



REQUEST FOR EXPRESSION OF INTEREST FOR FIRMS TO OFFER CONSULTANCY SERVICES TO REVIEW INSURANCE RISKS AND STAFF MEDICAL SCHEME

Sector: Energy

EXPRESSION OF INTEREST NO: KPI/9A.2/EOI/FIN/03/21 -22

Country: Kenya

BACKGROUND

Kenya Power (The Company) has in place an Insurance Portfolio (The Portfolio) comprising thirty – six (36) Insurance Policies covering its assets (both physical and human resources) and insurable legal liabilities. The Portfolio is procured regularly in line with The Public Procurement and Asset Disposal Act 2015 (PPAD 2015).

The Company also has a staff medical scheme that is internally managed with employees allocated medical expenditure limits for both Outpatient and Inpatient services. Temporary and contract employees are currently covered under NHIF comprehensive medical cover for Kenya Power contract employees.

OBJECTIVE

The Company wishes to undertake a comprehensive review of existing insurance arrangements and the staff medical scheme with a view to establishing a robust and responsive portfolio and to adopt a cost-effective framework for procurement of Insurance Service Providers and managing the medical scheme going forward.

THE SCOPE OF WORKS – INSURANCE RISKS

1) The insurance policies currently in force are:

No.	Policy Name
1.	Air Travel Insurance
2.	All Risks (Computers & Allied Equipment) Insurance
3.	Aviation Hull Insurance

4.	Burglary (Stock) Insurance
5.	Contractors All Risks (Electrical Plant) Insurance
6.	Contractors All Risks (Transport Plant) Insurance
7.	Directors & Officers Liability Insurance
8.	Employers Liability (Common Law) Insurance
9.	Engineering/Machinery Breakdown Insurance
10.	Fidelity Guarantee Insurance
11.	Fire & Perils (Buildings)
12.	Fire & Perils (Consequential Loss)
13.	Fire & Perils (Off-Grid Power Stations)
14.	Fire & Perils (Stock)
15.	Fire & Perils (Substations)
16.	Group Creditor Assurance (Car Loans)
17.	Group Life Assurance (with WIBA 2007, Last Expense & Critical Illness Riders)
18.	Group Medical Insurance (Directors)
19.	Group Personal Accident Insurance (Aviation)
20.	Group Personal Accident Insurance (Directors)
21.	Last Expense Assurance (Children)
22.	Last Expense Assurance (Spouses)
23.	Marine Cargo Insurance (Open Cover)
24.	Marine Hull Insurance
25.	Money Insurance
26.	Motor Commercial Passenger Liability (Company) Insurance
27.	Motor Commercial Third Party (Company) Insurance
28.	Motor Contingent Liability (Company) Insurance
29.	Motor Cycles Third Party (Company) Insurance
30.	Motor Private Comprehensive (Company) Insurance
31.	Motor Private Comprehensive (Managers) Insurance
32.	Motor Private Comprehensive (Staff) Insurance
33.	Motor Private Third Party (Company) Insurance
34.	Motor Trade (KG Plates) (Company) Insurance
35.	Public/Products Liability (with Consequential Loss) Insurance
36.	Terrorism & Sabotage Insurance

- 2) Undertake a comprehensive review of the insurance portfolio, identify gaps and recommend an appropriate program going forward.
- 3) Review and recommend appropriate limits of liability and or indemnity.
- 4) Review and recommend appropriate excesses and or deductible levels.
- 5) Review and recommend appropriate policy clauses, conditions and warranties.
- 6) Review and recommend appropriate asset co-insurance framework.
- 7) Undertake a market survey on the portfolio and recommend appropriate coverage structuring, including workable cost – reduction initiatives.
- 8) Recommend appropriate risk transfer options available to the Company.

- 9) Review the existing procurement methodology and recommend appropriate structuring of requirements, specifications and evaluation criteria in line with existing relevant laws of Kenya (and applicable Regulations).
- 10) Review the existing claims management framework and recommend cost-effective remedial measures going forward
- 11) Review the existing internal claims documentation linkages and recommend cost-effective remedial measures going forward.
- 12) Review existing insurance function processes and systems and recommend remedial measures going forward.
- 13) Review existing insurance function staffing establishment and requirements and recommend remedial measures going forward.
- 14) Undertake any other works relevant and or impacting on the Assignment.

