CENTLEC

Reg No 2003/011612/30

RFP53/2024

INSURANCE BROKERS FOR SHORT TERM INSURANCE

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1 STATEMENT OF INVITATION

CENTLEC (SOC) Ltd (hereafter referred to as CENTLEC) invites suitable bidders to submit proposals for the Insurance Division with short term insurance brokering on all CENTLEC insurable items for a period of thirty six (36) months.

2 ABBREVIATIONS

FIA	Financial Intermediaries Association of South Africa
FSB	Financial Services Board
SOC	State Owned Company

3 MINIMUM SUBMISSION REQUIREMENTS

NB. Failure to meet the minimum requirements will lead to disqualification of the BID.

3.1 Supply unique security personal identification number (PIN) and/or original Tax Clearance Certificate for Tax compliant status.

3.2 Supply municipal services (water, sanitation, rates, and electricity) clearance certificate or Lease Agreement with a current Bill and rates clearances, or Current Bill of Account not owing more than ninety (90) days. In a case where the services are paid by the Landlord, the signed lease agreement and statement of account must be submitted by the bidder.

3.3 Submit proof of registration on the National Treasury Centralized Supplier's Database.

3.4 A valid letter of good standing from the Compensation Commissioner with the Department of Labour or Accredited Authorities.

3.5 Submit a FIA certificate.

3.6 Submit a FSB certificate.

3.7 Please note that the minimum requirements listed on the call for bids must be adhered to.

4 SCOPE OF WORK

The scope of work is to provide CENTLEC with a specified brokering service with regard to short term insurance. This should include insurance options and recommend solutions to insurance matters.

5 TECHNICAL SPECIFICATION

This RFP includes the following requirements and services relating to the brokering for short term insurance:

5.1 Administration of claims reported to the Insurance Broker

5.1.1 The insurance broker will be required to assess the insurance requirements of CENTLEC as outlined in the Tender specification.

5.1.2 Provide CENTLEC with advice and assist with quotations where additional insurance may be required to minimize CENTLEC risk.

5.1.3 The Insurance Broker will acknowledge receipt of claim forms and confirm all claims in writing to CENTLEC in seven (7) working days after receipt of the notification of the incident.

5.1.4 If the claim is accepted by the Insurer, an Agreement of Loss will be generated and forwarded to the CENTLEC Insurance Section within seven (7) working days after receipt of all the applicable documentation.

5.1.5 In cases where no Agreement of Loss is applicable, final invoice for excess should be submitted to CENTLEC in reasonable time.

5.1.6 The Insurance Broker will assist the CENTLEC Insurance Section with the administration of claims in order to finalize all outstanding claims i.e. obtaining of reports, invoices, quotations etc.

5.1.7 The Insurance Broker will provide statistics on all claims/ declarations made per month not later than the 2nd working day of the following month to the CENTLEC Insurance Section.

5.1.8 The Insurance Broker will be required to pay all excess payments on behalf of CENTLEC and invoice CENTLEC for it.

5.1.9 The Insurance Broker will be required to issue letters of demand on behalf of CENTLEC on all damaged CENTLEC assets.

5.2 Scheduling and coordinating of claims meetings.

5.2.1 The Insurance Broker will schedule and coordinate a quarterly claims meeting and any other meetings when required (ad-hoc) by CENTLEC Insurance Section.

5.2.2 The purpose of the meeting will be to discuss all claims as per the applicable Insurance Policies reported by CENTLEC Insurance Section to the Insurance Broker. The meetings will discuss and monitor the progress of all insurance claims submitted by CENTLEC.

5.3 Reports

5.3.1 The insurance brokers will be required to submit a monthly claims status report before the 2nd of the next calendar month.

5.3.2 The insurance broker will be required to submit quarterly claims report (every three months) once a quarter on 7th of the month following the conclusion of a quarter.

5.3.3 The insurance brokers will be required to provide CENTLEC with step by step guideline on the detailed requirements for fulfilling the various claim categories, especially relating to CENTLEC Infrastructure claim requirements.

