-type: none"> ▪ Lead consultant with three or more years of relevant experience in capital management & modelling i.e. development of frameworks and implementation (20 pts). ▪ Lead consultant more than one year but less than three years of relevant experience in capital management & modelling i.e. development of frameworks and implementation (15 pts) ▪ Lead Consultants with less than one year of relevant experience in capital risk management & modelling i.e. development of frameworks and implementation (10 pts) 	<p>50</p>
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<ul style="list-style-type: none"> ▪ Lead Consultants with experience in conducting training on capital management (5 pts) <p>c) Lead consultants with certification or qualification in relevant field i.e. professional certifications from Institutes of actuaries, Capital Risk Management, Capital Risk Modelling (Max 10)</p> <ul style="list-style-type: none"> ▪ Academic qualifications in risk management and professional certifications from Institute of actuaries or certification in risk management & modelling clearly highlighting capital risk modelling as a unit / module (10 pts) ▪ Certification in general risk management (8 pts). ▪ Professional / Academic qualification in business & statistics- related fields e.g. CPA, CIA, CISA etc. (5 pts) ▪ No certification / Certification not relevant (0 pts) <p>NB: Provide CVs to support the foregoing qualifications.</p>	
<p>Proposed Approach and Methodology (Max 15):</p> <p>a) Methodology linked to a world class framework e.g. Solvency II etc.(5 pts)</p> <p>b) Project plan clearly indicating tasks to be undertaken, timeframe for each major task and delivery dates for major deliverables. The estimated time to complete the entire project should also be included in specific terms such as weeks / months. (10 pts)</p>	15

<p>Knowledge transfer, technical training, and awareness creation to the Board, Management, and staff (Max 15)</p> <p>Provide trainings as detailed in the scope of works in section 5.3 above.</p> <p>NB: Each proposed training will be awarded 2 marks.</p> <p>Additional value-added training / sensitization sessions will</p>	<p>15</p>
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<p>attract one extra mark.</p> <p>The consultant shall clearly indicate extent of knowledge transfer and awareness creation throughout the course of the project to the following groups:</p> <ul style="list-style-type: none"> a) Board of Directors b) Senior Management c) Risk Function d) Actuarial Function e) Finance function f) Other Staff 	
<p>Post-implementation support (max 10)</p> <ul style="list-style-type: none"> a) 3-6 months (10 pts) b) 2-3 months (5 pts) c) 0-1 month (0 pts) 	10
TOTAL	100 POINTS

To demonstrate that the firm can undertake this assignment, the interested firms must provide the following:

Only firms that score 60 points and above at technical evaluation will proceed to financial evaluation.

5.4 TECHNICAL/FINANCIAL EVALUATION CRITERIA

Technical proposal will carry a weighting of 70% marks and financial proposals will have a weighting of 30% marks.

The formula in determining the financial score is as follows: - (The single currency for the price conversion is KENYA SHILLINGS)

$$SF = \frac{FM}{F} \times 100$$

SF = Financial Score

FM = Lowest Financial Proposal

F = Financial Proposal under consideration.

The lowest bid will be given maximum financial score.

COMBINED FINANCIAL AND TECHNICAL SCORE

The evaluation results will be ranked on Combined Financial and Technical Score which is given as follows: -

$$S = S_t \times T\% + S_f \times P\%$$

Where

S_t = Technical Score

T = Technical Weighting

S_f = Financial Score

P = Financial Weighting

S = Combined Financial and Technical Score

5.5 CONFIDENTIAL BUSINESS QUESTIONNAIRE FORM

You are requested to give the indicated in Part 1; either part 2(a), 2(b) or 2(c) whichever applies to your type of business and part 3.

