



**REPUBLIC OF KENYA
COUNTY ASSEMBLY OF TRANS NZOIA
COUNTY ASSEMBLY HALL**

**Tel No. 054-31380/31617
P O BOX 4221 -30200**

Email:transnzoiacountyassembly@gmail.com



AGREEMENT

FOR THE PROVISION OF MEDICAL INSURANCE COVER

FOR MEMBERS AND STAFF OF THE COUNTY ASSEMBLY

BETWEEN :-

THE COUNTY ASSEMBLY OF TRANS NZOIA

AND

AAR INSURANCE KENYA LIMITED

TENDER NUMBER:- CATN/MED/11/23-24



THIS CONTRACT made this day of **JANUARY** in the year **2024**; between **The County Assembly of Trans Nzoia of P.O BOX 4221-30200, KITALE, KENYA**, (*hereinafter referred to as the “The County Assembly”* which expression shall where the context so admits include its authorized agents, successors in title and assigns) *of the one part and*

AAR INSURANCE KENYA LTD of P.O. BOX 41766- 00100, NAIROBI, (*hereinafter referred to as “The Provider”* which expression shall where the context so admits include its *Authorized Agents, Successors in Title, Liquidators and/or Assigns*) *of the second part*. Both parts jointly referred to as “the Parties”.

WHEREAS

- A. **The County Assembly** requires the Provision of Medical Cover (Hereinafter referred to as ‘**The Tender**’) as better defined in the Tender Document Number **CATN/MED/11/23-24** as advertised.
- B. The County Assembly, during its tender committee evaluation on **17th December 2023** to **19th December 2023** resolved to award the tender to the provider herein and issued a letter of award dated **19th January 2024** ; and
- C. The Provider has agreed to provide the said services and has subsequently written a Letter of Acceptance dated **24th January, 2024**

NOW THIS AGREEMENT WITNESSES AS FOLLOWS: -

ARTICLE 1- SCOPE OF SERVICES.

- 1.1 The provider shall provide a medical cover benefit as per the negotiated and agreed upon limits respectively.
- 1.2 The County Assembly may, on request, propose the addition or removal from the list any of the staff or dependent.
- 1.3 The medical cover shall be on the same terms and conditions as set out in the provider’s policy proposal save for any amendments to the policy that may be expressly made under this agreement or mutually agreed between the parties.
- 1.4 The medical cover under **Schedule A**, shall be for the Members of the County Assembly Staff and their respective dependents.

ARTICLE 2- CONTRACT DOCUMENTS

- 2.1. The following documents shall form and be read and construed as part of this Contract:-
 - i. Tender documents;
 - ii. Notification of award;
 - iii. Letter of acceptance of Award;
 - iv. The medical risks specifications;
 - v. The insurance policy proposal;



- vi. The insurance policy documents;
- vii. The insurance member application form;
- viii. The General and Special Conditions of Contract;
- ix. Form of tender.

ARTICLE 3 - COMMENCEMENT OF CONTRACT

- 3.1 The Medical Insurance cover shall commence on the date of execution of this Contract and shall be valid for a period of **One (1) year**.
- 3.2 Time is of essence for all the obligations to be performed under this contract. In the event that the Provider is delayed at any time by factors beyond its control including but not limited to the acts of God, restraint of sovereign states, floods, unusual severe weather or any other cause, where the County Assembly is satisfied that it is beyond the Provider's control, then the contract time may be extended for such reasonable time as the County Assembly may determine provided that no extension shall be considered unless it is requested for by the Provider in writing.
- 3.3 The Provider shall not be responsible for any delays occasioned by the County Assembly.

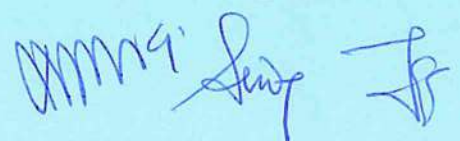
ARTICLE 4 – CONTRACT PRICE

4.1 The County Assembly shall pay the Provider the total contract sum of **Ksh.25, 000,000.00 (Kenya Shillings Twenty Five Million Only)** (*hereinafter called "the Contract Price"*) which price is inclusive of all the full cost of the policy premiums, all costs, taxes, duty, expenses and commissions payable or due to the provider as follows;

4.1.1 The County Assembly shall pay the total contract price within One Hundred and Eighty (180) Calendar Days from the date of execution of this contract by paying **Ksh. 7,000,000.00** (Seven Million Shillings) only on signing the contract then the balance of **Ksh. 18,000,000.00** (Eighteen Million Shillings) will be paid in three (3) equal installments of **Ksh. 6,000,000.00** (Six Million Shillings) each in the following phases:-

- i) 1ST Installment: Ksh 6,000,000 to be paid within the first 60 days of execution of the Contract;
- ii) 2nd Installment: Ksh 6,000,000 to be paid within subsequent 60 days of the contract; and
- iii) 3rd Installment: Ksh 6,000,000 to be paid within the last 60 days of the 180 calendar days from the date of execution of the contract.

