



PUBLIC PROCUREMENT OVERSIGHT AUTHORITY
Transforming Procurement

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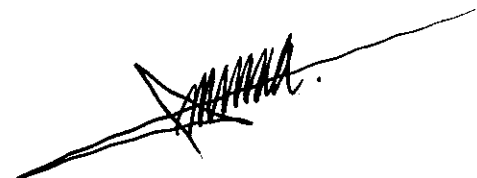
2nd August 2012

To: **All Accounting Officers**
All CEOs, State Corporations
All Vice-Chancellors, Public Universities
All Managers, Co-operative Societies
All Clerks, Local Authorities
All Principals/ Head Teachers, Public Colleges & Schools
All CDF Account Managers

RE: ISSUANCE OF BID BONDS/TENDER SECURITIES BY INSURANCE COMPANIES

The Public Procurement Oversight Authority in consultation with the Insurance Regulatory Authority has identified duly authorized insurance companies that can transact in bid bonds. This is to, therefore, require public entities to make use of the attached Appendix I in procurement processes where an insurance bid bond/tender security is a requirement. Insurance companies are called to adhere to the format set out in Appendix II, attached to this Circular, when issuing bid bonds. The Appendices are also available from the PPOA website: www.ppoa.go.ke.

This Circular supersedes Circulars No.8 & 9 of 2011 on issuance of bid bonds by insurance companies.


M. J. O. JUMA
DIRECTOR GENERAL
(Encls)

Cc:


The Chief Executive Officer
Insurance Regulatory Authority
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APPENDIX I

Insurance Companies Authorized to Transact Bid Bonds

Below is the list of all insurance companies authorized to transact bid bonds business:

SERIAL NO.	NAME OF COMPANY
1.	APA Insurance Company Ltd
2.	Africa Merchant Assurance Company Ltd
3.	British American Insurance Company Ltd
4.	Cannon Assurance Ltd
5.	Chartis Kenya Insurance Co. Ltd
6.	Concord Insurance Co. Ltd
7.	CIC Insurance Group Ltd
8.	Corporate Insurance Co. Ltd
9.	Fidelity Shield Insurance Co. Ltd
10.	First Assurance Co. Ltd
11.	GA Insurance Limited
12.	Gateway Insurance Co. Ltd
13.	Geminia Insurance Co. Ltd
14.	Insurance Company of East Africa Ltd
15.	Intra Africa Assurance Co. Ltd
16.	Invesco Insurance Co. Ltd
17.	Kenindia Assurance Co. Ltd
18.	Kenya Orient Insurance Co. Ltd
19.	Lion of Kenya Insurance Co. Ltd
20.	Madison Insurance Co. Ltd
21.	Mayfair Insurance Co. Ltd
22.	Mercantile Insurance Co. Ltd
23.	Occidental Insurance Co. Ltd
24.	Pacis Insurance Co. Ltd



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25.	Phoenix East Africa Assurance Co. Ltd
26.	Real Insurance Co. Ltd
27.	Takaful Insurance of Africa Ltd
28.	Tausi Assurance Co. Ltd
29.	The Monarch Insurance Co. Ltd
30.	The Heritage Insurance Co. Ltd
31.	The Jubilee Insurance Company of Kenya
32.	The Kenya Alliance Insurance Co. Ltd
33.	Trident Insurance Co. Ltd
34.	UAP Insurance Co. Ltd
35.	Xplico Insurance Co. Ltd



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FORMAT OF TENDER SECURITY INSTRUMENT

Whereas (Name of the tenderer) (hereinafter called "the tenderer" has submitted its tender dated..... (Date of submission of tender) for the(Name and/or description of the tender) (Hereinafter called "the Tender").

KNOW ALL PEOPLE by these presents that WE.....of (Name of Insurance Company) having our registered office at..... (hereinafter called the "the Guarantor"), are bound unto.....(Name of Procuring Entity) (hereinafter called "the Procuring Entity") in the sum of(Currency and guarantee amount) for which payment well and truly to be made to the said Procuring Entity, the Guarantor binds itself, its successors, and assigns by these presents.

Sealed with the Common Seal of the said Guarantor this ____ day of ____ 20 ____.

THE CONDITIONS of this obligation are:

1. If after tender opening the tenderer withdraws his tender during the period of tender validity specified in the instructions to tenderers; or
2. If the tenderer rejects the correction of an error upon prompt notice by the procuring entity; and
3. If the tenderer, having been notified of the acceptance of his tender by the Employer during the period of tender validity:
 - (a) fails or refuses to execute the form of Agreement in accordance with the Instructions to Tenderers, if required; or
 - (b) fails or refuses to furnish the Performance Security, in accordance with 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 its due to it, owing to the occurrence of one or both of the two conditions, specifying the occurred condition or conditions.

This guarantee will remain in force upto and including thirty (30) days after the period of tender validity, and any demand in respect thereof should reach the Guarantor not later than the said date.



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(Signature of the Guarantor)

(Witness)

(Seal)

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