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

No	Part 1 – General
4.1	Business Name
4.2	Location of Business Premises
4.3	Plot No. Street/Road..... Postal Address Telephone Numbers..... Fax Number E-mail Address
4.4	Nature of Business
4.5	Registration Certificate No.
4.6	Maximum value of Business which you can handle at any one time. Kshs Name of your Bankers..... Branch.....
4.7	Confirm credit period extended your to clients
	Part 2 (a) – Sole Proprietor
4.8	Your Name in Full

	Age..... Nationality Country of Origin..... Citizen Details.....
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	Part 2 (b) – Partnership
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4.9.	Given details of partnership as follows: - <u>2b.2</u> Name..... Nationality.....Citizenship Details..... Share..... 1..... 2..... 3..... 4.....
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	Part 2 (C) – Registered Company
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4.10	Private or Public
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4.11	<p>State the Nominal and issued Capital or Company</p> <p>Nominal Kshs</p> <p>Issued Kshs</p> <p>Given details of all Directors as follows: -</p> <p>Name..... Nationality..... Citizenship Details....., Share.....</p> <p>1.....</p> <p>2.....</p> <p>3.....</p> <p>4.....</p> <p>5.....</p> <p style="text-align: center;">Part 3 – Eligibility Status</p>
4.13	<p>Are you related to an Employee, Committee member or Board Members of Kenya Re? Yes..... No.....</p>
4.14	<p>If answer in '4.13 is Yes give the relationship.</p>
	<p>4.15 Does an Employee, Committee Member, Board Member of Kenya Re sit in The Board of Directors or Management of your Organization, subsidiaries or Joint Venture? Yes..... No.....</p>

.....
.....
.....
.....

4.16 If Answer in '4.15' above is **Yes** give details

.....
.....
.....
.....

4.17 Has your Organization, Subsidiary Joint Venture or Sub-contractor been involved in the past directly or indirectly with a firm or any of its affiliates that have been engaged by Kenya Reinsurance Corporation Ltd to provide consulting services for preparation of design, specifications and other Documents to be used for procurement of the goods under this invitation.

Yes..... No.....

4.18. If answer in '4.17' above is **Yes** give details

.....
.....
.....
.....

4.19 Are you under a declaration of ineligibility for corrupt and fraudulent Practices? Yes No.....

4.20 If answer in '4.19' above is **Yes** give details

.....
.....
.....

4.21 Have you offered or given anything of value to influence the pre-qualification Process? Yes No.....

4.22 If answer in '4.20' above is Yes give details

.....
.....
.....

I/We Declare that the information given on this form is correct to the best of My/our knowledge and belief and that I/We Kenya Reinsurance corporation Ltd to seek any other reference concerning my/our company from whatever sources deemed relevant e.g. Company Registrar's Office, Bankers etc.

Date..... Signature of Candidate.....

If a Kenyan citizen, indicate under "citizenship Details," whether by Birth, Naturalization of registration.

: _____

5.6 TENDER SECURITY FORM

Whereas [*name of the tenderer*]
(hereinafter called "the tenderer") has submitted its tender dated.....
[*date of submission of tender*] for the provision of [*name
and/or description of the equipment*] (hereinafter called "the
Tender")..... KNOW ALL PEOPLE by these
presents that WE of having our registered office
at (hereinafter called "the Bank"), are bound unto [*name of
Procuring entity*] (hereinafter called "the Procuring entity") in the sum of
..... for which payment well and truly to be made to the said Procuring
entity, the Bank binds itself, its successors, and assigns by these presents. Sealed with the
Common Seal of the said Bank this _____ day of _____ 20 _____
_____.

THE CONDITIONS of this obligation are: -

1. If the tenderer withdraws its Tender during the period of tender validity specified by the tenderer on the Tender Form; or
2. If the tenderer, having been notified of the acceptance of its Tender by the Procuring entity during the period of tender validity:
 - (a) fails or refuses to execute the Contract Form, if required; or
 - (b) fails or refuses to furnish the performance security in accordance with the Instructions to tenderers.

We undertake to pay to the Procuring entity up to the above amount upon receipt of its first written demand, without the Procuring entity having to substantiate its demand, provided that in its demand the Procuring entity will note that the amount claimed by it is due to it, owing to the occurrence of one or both of the two conditions, specifying the occurred condition or conditions.

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 above date.

[*signature of the bank*] _____
(Amend accordingly if provided by Insurance Company)

5.7 CONTRACT FORM

THIS AGREEMENT made the _____ day of _____ 20 _____ between
[*name of Procurement entity*] of [*country of Procurement entity*] (hereinafter called
"the Procuring entity) of the one part and [*name of tenderer*] of
..... [*city and country of tenderer*] (hereinafter called "the tenderer") of the other part.

