

BIDDING DOCUMENTS

For

**Implementation of IFRS 17
“Insurance Contracts”**



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Services of Individual Consultants/Consultancy Firms

Tender #: PRCL/ Implementation of IFRS – 17 “Insurance Contracts”

1. Invitation to Bid

Pakistan Reinsurance Company limited invites sealed bids from Individual Consultants/Consultancy Firms having experience of Implementation of IFRS – 17 “Insurance Contracts”. The Consultants/ Consultancy Firms registered with Income Tax and Sales Tax Departments having valid registration can apply within the stipulated date, time and terms & conditions mentioned below and as prescribed in bidding document:

- i. The bidding document can be obtained from PS to CFO Secretariat at 14th floor, PRC Towers, Karachi during office hours (9:30 am to 5:00 pm). The bidding document can also be downloaded from www.pakre.org.pk and PPRA website at www.ppra.org.pk. The bidding document is free of cost.
- ii. Sealed bids as per the instruction contained in bidding document must reach to undersigned latest by 22-03-2022 at 11:00 am. Technical Bids will be opened on the same day in presence of bidders at 11:30 am.
- iii. This advertisement is also available on PPRA’s website at www.ppra.org.pk and on PRCL’s website at www.pakre.org.pk

Sd/-

(Syed Aamir)

Chief Financial Officer

2. Eligibility Criteria

- a) Interested Individual Consultants/Consultancy Firms (“the bidders” hereafter) must have experience of Implementation of IFRS – 17 “Insurance Contracts”.
- b) General Sales Tax Registered
- c) National Tax Number Registered
- d) The bidder shall be on active tax payer list of FBR.
- e) The bidder shall furnish an undertaking on stamp paper for not being blacklisted by any government department/organization/public entity.

3. Specific Terms and Conditions

- f) The bids shall be prepared in accordance with the instructions given in this document.
- g) Method of selection will be Single Stage Two Envelop of procurement specified in PPRA Rules 2004 and allied regulations, thereof.
- h) After scrutiny, only the eligible bidders will be technically evaluated and subsequently only the technically qualified bidders will be invited for the opening of Financial Proposal. Venue and timing will be communicated to the technically qualified bidders in advance.
- i) The date for the opening of bids and the last date for the submission of bids shall be the same. Bids shall be opened at the time specified in the bidding documents. The bids shall be opened at least thirty minutes after the deadline for the submission of bids.
- j) Bids received after the due date, conditional and incomplete bids will be rejected.
- k) The bidder or one authorized representative shall attend the tender opening, if desired.
- l) Details of Litigation if any, and Certificate of not being black listed by any government organization should be enclosed.
- m) PRCL will enter into an agreement with the most advantageous (lowest evaluated) bidder.

- n) PRCL shall disqualify bidder(s) if it finds, at any time, that the information submitted by the bidder concerning its eligibility was false and materially inaccurate. Such bidders shall be blacklisted as per relevant rules of PPRA.
- o) PRCL reserves the right to reject any or all bid at any time prior to the acceptance of a bid or proposal as per PPRA rules.

3. Submission of Bids

- 3.1.** The sealed bids (separately marked as technical and financial) along with the required documents should reach to office of Chief Financial Officer of PRCL.

3.2 Technical Proposal

The technical proposal containing must be submitted along with copies of all required documents mentioned therein. The technical Proposal must be kept in a sealed envelope. The envelop shall clearly be marked as “TECHINAL PROPOSAL” along with tender number.

3.3 Financial Proposal

The financial Proposal indicating the quoted price in figures as well as in words must be kept in a **SEPARATE SEALED ENVELOPE**. The envelop shall clearly be marked as “FINANCIAL PROPOSAL” along with tender number.

- 3.4.** Both envelopes of financial and technical proposal shall be kept yet in another properly sealed envelope clearly marked “*Individual Consultants/Consultancy Firms For IFRS-17*” shall reach to Ps to CFO at 14th Floor of PRC Towers, Karachi.