4.1.2 In the event that the County Assembly is delayed at any time in remitting any of the installments by factors beyond its control, including but not limited to the acts of God, restraint of sovereign states, floods, unusual severe weather or, delayed exchequer disbursement or any other cause, the County Assembly shall communicate such factors to the Service Provider within reasonable time, and the contract time may be extended for such reasonable time as the parties may agree.



ARTICLE 5 – OBLIGATIONS OF THE PARTIES

5.1 The County Assembly shall: -

- 5.1.1 Adhere to its payment obligations under the Contract;
- 5.1.2 Issue requests for credit facility, additional beneficiary or exclusion of a member from the cover within reasonable time; and
- 5.1.3 Issue the Local Service Order (LSO)

5.2 The Provider shall –

- 5.2.1 Deliver to the County Assembly the services as per the specifications given within the agreed timelines;
- 5.2.2 Pay all taxes ordinarily required to be paid under any law or costs attaching thereto relating to implementation of this Contract;
- 5.2.3 Keep the County Assembly updated of any development relating to the insurance cover.
- 5.2.4 Provide quarterly reports on the utilization status of the cover.

ARTICLE 6 – WARRANTIES AND LIABILITIES

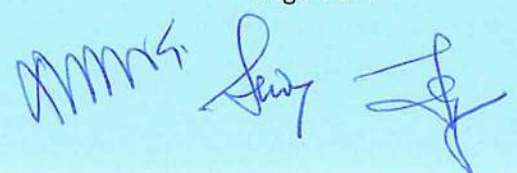
- 6.1 The Provider warrants to the County Assembly that the insurance cover shall be adequate to the medical risks and sufficient to settle any and or all claims that shall arise therefrom, to the extent of the insured person’s medical cover limit. The Provider shall not be liable for such expenses as shall be incurred by any insured person with respect to all such exclusions as are mentioned in the Insurance Policy Document. The Provider shall not be liable where an insured person exceeds his or her financial cover limit as indicated in the Insurance Policy Document.

ARTICLE 7 – ASSIGNMENT

- 7.1 Each party undertakes not to part with possession nor assign all or any of the rights and obligations arising from this Contract or in any other way hand over its responsibilities under this Contract without express prior written consent of the other party which consent shall not be unreasonably withheld.

ARTICLE 8 – CONFIDENTIALITY

- 8.1 The Parties agree to hold in confidence any confidential information which shall come to the Parties’ possession in the course of carrying out their obligations under this Contract, save that which is:
 - i) Already in that Party’s possession free of restriction other than as a result of a breach of this clause; and/or
 - ii) Received from a third party by the receiving party free of restriction; and/or
 - iii) In the public domain other than as a result of breach of this Clause.
- 8.2 Any information that is confidential and within the knowledge of the Parties protected under this contract shall remain confidential even after the termination of this Contract. The Parties shall not disclose or otherwise release such information unless with prior written consent of the other Party. In the event that such information is released, the



aggrieved Party shall be at liberty to institute legal proceedings or take such action against the Party in breach of this Clause for any damage or adverse consequences that may arise due to such release.

ARTICLE 9- DISPUTES

- 9.1 The parties shall make every effort to resolve amicably by direct negotiation any dispute arising in the cause of execution of this Contract.
- 9.2 If after **Thirty (30)** days from the commencement of such negotiations both parties are unable to amicably resolve the dispute, they shall refer the dispute to arbitration by a single arbitrator to be appointed by agreement between the Parties or in default of such agreement within Fourteen (14) days of the notification of such dispute by either Party to the other upon application by either Party to the Chairperson for the time being of the Kenya Branch of the Chartered Institute of Arbitrators.
- 9.3 Every award made under this Clause shall be subject to and in accordance with the provisions of the Arbitration Act 1995 or any other or subsequent Act or enactment for the time being in force in Kenya.
- 9.4 To the extent permissible by law, the award or determination of the Arbitrator shall be final and binding upon the Parties.