5.4 The administration of underwriting

5.4.1 Assist with the provision of quotations on additional insurance cover that CENTLEC may require and place the insurance cover with the insurance underwriters once CENTLEC has granted the approval and provide written confirmation thereof together with details of the insurance cover placed.

5.4.2 When required, the insurance brokers will meet with CENTLEC Insurance Section to discuss and advise on insurance cover.

5.5 Annual renewal/placement of CENTLEC insurance portfolio – effective 1 July 2025 and 1 July 2026 respectively

5.5.1 Prior to the renewal of the insurance portfolio the insurance brokers will be required to address the following in respect of each year:

5.5.1.1 Assess the insurance requirements of CENTLEC.

5.5.1.2 Compile and update the insurance statistics for CENTLEC and submit this information to the insurance Underwriters.

5.5.1.3 Provide for suitable insurance terms and premiums after negotiations with Underwriters based on CENTLEC's existing insurance cover and updated asset register.

5.5.1.4 Attend pre-renewal meeting(s) with CENTLEC at least a calendar month prior to renewal, to discuss the underwriting terms and premiums.

5.5.1.5 Advise CENTLEC and provide quotations on additional insurance cover that could become necessary to be included as part of the main cover to ensure risk to CENTLEC is minimized.

5.6 Handling of Outstanding Claims

5.6.1 The current service provider will be responsible for the administration and finalization of all existing outstanding/open claims (including public liability claims) as at 30 June 2024, including claims with a date of loss up to 30 June 2024.

5.6.2 Public liability claims are received and addressed per claims-made basis, therefore any public liability claim received up to 30 June 2024 will be dealt with by the current service provider. Public liability claims received on or after the commencement date of the contract with the newly appointed successful bidder, even where the actual date of loss is before said date will be dealt with by the new successful bidder.

5.7 Training of staff and active skills transfer/ capacity building

5.7.1 Provide daily assistance and guidance with the administration of claims.

5.7.2 Provide daily assistance and guidance with general enquires regarding the insurance policy conditions and wording.

5.7.3 Provide an annual briefing workshop to relevant CENTLEC officials regarding the insurance policy conditions and wording, within thirty (30) working days after CENTLEC's insurance portfolio has been placed in the insurance market.

5.7.4 Provide training sessions as and when required on insurance related matters.

5.7.5 Provide Integrate systems between the broker and CENTLEC to allow real-time claim status access.

6 SPECIAL CONDITIONS OF CONTRACT

6.1 Bids may only be submitted on the official tender format.

6.2 Bidders may approach all Insurers complying with the relevant statutory solvency and other requirements.

6.3 Bidder’s proposals should be accompanied by a detailed summary of the salient features of their recommended insurance structure.

6.4 Support for the bidder`s proposals should be evidenced by a signed participation confirmation from Insurers/Reinsurers who will support their recommended structure at the terms, conditions and exceptions proposed by the bidder.

6.5 The bidder must disclose the insurer or consortium of insurers on each policy type as well as the type of policy wording as indicated in bid documents.

6.6 Failure to comply with the above requirements may render the bid invalid at the option of CENTLEC.

6.7 The enclosed attached present the asset values for the period 1 July 2023 up to 30 June 2024 (Annexure A). Endorsements if necessary will be done during the year.

6.8 The successful bidder needs to report on a monthly basis on the progress of all claims, risk control issues and other general matters raised. A monthly meeting needs to be scheduled with the relevant officials directly dealing with the insurance portfolio at CENTLEC (Insurance Clerk) as well as the risk officer to discuss matters of emphasis.

6.9 Assist with claims management and administration services/procedures.

6.10 Give guidance on Risk Management issues and participate in the discussions to solve insurance risk identified.

6.11 Provide management services for insurance cover portfolio of CENTLEC.

6.12 The underwriting of CENTLEC’s insurance portfolio.

6.13 Presentation of renewal terms and recommended options.

6.14 Confirmation of placement and 100% cover.

6.15 Compilation of detailed insurance manual (policy) as well as full summary on cover, limits, conditions, exclusions and excess.