4. Clarifications

Bidder(s) requiring any clarification may contact undersigned during working hours prior to three days of the deadline for submission of bids

Mr. Syed Aamir

Chief Financial Officer

14th Floor, PRC Towers 32-A Lalazar Drive, M.T Khan Road, Karachi

Tel: 021-99202908-15 Ext: 240, Fax: 021-99202901

5. Disqualification

Bid(s) shall be rejected if: -

- a) Found to be conditional or incomplete in any respect;
- b) Received later than the stipulated / fixed, date and time;
- c) There is any deviation from the Instructions contained in this document;
- d) Multiple rates are quoted;
- e) Contains the unauthenticated amendments/corrections / overwriting);
- f) the validity of bid is not quoted as required;
- g) Made through Fax / E-mail / Telex;
- h) Required documents to establish eligibility are not enclosed;

6. Terms of Reference/Scope of the Services

The appointed firm shall perform detailed gap analysis for company-wide implementation of IFRS –17, submit its detailed recommendations and ensure timely implementation of IFRS-17, covering the areas including, but not limited to, the following:

- (i) Detailed Quantitative and qualitative Gap Analysis including general impact assessment in respect of data input/output, processes and system automation.
- (ii) Detailed financial impact analysis of the current financial statements as compared to the new IFRS 17 requirements.
- (iii) Evaluation of the expected financial and operational impacts.
- (iv) Develop methodologies, guidelines, and reporting structures, any deliverables, in the form of SOP's manual.
- (v) Need assessment of cross-departmental data requirements to capture relevant data / information, keeping in view output requirements.
- (vi) Need assessments to identify human resource (operations, claims, accounts, audit, actuary, etc.), training and skills gaps analysis.
- (vii) Identify systems and procedural changes / up gradation required in existing IT / ERP reporting infrastructure surrounding standards implementation to automate and ensure all processes, reporting, periodic financial closing and

disclosures (Quantitative and Qualitative disclosures) are as per the requirements of accounting standards.

- (viii) Identify need to outsource Actuary function or to hire an in-house resource for development of full-fledge department to formulate Actuarial Models as well as determine size of insurance technical reserves.
- (ix) The consultant shall devise a transition methodology from current financial reporting standards to IFRS-17. Along with regular transition reporting.
- (x) Identify, evaluate and mitigate the risks arising due to transition to IFRS-17.
- (xi) The consultant shall assist in devising a valuation methodology and assumptions in line with IFRS-17 keeping in view the regulatory and compliance requirements.
- (xii) Identify changes required in existing accounting policies, practices and IT/ERP system to incorporate general measurement model for initial & subsequent measurement of Insurance contracts (revenues & liabilities) in IFRS 17.
- (xiii) Need assessment and identify requirements to generate IFRS –17 compliant Financial Statements in IT system of PRCL.
- (xiv) Need assessment in development or up gradation of internal controls, internal operational manuals, SOPs and procedures.
- (xv) Implementation / Execution program/plan step-by-step, etc.
- (xvi) Any other area / function to be touched upon that may have influence on fullest implementation of IFRS –17.
- (xvii) Submit detailed recommendations while covering all aspects for effective and timely implementation of IFRS-17.
- (xviii) Ensure smooth and timely implementation of the recommendations made and perform parallel run and testing for a reasonable timeframe and additional support for at least 02 subsequent annual financial reporting periods.
- (xix) Ensure that the timelines as prescribed by IASB and road map of PRCL shall be strictly followed.
- (xx) Proper training to the PRCL concerned staff and along with certificates.
- (xxi) Anything else as defined in IFRS-17.

7. **Cost of Preparation of bidding document and Liability:**

The bidder shall bear all costs associated with the preparation and submission of the bidding document. PRCL will, in no case, be responsible or liable for these costs, or have any other liability to any bidder, regardless of the conduct or outcome of the bidding process. PRCL shall have no obligation to any bidder to reimburse any costs incurred in preparing bids.

8. Technical and Financial Evaluation:

8.1. PRCL shall evaluate the eligible Applicant based on the eligibility parameters and evaluation criteria prescribed herein after. Anything not mentioned in this document regarding the bidding process shall be governed by the prevailing Public Procurement Rules of PPRA.