SCOPE OF WORKS – STAFF MEDICAL SCHEME REVIEW

1. To compare medical scheme models with other institutions of similar capacity

No	Name of institution	Number of employees	Type of medical scheme for outpatient services (Insurance or internal medical scheme)	Type of medical scheme for inpatient services (Insurance or internal medical scheme)
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				

2. To compare the cost of the medical scheme with other similar parastatals / insurances

No	Name of institution	Number of employees/ principal members	Total number of lives on cover	Medical Expenditure per financial year. Split inpatient & outpatient/year				
				2020/ 2021	2019/ 2020	2018/ 2019	2017/ 2018	2016/ 2017
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								

3. To compare the cover limits for various staff cadres with those of similar institutions and advise on appropriate cover

Name of institution

No	Staff cadres	Number of staff per cadre	Outpatient Cover	Inpatient Cover	Dental Cover	Optical Cover	Maternity Cover	Any other cover
1.								
2.								
3.								
4.								
5.								
6.								
7.								

4. To advise on the optimal medical scheme staffing level based on scheme size for each area of scheme functions

Name of institution	Total number of lives on cover (Principal Members + Dependents)	Function	Number of staff per function
		Customer services/contact center both night and day	
		Preauthorization	
		Care management (visiting patients in	

		hospital/ coordinating care for hospitalized patients)	
		Vetting medical claims	
		Finance Paying medical claims	
		Members health education	
		Medical auditing	
		Any other functions	

5. To advise on the best model for regional management of the medical scheme

Name of the institution	Number and location of regional offices	Number of medical scheme staff in the regional offices	Staff cadres and functions/ roles per regional office

6. To establish the optimal number of service providers across the country

No	Name of the institution	Number of staff/principal members	Total number of lives on cover (Principal Members + Dependents)	Total Number of service providers
1.				
2.				
3.				
4.				
5.				
6.				
7.				

7. To compare the cover benefits for the KPLC internal medical scheme Vs other institutions/ insurances and advice on the best options going by industry trends.

8. To advise on the cost effectiveness of the NHIF comprehensive medical cover for Kenya Power contract employees as compared to other Medical insurance providers.

Number of Principal members	Inpatient Limit (Kshs)	Outpatient Limit (Kshs)			Group Life (Kshs)	Last Expense (Kshs)
		Medical	Optical	Dental		
2,851	Unlimited	Unlimited	40,000	50,000	700,000	100,000

9. To advise on the cost effectiveness of the internally managed medical scheme VS insurance under the same terms/ scope of benefits of the internal cover as under listed.

Scope of benefits of the internal medical cover

- i. To give a separate premium quotation for inpatient and outpatient.
- ii. Both the inpatient and outpatient covers shared per family.
- iii. Optical and dental are part of the outpatient cover and the family can spend up to the outpatient limit.
- iv. Accidental dental and optical injuries for dependents will be covered up the inpatient/outpatient cover limits.
- v. Orthodontics, Root canal, Dentures, dental crowns, dental implants and other prosthodontics shall be covered subject to cover limits.
- vi. Maternity services are only allowed for the principal member or the spouse of the principal member. Children are not covered for maternity services. The members covered for maternity services can spend up to the inpatient/outpatient cover limits.
- vii. Congenital conditions will be covered to the inpatient/outpatient cover limits.
- viii. Chronic conditions will be covered up to the inpatient/outpatient cover limits.
- ix. The full exclusions list to be presented accompanying the quotation
- x. Staff to access any hospitals and visit consultants of their choice without restrictions. The full list of healthcare service providers to be accessed countrywide to be availed.
- xi. This cover will not include accidents for principal members. The company has a separate accident cover for the employees. However, dependents should be covered for accidents.
- xii. The cover should accommodate rehabilitation for alcohol and drug abuse in NACADA accredited rehabilitation centers of choice subject to cover limits.
- xiii. New born babies including preterm children will be covered as from birth subject to cover.
- xiv. Union employees will be allowed to carry forward unutilized inpatient/outpatient cover from an odd year to the next even year.