6.16 Claims administration and maintenance as set out in detailed specification inclusive of motor, non-motor and legal liability claims.

7 EVALUATION CRITERIA

7.1 Technical Evaluation

All proposals submitted will be evaluated in accordance with the criteria set out in the policy of Supply Chain Management of the Entity. The most suitable candidate (s) will then be selected. Please take note that CENTLEC (SOC) Ltd is not bound to select any of the bidders' submitting proposals or appoint more than one bidder.

Furthermore, technical competence is the principal selection criteria, CENTLEC (SOC) Ltd will evaluate the technical criteria first and will only look at the price and specific goals if it is satisfied with the technical evaluation. As a result of this, CENTLEC (SOC) Ltd does not bind itself in any way to select the bidder offering the lowest price.

The relative technical weighting of the criteria is as follows:

No.	Criteria	Description	Points
7.1.1.	Approach and methodology	A detailed methodology that addresses all the technical specification as listed above, must be submitted in the form of an Action Plan = **10 points**	10
7.1.2.	Proven track record (***Reference letters to be attached***)	The bidder must have provided these services in the public sector. A maximum of three (3) reference letters will be accepted. Two (2) institutions served = **10 points** Three (3) institutions served = **15 points**	15
7.1.3	Skills and capacity	The insurance broker service provider must prove sufficient capacity: • Organizational structure = **10 points** • CV's of personnel with brokerage (three or more) and financial (three or more) qualifications. = **15 points**	25

No.	Criteria	Description	Points
7.1.4.	Local (Mangaung) operational capability and economic investment	Does the bidder have an established local office in (the CENTLEC distribution area) = **20 Points** If not, but within RSA = **10 points**	20
7.1.5.	Indemnity Cover	Submit proof of Professional Indemnity Cover of a minimum of R 30 000 000 = **10 Points** Submit proof of Fidelity Guarantee Cover = **10 Points**	20
7.1.6	Registration with professional body	Submit proof of registration with the South African based Insurer or Broking Organization. = **10 points**	10
	TOTAL		100

A bidder who gets a minimum of 85 points and above will qualify to the next stage. Individual tenders would have to be evaluated according to the preferential point system. The bidder must score minimum points as follows:

Item 7.1.1 – 10 points
Item 7.1.2 – 10 points
Item 7.1.3 – 25 points
Item 7.1.4 – 10 points
Item 7.1.5 – 20 points
Item 7.1.6 – 10 points

7.2 PRICE AND REFERENTIAL POINTS SCORING – STAGE 2 (Price and Specific Goals requirement)

All Bidders that have passed the technical evaluation threshold of 85 points would also be scored based the 80/20 principle where 80 Points is for the Price and 20 points for specific goals as per the detail given below.

7.3 Price and referential points scoring – (Stage 2)

A maximum of 80 Points is allocated for price on the following basis:

Where $Ps = 80[1 - \frac{Pt - P\min}{P\min}]$bid

Ps = Points Scored for comparative price of under consideration

Pt = Comparative Price of bid under bid

P min = Comparative Price of lowest acceptable

6.4 Points awarded for Specific Goals Requirement

In terms of Regulation 3.(1) An organ of state must, in the tender documents, stipulate— (a) the applicable preference point system as envisaged in regulations 4, 5, 6 or 7; (b) the specific goal in the invitation to submit the tender for which a point may be awarded, and the number of points that will be awarded to each goal, and proof of the claim for such goals in accordance with the table below;

Table 3: Specified Goals for Preferential Point System

Specified Goals	**Points Allocation**
50% Black owned(attach a detailed CSD Report)	10
50% Women owned(attach a detailed CSD Report)	5
50% Youth owned <35 years(attach a detailed CSD Report)	5
Total Points	**20**

8 PRICING SCHEDULE

Price for year 2 and 3 will be an estimate based on current values that excludes all possible additions and disposals and is purely for evaluation purposes (will not be a fixed contract value).