8.2. Technical Evaluation

8.2.1. The technical bids will be evaluated as per below tabulated criteria. The bids scoring Minimum 55 marks out of 70 marks in technical evaluation will qualify for the next stage, i.e financial opening.

S. No.	CRITERIA	MAXIMUM MARKS	COMMENTS	MARKS OBTAINED
1.	Bidder's firm profile has been in existence since (number of years) and in category "A" of chartered accountants in SECP list for insurance companies.	10	Two marks for each year in existence in category "A"	
2.	Membership/ Affiliation with an international firm of repute.	10	i) 10 Marks if firm is a member/ affiliate of top 05 international firms. ii) 05 Marks if it is affiliated with international firms that is not among the top five firms. iii) 02 Marks if there is no international affiliation.	
3.	Experience of providing similar nature consultancy or advisory services to general insurance companies.	15	03 marks for each year of experience	
4.	Experience of providing consultancy to general insurance companies for the implementation of IFRS & IAS.	15	05 Marks per client in insurance sector	
5.	Number of clients to whom IFRS 17 or similar projects services provided/ being provided by bidder.	15	05 Marks per client in insurance sector	

6.	Client's profile for IFRS implementation matters, in listed companies whose revenue exceeds Rs. 500 Million as per last audited accounts.	15	03 Marks for each client which is listed company with revenue exceeding Rs. 500 Million.	
7.	Experience of person as engagement partner in insurance sector.	10	One mark for each year of experience.	
8.	Number of FCA/FCMA / FCCA /CPA & Number of Fellow Actuaries. (CV's must be attached)	10	01 marks for each	
	Totals	100		

8.3 Financial Evaluation

8.3.1. Total score for Financial Bid is 30 points out of 100. Financial bid will be evaluated as per below formula:

$$\text{Financial Score} = 30 \times \frac{\text{Amount of Lowest Submitted Bid}}{\text{Amount quoted by Bidder}}$$

8.3.2. The financial proposal must be inclusive of all taxes applicable in Pakistan including out of pocket expenses and any other expense whatever the name.

8.3.3. Financial bids of technically unsuccessful/unqualified bidders will be returned unopened.

8.3.4. As per rules rule 31 of PPRA Rules 2004 no change/modification in financial proposal will be accepted/allowed once the same has been opened publicly.

8.3.5. For the purposes of comparison of bids quoted in different currencies, the price shall be converted into a Pak rupee currency specified in the bidding documents. The rate of exchange shall be the selling rate, prevailing on the

date of opening of bids specified in the bidding documents, as notified by the State Bank of Pakistan on that day.

- 8.3.6 The successful bidder will have to submit a 5% bank guarantee of the quoted amount.

8.4. Most Advantageous Bid

The most advantageous bid (lowest evaluated bid) will be determined as per below formula:

Most advantageous bid (lowest evaluated bid) = T. S+F.S

Here:

T.S = Technical Scores

F.S = Financial Scores

9. Award of Contract

- 9.1. **Qualification:** PRCL will determine to its satisfaction whether the Bidder that is selected as having submitted the lowest evaluated responsive bid is qualified to perform the contract satisfactorily.
- 9.2. The determination will take into account the Bidder's compliance with the qualification criteria defined in the technical and financial scores.
- 9.3. **Award Criteria:** Subject to Clause 8.2 and 8.3 read with clause 9.1, PRCL will award the contract to the successful Bidder whose bid has been determined to be substantially responsive and has been determined to be the lowest evaluated bid, provided further that the Bidder is determined to be qualified to perform the contract satisfactorily.
- 9.4. **PRCL's Right to Accept/ Reject Bids:** PRCL reserves the right to accept or reject all bids, and to annul the bidding process and reject all bids at any time prior to acceptance of the bids, without thereby incurring any liability to the affected Bidder or bidders. PRCL will inform the affected Bidder or bidders of the grounds for PRCL's action, if so requested, but PRCL shall not be required to justify the grounds.
- 9.4 **Notification of Award:** Prior to the expiration of the period of bid validity/extended bid validity and subject to Clause 9.4.1, PRCL will notify the successful Bidder in

writing by registered letter or by email, to be confirmed in writing by registered letter, that its bid has been accepted.