- xv.** To cover pandemic's/ endemics like Covid -19 and another that may come up in future.
- xvi.** Emollients like Epimax or other similar products, medicinal shampoos and lotions for treatment of eczema and other skin conditions as recommended by the doctor shall be covered.
- xvii.** Multivitamins and food supplements for staff with various medical conditions where such supplements are deemed medically necessary and justified by the doctor shall be covered.
- xviii.** Unlimited Emergency Air Rescue Services for transportation and transfer of an injured member to a facility where adequate medical care is available subject to cover limits.
- xix.** Unlimited Emergency Road Ambulance Services for transportation and transfer of an injured member to a facility where adequate medical care is available subject to cover limits
- xx.** Crutches, wheel chairs, hearing aids, prosthesis, orthosis and any other devices for persons who develop/ living with disabilities including repair and replacement for damaged ones subject to cover limits.
- xxi.** Renal treatment services including kidney transplant and pre-test costs for the kidney donor identification subject to cover limits.
- xxii.** Travel and accommodation costs for the patient and kidney donor subject to cover limits.
- xxiii.** Unlimited In Vitro Fertilization (IVF) treatment for staff and spouses subject to cover limits. IVF for children shall not be covered.
- xxiv.** All Vaccinations shall be covered except those that are provided free of cost by the government.
- xxv.** Children will be covered up to the 24th birthday.
- xxvi.** Claims related to expenses arising whilst the Member is temporarily abroad and requiring emergency treatment for an illness or injury that occurs during the period of travel provided that such period does not exceed six weeks in any one visit will be covered on reimbursed subject to cover limits.
- xxvii.** Treatment costs arising from a condition that warrants treatment overseas because the treatment is not available in Kenya will be covered subject to cover limits.
- xxviii.** Medical personnel accompanying a patient on recommendation by the referring Doctor will be paid for a return air ticket, accommodation and professional fees subject to cover limits.
- xxix.** Travel and accommodation costs for a person accompanying a patient for treatment overseas will be covered within the cover limits.
- xxx.** Medical checkups shall be allowed once a year for a Member and declared spouse subject to cover limits.
- xxxi.** Dental and optical hospitalization for dependents resulting from an accident will each be covered within the inpatient limit.
- xxxii.** The waiting period for new members will be set as zero (0) days
- xxxiii.** Must have 24 hours emergency contact persons reachable at all times

Number of staff and dependents per staff category

STAFF CATEGORY	NUMBER OF STAFF	NUMBER OF DEPENDANTS	TOTAL LIVES PER STAFF CATEGORY	OUTPATIENT COVER	INPATIENT COVER
Chief Officers	2	10	12	115,000	605,000
Contract Non-Union	328	794	1,122	108,000	605,000
County Bus. Manager	49	193	242	144,000	858,000
Departmental Manager	40	142	182	144,000	858,000
Executive	84	344	428	115,000	605,000
General Manager	11	43	54	173,000	907,000
MD & CEO	1	7	8	187,000	1,028,500
Regional Manager	8	29	37	173,000	907,000
Senior Standard	835	3,145	3,980	108,000	605,000
Standard	1,807	6,008	7,815	94,000	484,000
Union	4,274	17,565	21,839	126,042 (with carry forward)	553,404 (with carry forward)
GRAND TOTAL	7,439	28,280	35,719		

ELIGIBILITY AND QUALIFICATION CRITERIA – INSURANCE RISKS

1. Participating Consultants shall be required to meet the requirements under Section 55 of the Public Procurement and Asset Disposal Act 2015 (Kenya).
2. Participating Consultants shall provide information that they are qualified to perform the Assignment. These shall include:
 - 2.1 Company Profile of the Consultant outlining its legal status, key staff and their Qualifications and Experience;
 - 2.2 A track record of the firm in conducting similar assignments for large organizations, including governmental agencies, parastatals and energy utilities;
 - 2.3 Five (5) references of similar local and international clients completed within the last three (3) years;

2.4 Meet the requirements of a Risk Manager/Surveyor as outlined in Section 150 of the Insurance Act Cap 487.

ELIGIBILITY AND QUALIFICATION CRITERIA – STAFF MEDICAL SCHEME

1. 5 years of experience consulting in the medical insurance industry
2. Degree in a health or medical insurance field from a recognized university
3. At least 4 recommendation letters from previous clients for similar work in the last 3 years

The Kenya Power and Lighting Company PLC (KPLC) now invites eligible Consultants to express their interest in providing the proposed Insurance Risk and Staff Medical Review Consultancy Services. Interested Consultants must provide information indicating that they are qualified to perform the services (brochures, experience similar assignments).

The Kenya Power and Lighting Company PLC will shortlist on the basis of the above listed criteria firms to whom the Request for Proposals to carry out the Services shall be sent. The shortlisted Consultants will subsequently be issued with Request for Proposals.

Eligibility criteria, establishment of the short-list and the selection procedure shall be in accordance with the Expression of Interest. Interested suppliers may obtain further information at the address below during office hours, between 0900 to 1200 and 1400 to 1630 hours (East Africa time).

Completed Expression of Interest are to be submitted in electronic format on the KPLC's E-procurement portal in **PDF format** on the due date and time published on the portal. Tenderers are required to visit the portal and KPLC's website (www.kplc.co.ke) from time to time for revised closing dates and addendums. Prospective bidders should register for E-Procurement to enable them access the KPLC portal under "New Supplier Registration" found under the Tenders Tab. The Tender is to be submitted ONLINE on or before

7TH February 2022

Tenders will be opened electronically promptly after closing time and Bidders or their representatives are welcome to witness the opening at the **Auditorium - Stima Plaza**.

THE KENYA POWER & LIGHTING COMPANY PLC

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