DESCRIPTION	**Price should be VAT Exclusive**		
	YEAR 1 (RANDS)	**YEAR 2 (RANDS)**	**YEAR 3 (RANDS)**
Premium based on Annexure A.			

9 CONTACT INFORMATION

9.1 For any further technical information regarding the document contents please contact Me. Doreen Mathe, e-mail Doreen.Mathe@centlec.co.za. Such queries must be done in writing, the email address provided serves for this purpose. The answer to one question will be sent to all the other prospective bidders that have bought the bid documents.

9.2 For Supply Chain Related questions, please contact Ms. Palesa Makhele at 051 412 2753 or at Palesa.Makhele@centlec.co.za.

ANNEXURE A

SECTION	Sums Insured / Limits of Indemnity		Notes
Combined			
- All infrastructure	R	3 484 879 015,20	
- Standard Constructed Buildings (Contents)	Included in the above		
- Sub-stations, mini sub-stations, transformers	Included in the above		
- Standard Constructed Buildings	Included in the above		
- All other assets of the insured	Included in the above		
- Escalation 15%	R	557 190 646,49	
- Standard & Non Standard buildings : General Contents including but not limited to Stock and Material in trade, Plant, machinery, landlord's fixtures and fittings for which the insured is responsible & Office Contents	R	116 926 894,70	
- Non Standard	Included in the above		
- Non Standard - (Contents)	Included in the above		
- Power station (restricted to fire & related perils)	R	-	
- 3X Generators	R	2 798 400,00	
- Property in the open	R	110 000 000,00	
- All water purification works and pump stations	R	-	
- All sewerage works, pump stations	R	-	
- Fleet Static Risk	R	-	
- Private dwellings, residential units & etc. - (Contents)	R	-	
- Capital Additions: 20% (Included)	R	742 920 861,98	
Property Insured(Excluding escalation and Capital Additions)	R	3 714 604 309,90	
Extensions			
- Motor Vehicles whilst parked at Insured	R	5 000 000,00	
- Professional Fees	R	5 000 000,00	

- Clearance Cost	R	5 000 000,00	
- Debris Removal	R	5 000 000,00	
- Leakage of oils, chemicals or other fluids	Yes		
- Theft of immovable property	R	10 000 000,00	
- Malicious damage caused by thieves	R	10 000 000,00	
-Fire Brigade Charges	R	5 000 000,00	
- Sprinkler Leakage	R	3 000 000,00	
- Legal Liability Documents	R	2 500 000,00	
- Cost of Demolition and Clearing and Erection of Hoardings Clause	R	10 000 000,00	
- Municipal Plan Scrutiny Fees	R	5 000 000,00	
- Wash basins and Sanitary Ware	R	50 000,00	
- Thatch structures unless specifically insured	R	100 000 Max Annual Limit	
- Reasonable Precautions	R	1 000 000,00	
- Claims Preparation Costs	R	200 000,00	

Business Interruption			
Indemnity period : 12 months			
- Electricity Income	R	-	
- Water Income	R	-	
- Sanitation and Sewerage Income	R	-	
- Solid Waste Income	R	-	
- Increase in Cost of Working	R	-	
- Additional Increase in Cost of Working	R	1 250 000,00	
Extensions			
- Specified suppliers / sub-contractors	No		
- Sum insured	R		
- Unspecified suppliers / sub-contractors	No		
- Sum insured	R		
- Specified Customers	No		
- Sum insured	R		
- Public Utilities	Yes		

- Sum insured	R	1 000 000,00	
- Fines and Penalties	R	1 000 000,00	
- Claims Preparation Costs	R	200 000,00	