ARTICLE 10 - TERMINATION OF CONTRACT

10.1 The Parties may, without prejudice to any other remedy for breach of contract and by 30 day's written notice sent to the Provider, terminate this contract in whole or in part :-

10.1.2 by mutual agreement of the parties;

10.1.3 by the decision of an arbitrator as provided in Clause 9.2;

10.1.4 by effluxion of time;

10.1.5 If the Provider fails to satisfactorily deliver any or all the services within the periods specified or within the extension granted.

10.1.6 If the County Assembly fails to pay the insurance premiums as per Clause 4 of the Agreement or within any extension granted;

10.1.7 If the Provider fails to perform any other obligations herein; and

10.1.8 If the County Assembly is of the view that the Provider has engaged in corrupt or fraudulent practices in competing for or in executing of the Contract.

10.2. In the event the County Assembly terminates the contract in whole or in part, it may procure, against such terms and in such manner as it deems appropriate, services similar to those undelivered and the defaulting Provider herein shall be liable for any excess costs for such similar services.



ARTICLE 11- NOTICES

11.1 All notices to be issued or served by either Party to the other party under this Agreement shall be made in writing and shall be sent or dispatched to the relevant Party's recognized physical or postal address by personal delivery or by post or dispatch through courier; or by electronic mail with a confirmation copy to follow by personal delivery, post or through courier and all such written notices shall be deemed to have been received by the other Party as follows; -

- (a) if personally delivered, on the next working day following the day of such personal delivery or the Monday following such day of delivery if such day of delivery is a Friday or falls in a weekend; or
- (b) If sent by registered post or through courier within Seven (7) days from the date of postage or dispatch through a recognized parcel courier, which computation of time shall exclude the day of postage or dispatch and any public holiday(s) falling within the Seven (7) days.

11.2 The address for service for each of the parties shall be set out herein or such other address as either of the parties may provide in writing to the other party for this purpose;

TO THE PROVIDER:

**THE MANAGING DIRECTOR,
AAR INSURANCE KENYA LTD,
P.O. BOX 41766-00100,
NAIROBI,
KENYA.**

TO THE CLIENT:

**THE CLERK,
COUNTY ASSEMBLY OF TRANS NZOIA,
COUNTY ASSEMBLY BUILDING,
P.O BOX 4221-30200,
KITALE,
KENYA.**

ARTICLE 16 – GENERAL PROVISIONS

16.1 Neither party may use the others name, trademark, trade names or other proprietary identifying symbols for any reason whatsoever without prior written approval of the other party.

16.2 This Contract shall be binding upon the parties herein, their successors and assigns.

16.3 In the event that any portion of this Contract is held to be unenforceable, the unenforceable portion shall be construed in accordance with applicable law as nearly as possible to reflect the original intentions of the parties and the remainder of the provisions shall remain in full force and effect.

16.4 Either party's failure to insist upon or enforce strict performance of any provision of this Contract shall not be construed as a waiver of any provision or right;



16.5 Subject to Clause 2 this Contract constitutes the entire agreement between The County Assembly and the Provider with respect of the works and services and can be modified only in writing by the parties hereto.

IN WITNESS WHEREOF the duly authorized representatives of each party hereto have executed this Contract the day and year first herein mentioned.

ON BEHALF OF THE COUNTY ASSEMBLY OF TRANS NZOIA:-

HON. ANDREW M. WANYONYI
SPEAKER/CHAIRPERSON CASB

SIGNATURE

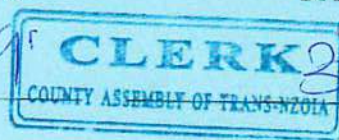
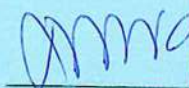


DATE

30/1/2024

CS LUPAO M. WANJALA
CLERK, COUNTY ASSEMBLY

SIGNATURE



DATE

30/1/24

WITNESSED BY
KATAMA E. NGEYWA
DIRECTOR LEGAL SERVICES

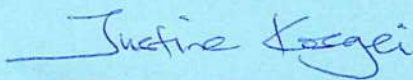
SIGNATURE



DATE

ON BEHALF OF AAR INSURANCE KENYA LTD
MANAGING DIRECTOR

Name



Signature



Date



WITNESSED BY
COMPANY SECRETARY

Name

EDITH ASHIMALA

Signature



Date

30th Jan 2024

DRAWN BY:-
DIRECTOR LEGAL SERVICES,
THE COUNTY ASSEMBLY OF TRANS NZOIA,
P.O. BOX 4221-30200,
KITALE.