



## ZAMBIA RAILWAYS LIMITED

### CLARIFICATIONS FOR TENDER ZRL/TEN/MPS/0013/2018 FOR THE PROVISION OF INSURANCE SERVICES FOR ZAMBIA RAILWAYS LIMITED ROLLING STOCK EQUIPMENTS FOR A THREE YEAR RUNNING PERIOD

Please find below, responses to all clarifications received from prospective bidders.

S/N	Bidder's Queries	Zambia Railways Limited Responses
1	Bidders asked if Zambia Railways Limited (ZRL) could provide claims experience for the past 3 years.	Kindly refer to Table 1 on page 49 of the tender document.
2	Bidders requested ZRL to Substitute the requirement of ZMW 20,000,000.00 credit line from the bank with the proof of Re-insurance support.	This requirement has been <b>waived</b> and will not be considered during the evaluation. Bidders will be required to submit the PIA certificate which will be considered during evaluation.
3	Bidders asked why Third Party Liability (TPL) is required on this policy.	TPL is only required for LOTs 1, 8 & 9 for self-powered equipment. This is for accidental damage due to derailments in cases where ZRL is at fault.  Third party limits required per LOT are as follows: <ul style="list-style-type: none"> <li>• LOT 1: at replacement cost ZMW200, 000 and repair cost- ZMW150, 000. At 10% of repair cost ZMW100,000</li> <li>• LOT 2,3 ,4,5,6 &amp; 7 : There is no need for third part cover.</li> <li>• LOT 8 &amp; 9: at replacement cost and repair cost ZMW100, 000. At 10% of repair cost ZMW50,000</li> </ul>
4	Bidders asked if the 2% bid security should be calculated based on the total premium for all the lots or only on the lots the bidders are bidding on.	This requirement has been <b>waived</b> and will not be considered during the evaluation. Instead Bidders shall be required to submit a Bid Securing Declaration.
5	Bidders asked if the Letters of reference from at least three Railway companies to confirm reliability in settlement of claim - to be provided by your re-insurer. Can this requirement be waived?	This requirement has been <b>waived</b> and will not be considered during the evaluation. However all bidders shall be required to provide their <b>re-insures credit ratings</b> . Brokers should get the ratings from their insurance companies they intend to engage.
6	Bidders asked if ZRL could advice on previous insurance cover and give details of expiring covers.	ZRL Rolling Stock has not been covered in many years hence the need to procure cover.

7	Can ZRL advise premium/rate target	ZRL has already provided sum insured values for various LOTs. Bidders should use the same values to quote premiums.
8	What is the Age and condition of rolling stock, wagons and locomotives	Locomotives and Wagons are between 20 to 40 years old and 25 refurbished passenger coaches procured in 2014 are part of the operational fleet. (Refer to Appendix 1)
9	We are kindly requesting for an extension on the closing date for the above mentioned tender, your favorable consideration will assist all the bidders.	The closing date for this tender has been <b>extended from 2<sup>nd</sup> May, 2018 to 30<sup>th</sup> May, 2018 at 10:00hrs</b> . The closing date for clarifications has also been extended to <b>2<sup>nd</sup> May, 2018</b> .  <b>NOTE:</b> ZRL has further extended the <b>Tender closing date to 13<sup>th</sup> June, 2018</b> .
10	Kindly advice what stock would be carried by freight operators? Will there be hazardous materials? If yes, please provide limits	The required cover is purely for Rolling stock equipment. ZRL currently has a haulers / bailees liability cover which covers cargo and Group Personal Accident (GPA - Passengers) this covers Passengers.
11	What is the basis of indemnity?	Old for Old
12	What is the route profile and frequency of usage?	SADC and COMESA region (Malawi, Congo DR, Zimbabwe, Botswana and South Africa) . An average of 4 trains per day.
13	Can ZRL provide the latest risk survey report if available?	Risk survey report is not available; however bidders are advised to conduct their own risk survey at their own cost. The best evaluated bidders will be requested to conduct a risk survey at their own cost. ZRL will conduct a diligence on the Re-insurers for the best evaluated bidders.
14	It is recommended that tender invitations are either for insurance companies only or for insurance brokers only. Brokers seek terms and premium quotations from underwriting companies and the general experience is that the underwriters proceed to undercut the quotations provided through brokers. We are aware of organisations which invite bids from insurers only first, evaluate and select the insurer and after this, invite brokers to bid for the insurance broking service only, engaging them on the strength of their technical capacity.	This tender was issued to all players in the insurance industry with the capacity to manage the risk. ZRL will therefore evaluate all bids and award the contract to either the insurance company or the Broker depending on who meets the ZRL set requirements.
15	Qualifications and experience of senior management staff – there is a contradiction in the tender document stating at least two (03) – kindly confirm the required number	What is required is Qualifications and experience of at least three (03) Senior Management Staff (key personnel) with not less than 10 years’ work experience and Qualifications and experience of at least three (03) support staff with not less than 5 years’ work experience.