Business All Risks			
- All Other Specified Items : Cover Excl. Cellphones & Laptops & subject to submission of full listing of covered items	R	2 387 333,95	
- Cellular Telephones: Plz note that this cover is provided subject to a submission of a a full listing & SER/EMEI No's of ALL the Covered iPads/Cellphones.	R	-	
- Tablets: Plz note that this cover is provided subject to a submission of a a full listing & SER/EMEI No's of ALL the Covered iPads/Cellphones.	R	483 136,82	
- Laptops : Plz note that this cover is provided subject to a submission of a a full listing & ser. No's of ALL the Covered Laptops.	R	3 196 169,00	
- Employees Personal Effects : Cover excludes all electronic gadgets that should be on a specified basis such as iPads, Laptops, Cellphones, Tablets etc.	R	25 000,00	
- Blackview Equipment's : Cover excludes all electronic gadgets that should be on a specified basis such as iPads, Laptops, Cellphones, Tablets etc.	R	971 750,00	
- Motor Radios- Per Vehicle	R	2 500,00	
Extensions			
- Increase in Cost of Working	Yes		
- Sum insured	R	100 000,00	
- Riot and Strike (other than RSA and Namibia)	No		
- Locks and Keys	R	15 000,00	
- Claims Preparation Costs	R	200 000,00	

Theft			
- First Loss Limit	R	300 000,00	
Extensions			
- Goods in the open (within securely fenced off area and subject to forcible and violent entry or exit from such area)	R	150 000,00	
- Theft of employee property	R	-	
- Malicious Damage	R	150 000,00	
- Reasonable Precautions	R	25 000,00	
- Locks and Keys	R	25 000,00	
- Claims Preparation Costs	R	200 000,00	

Money			
- Possession of Councilors/Employees away from insured			
premises on a business trip	R	25 000,00	
- On the premises outside business hours in locked			
safe	R	50 000,00	
- Loss of or damage to crossed cheques, money or postal	R	1 000 000,00	
- Major limit	R	55 000,00	
- Vendors	R	400 000,00	
- Receptacles as a result of theft of money or attempt	R	100 000,00	
Extensions			
- Locks and keys	R	25 000,00	
- Reasonable precautions	R	25 000,00	
- Credit cards	R	-	
- Personal Accident (Assault)	R	-	
Capital Sum	R	25 000,00	

Weekly Amount	R	250,00	
Medical Expenses	R	2 000,00	
- Riot and Strike (other than RSA and Namibia)	No		
- Electronic Vending machines	R	-	
- Claims Preparation Costs	R	200 000,00	

Fidelity Guarantee			
- Limit any one period	R	250 000,00	
Extensions			
- Retroactive Cover	01.07.2019		
- Superseded Policy	No		
- Reinstatement Amount	No		
- Cost of Recovery	R	10 000,00	
- Claims Preparation Costs	R	200 000,00	

Accidental Damage			
- Total value of property	R	3 714 604 309,90	
- Limit of indemnity	R	1 000 000,00	
Extensions			
- First Loss Average	No		
- Excluded property (in addition to property excluded in policy)	No		
- Claims Preparation Costs	R	100 000,00	

Goods in Transit			
- Load Limit	R	220 000,00	
Extensions			
- Removal of Debris	R	25 000,00	
- Fire, Explosion, Collision and overturning	R	25 000,00	

- Fire Extinguishing Expense	R	10 000,00	
- Claims Preparation Costs	R	200 000,00	

Electronic Equipment			
- Specified Equipment	R	34 823 634,00	
- Tablets / I pads	R	483 136,00	
- Laptops	R	3 196 169,00	
- Lease electronic Equipment	R	-	
- External Drives	R	99 149,00	
- Escalation (10%)	R	3 042 139,00	
Extensions			
- Prevention of Access	Yes		
- Increase in Cost of Working	R	500 000,00	
- Reconstruction of Data	R	500 000,00	
- Incompatibility	Yes		
- Telkom access line	Yes		
- Utilities (Failure of supply)	No		
- Riot and Strike (other than RSA and Namibia)	No		
- Claims Preparation Costs	R	200 000,00	