WHEREAS the Procuring entity invited tenders for certain goods] and has accepted a tender
by the tenderer for the supply of those goods in the sum of
[*contract price in words and figures*] (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 referred to:

2. The following documents shall be deemed to form and be read and construed as part
of this Agreement viz:

- (a) the Tender Form and the Price Schedule submitted by the tenderer
- (b) the Schedule of Requirements
- (c) the Technical Specifications
- (d) the General Conditions of Contract
- (e) the Special Conditions of contract; and
- (f) the Procuring entity's Notification of Award

3. In consideration of the payments to be made by the Procuring entity to the tenderer
as hereinafter mentioned, the tender hereby covenants with the Procuring entity to provide
the goods and to remedy defects therein in conformity in all respects with the provisions of
the Contract

4. The Procuring entity hereby covenants to pay the tenderer in consideration of the
provisions of the goods 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.

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

Signed, sealed, delivered by _____ the _____ (for the Procuring entity

Signed, sealed, delivered by _____ the _____ (for the tenderer in the presence of .

(Amend accordingly if provided by Insurance Company)

5.8 BANK GUARANTEE FOR ADVANCE PAYMENT FORM

To
[name of Procuring entity]

[name of tender]

Gentlemen and/or Ladies:

In accordance with the payment provision included in the Special Conditions of Contract, which amends the General Conditions of Contract to provide for advance payment, [name and address of tenderer](hereinafter called "the tenderer") shall deposit with the Procuring entity a bank guarantee to guarantee its proper and faithful performance under the said Clause of the Contract in an amount of [amount of guarantee in figures and words].

We, the [bank or financial institutions], as instructed by the tenderer, agree unconditionally and irrevocably to guarantee as primary obligator and not as surety merely, the payment to the Procuring entity on its first demand without whatsoever right of objection on our part and without its first claim to the tenderer, in the amount not exceeding [amount of guarantee in figures and words]

We further agree that no change or addition to or other modification of the terms of the Contract to be performed there-under or of any of the Contract documents which may be made between the Procuring entity and the tenderer, shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition, or modification.

This guarantee shall remain valid in full effect from the date of the advance payment received by the tenderer under the Contract until [date].

Yours truly,

Signature and seal of the Guarantors

[name of bank or financial institution]

[address]

[date]

5.9 LETTER OF NOTIFICATION OF AWARD

Address of Procuring Entity

To: _____

RE: Tender No. _____

Tender Name _____

This is to notify that the contract/s stated below under the above-mentioned tender has been awarded to you.

1. Please acknowledge receipt of this letter of notification signifying your acceptance.
2. The contract/contracts shall be signed by the parties within 30 days of the date of this letter but not earlier than 14 days from the date of the letter.
3. You may contact the officer(s) whose particulars appear below on the subject matter of this letter of notification of award.

(FULL PARTICULARS) _____

SIGNED FOR ACCOUNTING OFFICER

8.7 FORM RB 1

REPUBLIC OF KENYA

PUBLIC PROCUREMENT ADMINISTRATIVE REVIEW BOARD

APPLICATION NO..... OF.....20.....

BETWEEN

..... APPLICANT

AND

.....RESPONDENT (*Procuring Entity*)

Request for review of the decision of the..... (*Name of the Procuring Entity*) of
.....dated the...day of20.....in the matter of Tender No.....of
.....20...

REQUEST FOR REVIEW

I/We....., the above-named Applicant(s), of address: Physical
address..... Fax No.....Tel. No..... Email, hereby request the Public
Procurement Administrative Review Board to review the whole/part of the above mentioned
decision on the following grounds, namely:-

- 1.
- 2.
- etc.

By this memorandum, the Applicant requests the Board for an order/orders that: -

- 1.
- 2.
- etc.

SIGNED (Applicant)

Dated on..... day of/...20...

FOR OFFICIAL USE ONLY

Lodged with the Secretary Public Procurement Administrative Review Board on day
of20.....

ANTI – CORRUPTION POLICY

Kenya Re has committed itself to “Zero” tolerance on corruption and working with the government and other agencies in tackling the vice. Part of our corporate values is “integrity”; Kenya Re does not engage in corruption or any form of unethical inducement or payment including facilitation payments and “kickbacks”.