16	Bidders asked if the cover required for accidental damage caused by derailment only, how about collision and fire?	Collusions and fire are inclusions in the Policy.
17	What type of deductible structure are you looking for?	<p><b>Deductibles per LOT are as follows:</b></p> <ul style="list-style-type: none"> <li>• LOT 1: at replacement cost - 10% of claim maximum of ZMW50, 000. Repair cost - 10% of claim maximum of ZMW20, 000. At 10% of repair cost of claim maximum of ZMW10,000</li> <li>• LOT 2, 3, 4, 5, 6 &amp; 7: at replacement cost - 10% of claim maximum of ZMW35, 000 and repair cost- 10% of claim maximum of ZMW15, 000. At 10% of repair cost ZMW5, 000</li> <li>• LOT 8 &amp; 9: at replacement cost - 10% of claim maximum of ZMW50, 000 Repair cost - 10% of claim maximum of ZMW20, 000. At 10% of repair cost of claim maximum of ZMW10,000</li> </ul>
18	Kindly advise how much exposure will be accumulated in any one place (Static Risk), if the trains are stationed and not moving.	This policy is only covering the risk exposure when the rolling stock is in motion.
19	Kindly provide us with the value split per location, are they all stationed at one place?	ZRL rolling stock equipment is not stationery.
20	Kindly let us know the composition of a full train is it 2 locomotives and 10 coaches or is it 4 locomotives and 20 wagons for example?	Freight train (One Locomotive and maximum forty wagons) and Passenger train ( One Locomotive and maximum of twelve Passenger coaches)
21	What is the type cargo by the tanks and wagons and what is the maximum carry of each tank and or wagon?	Tanks carry a maximum (40,000Ltrs) and wagon carry a maximum of 40tons. ZRL transports various items such as copper/cobalt concentrates, Sugar, Coal, Cement, Sulphur, Fuels etc.
22	Full description of the wagons (Are the wagons flat beds or do they have panels)	ZRL wagon fleet consist of flats, low sided, high sided and covered wagons.
23	Bidders asked for a proper loss history - 5 to 10 year back. Date of loss, reason for loss, type of loss, incurred amount or the cost of repair, etc.	(Refer to appendix 2) Loss History from 2013 to 2018
24	Bidders want to find out the age of the rolling stock (locomotives, coaches and tanks), their make and frequency of usage/mileage.	<ul style="list-style-type: none"> <li>• Locomotives <ul style="list-style-type: none"> <li>▪ GT 36 CU-MP are 25 years old, Manufacturer is GM</li> <li>▪ GE U20C are 48 years old, Manufacturer is GE</li> <li>▪ GE U15C are 44 years old, Manufacturer is GE.</li> <li>▪ Average utilization is about 55,000 Kilometers per month.</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>• Wagons <ul style="list-style-type: none"> <li>▪ Age ranges between 28-51 years</li> <li>▪ See attached for details</li> </ul> </li> <li>• Coaches <ul style="list-style-type: none"> <li>▪ Comprises of the old and new fleet</li> <li>▪ Old fleet is 45 Years Old; Of Japanese Type</li> <li>▪ New Fleet is 4 Years Old; Is from Transnet in South Africa</li> <li>▪ The average mileage is 14,200 kilometers per month</li> </ul> </li> </ul>
25	Bidders also want to now the detailed rail network information (routes).	<ul style="list-style-type: none"> <li>• Refer to (Appendix 3) shows the drawing for ZRL railway network</li> </ul>
26	Signaling and Telecommunications Technology	<ol style="list-style-type: none"> <li>1. <b>Signaling type:</b> Track Warrant System (TWS) which is Interlocking software used to issue the warrant form to the train drivers.</li> <li>2. Hand operated <b>Electric turn outs</b> on stations</li> <li>3. <b>Telecommunication type:</b> Our own Radio Communication based system comprises of repeaters and BTS spaced along the line of rail.</li> </ol>