Machinery Breakdown			
- Transformers and peripheral equipment	R	534 360 604,00	
- Sub Stations and peripheral equipment	R	233 765 623,00	
- Load Control Equipment	R	21 621 810,00	
- Loadcentre and related equipment	R	375 586 837,00	
- Battery Chargers & Other equipment	R	9 522 753,00	
Extensions			
- Stock Spoilage	R		

- Damage to Surrounding Property	R	
- Automatic Additions	R	
- Claims Preparation Costs	R 100 000,00	

Motorfleet Vehicles under R 500 000

- Light Load Vehicles	115	
- Heavy Load Vehicles	92	
- Motor Cycles	2	
- Plant/Special Type	7	
- Trailers	48	
- Generators	5	
High value vehicles (First R 500 000.00)	74	Value R 82 658 523
- Excess Waiver - Applicable on all vehicles- No Excess payable)	269	
Extensions		
- Wreckage removal	R 15 000	
- Fire extinguishing expenses	R 10 000	
- Medical expenses (per occupant)	R 5 000	
- Loss of keys	R 5 000	
- Conveyance of explosives	No	
- Theft or attempted theft of radios/sound equipment	R 2 500	
- Theft or attempted theft of telephones	R 2 500	
(excluding cellphones)		
- Claims preparation costs	R 100 000	

Public Liability

- Policy Limit	R 100 000 000	
Sub-limits		
- Wrongful Arrest and defamation	*R 2 250 000*	
- Errors & omissions	*R 2 250 000*	

- Products liability and defective workmanship	*R*	*2 250 000*	
- Pedal Cycles	*Market value*		
- Legal Defense costs	*R*	*2 250 000*	
- Professional Liability in respect of Medical Practitioners or other Medical officials	*R*	*2 250 000*	
- Spread of fire	*R*	*1 000 000*	
- Municipal Police liability	*R*	*2 000 000*	
- Sub-limit use of firearms	*R*	*2 250 000*	
- Sub-limit wrongful arrest & defamation	*R*	*2 250 000*	

Employers Liability			
- Limit	R	10 000 000	

Motor Third party Liability			
- Limit	R	5 000 000,00	
- Number of vehicles			

Directors and officers liability			
- Limit	R	25 000 000	
- Aggrregate Amount per annum	R	25 000 000	

SASRIA	**Sasria Calculation must be included**		
Non Motor			
Buildings and Contents	R	3 714 604 309,90	
Business All Risk	R	7 165 889,77	
Money	Underlying Premium		
Goods In Transit	R	220 000,00	
Electronic Equipment	R	41 644 227,00	
EXTENSIONS	**Sasria extensions to be specified**		Include Sasria Calculation
Rent	R	928 651 077,48	

Claims Preparation Costs	R	200 000,00	
Capital Additions	R	742 920 861,98	
Professional fees	R	5 000 000,00	
Clearance costs	R	5 000 000,00	
Debris Removal	R	5 000 000,00	
Security Costs (During and after a loss)	R	5 000 000,00	
Statutory Duties	R	5 000 000,00	
Additional Premises	R	10 000 000,00	
Import Surcharges	R	3 000 000,00	
Fire Protection System Update	R	5 000 000,00	
Goods in the open	R	25 000 000,00	
Fire Extinguishing	R	5 000 000,00	
Imminent Danger (Protection of property prior a loss)	R	3 000 000,00	
Locks and Keys	R	50 000,00	
Motor Vehicles whilst parked	R	5 000 000,00	
Escalation	R	557 190 646,49	

Motor			
- Light Load Vehicles	115	R	38 512 631,00
- Heavy Load Vehicles	92	R	51 823 111,00
- Motor Cycles	2	R	17 272,00
- Plant/Special Type	7	R	1 965 373,00
- Trailers	48	R	3 494 540,00
- Generators	5	R	1 500 000,00