In order to achieve this, Kenya Re is committed to ensure that:

- No form of bribery or corruption is tolerated.
- Strong internal controls to avert any form of corruption are put in place at all times.
- All employees avoid any activities that might lead to or suggest a conflict of interest with the business of the Corporation.
- Employees declare gifts accepted or offered which will be subjected to managerial review.
- A strong corporate governance framework which encompasses accountability, transparency, participation, equality, rule of law, capacity and competence and responsiveness to people’s needs is consistently embraced.
- Immoral behaviour, favouritism, discrimination and nepotism are not tolerated.
- All corruption cases reported by any employee are handled expeditiously and fairly.
- The protection of the identity of persons making corruption disclosures and also take all possible actions to protect individuals subject to unfair or malicious allegations.
- The Corruption Prevention Committee is at liberty to prescribe the disciplinary action to be taken against the employee(s) concerned.
- Staff are continuously sensitized and trained on matters of ethics and integrity once every year.

This policy document shall be reviewed from time to time at such intervals as management may determine.



Michael Mbeshi
Ag. Managing Director

Date 28/05/2018



KENYA REINSURANCE CORPORATION LTD

QUALITY POLICY

As a leading Reinsurer in our chosen markets, we commit to

- Provide risk management solutions that secure the future and create value for stakeholders
- Comply with International Standards as well as Quality Management System (QMS) requirements as outlined in ISO 9001
- Comply with all applicable regulatory and statutory requirements, and any other requirements that may not be statutory/regulatory.

We undertake to realize the above by keeping tabs on our Corporate Performance Objectives:

- Financial performance:** Achieve sustainably robust financial performance to grow stakeholder value
- Business process:** Maintain systems and processes that address business needs and stakeholder interests
- Business development:** Grow and diversify quality portfolios for business sustainability
- Risk management:** Maintain robust risk management initiatives in order to achieve corporate objectives
- People and culture:** Develop human resource capabilities and culture to match the Corporation's performance requirements

Consistent with this policy, specific quality objectives are established at relevant functions and levels within the Corporation. By mutual encouragement, commitment and cooperation through teamwork, all Kenya Re employees will perform their tasks diligently towards the achievement of our quality objectives, and continual improvement of the quality management system.

This policy shall be communicated and understood internally by all employees, and externally by all other stakeholders as well (through our website www.kenyare.co.ke). It shall be reviewed for continuing suitability taking into account changing Quality Management Systems and other practices.

A handwritten signature in black ink, appearing to read 'Michael J. Mbeshi'.

MICHAEL J. MBESHI

AG. MANAGING DIRECTOR

DATE: 2ND MAY 2018



KENYA REINSURANCE CORPORATION LTD

INFORMATION SECURITY POLICY

It is the policy of the Kenya Reinsurance Corporation (Kenya Re) that information confidentiality, integrity, and availability requirements, needs and expectations of interested parties are identified and that information is protected through a systematic process of risk assessment and risk treatment to satisfy, as appropriate, interested parties and needs of the Corporation in consideration of its mission to provide risk management solutions that secure the future and create value for stakeholders.

To ensure the integration and effective management of information security practices within Kenya Re, an Information Security Management System (ISMS) has been established, implemented, maintained, and shall be continually improved in accordance with the requirements of ISO/IEC 27001. The management system shall be independently audited for conformity at least once annually and results reported to the Managing Director.

As part of this framework, measurable information security objectives shall be established and monitored in the Corporation at all departmental levels. The overall performance of the ISMS shall be reviewed by the Management at planned intervals, and at least once annually or in the event of significant changes to ensure the continuing suitability, adequacy, and effectiveness of the ISMS.

The Corporation is committed to:-

- Establishing, implementing, maintaining, and continually improving the ISMS in accordance with the requirements of ISO/IEC 27001,
- Establishing and reviewing Information Security objectives at all Functions,

- Managing of information security risks through risk assessment and treatment,
- Reviewing the ISMS at planned intervals and in the event of significant changes to ensure its continuing suitability, adequacy, and effectiveness, and
- Providing assurance to interested parties of the Corporation's information security capability and commitment in meeting their requirements and expectations through third party audits.

This policy shall be communicated and understood internally by all employees, and externally by all other stakeholders as well (through our website www.kenyare.co.ke).



MICHAEL J. MBESHI

AG. MANAGING DIRECTOR

DATE: 17TH JULY 2018