- 9.4.1. The notification of award under 9.4 will constitute the formation of the Contract.
- 9.4.2. PRCL shall announce the results of bid evaluation in the form of a report giving justification for acceptance or rejection of bids at least ten days prior to the award of contract.
- 9.5. **Signing of Contract:** At the same time as PRCL notifies the successful Bidder, PRCL will send the Bidder the Contract Form provided in the bidding documents, incorporating all agreements between the parties.
- 9.6. After fifteen days of announcement of evaluation report, the successful Bidder shall sign the contract and return it to PRCL.

10. **Corrupt or Fraudulent Practices:**

PRCL observes the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, PRCL:

- (a) defines, for the purposes of this provision, the terms set forth below as follows:

“corrupt and fraudulent practices” includes the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official or the supplier or contractor in the procurement process or in contract execution to the detriment of the procuring agencies; or misrepresentation of facts in order to influence a procurement process or the execution of a contract, collusive practices among bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the procuring agencies of the benefits of free and open competition and any request for, or solicitation of anything of value by any public official in the course of the exercise of his duty
- (b) will reject a proposal for award if it determines that the Bidder recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question;

- (c) will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded a PRCL financed contract if it at any time determines that the firm has engaged in corrupt and fraudulent practices in competing for, or in executing, a PPRCL financed contract.

11. **Blacklisting:**

In case of any misrepresentation, poor performance and corrupt & fraudulent practice PRCL shall blacklist bidder(s).

- 11.1 Before blacklisting of the firm, show cause notice will be issued to the bidder followed by personal hearing, in case of non-resolution of issue. The nature of blacklisting of firm, whether temporary or permanent, will depend upon the gravity of offense.

12. **Validity of Proposal**

The Proposals validity period shall be 90 days from the last date for submission of the Tender.

13. **Payment/Remuneration**

- 13.1. Payment will be made after deduction of all applicable taxes once the successful bidder Implement the IFRS 17 “Insurance Contracts” or as decide in pre-bid meeting.

14. **Arbitration**

In case of any difference or dispute arising between the parties relating to the present bid or during the contract period, shall be referred to resolution to the Chief Executive Officer of PRCL or his duly authorized nominee whose decision shall be final and binding on both the parties.

Schedule-A

[to be printed on letter head of firm]

TENDER APPLICATION FROM

[this form must be kept with technical proposal]

No.....

Date.....

To:

The Chief Financial Officer,
Pakistan Reinsurance Company Limited

Subject: - Tender for Implementation of IFRS – 17 “Insurance Contracts”

Dear Sir,

With reference to tender advertisement of Pakistan Reinsurance Company Limited titled Tender for _____ published in daily _____ dated _____, we would like to participate in the subject tender and hereby submit bids on behalf of M/s _____ (name of firm). Brief details of our firm are as under:

1. Name of Applicant/ Firm.....

2. Address.....

3. Phone No..... Mobile No..... Fax No..... Email.....

4. Experience(years)..... Name of owner.....

5. NTN number..... (copy of income tax certificate attached) ☐ Yes ☐ NO

6. GST Certificate..... (copy of income tax certificate attached) ☐ Yes ☐ NO

7. Active Tax payer evidence(attached) ☐ Yes ☐ NO

8. Bid Security @ 2% o Bid Amount Pay Order

No..... Dated..... Bank..... (attached with financial proposal) ☐ Yes ☐ NO

9. List of Major Clients.....(attached) ☐ Yes ☐ NO

11. Affidavit (on the stamp paper) to the effect that the firm has not been black listed by any of the Govt. (Federal or Provincial (attached) ☐ Yes ☐ NO

2. we hereby confirm that we have thoroughly read the contents of the bidding document, TORs mentioned and the terms and conditions framed therein. We further confirm that all the terms and conditions stipulated in bidding document of above-mentioned tender are unconditionally acceptable to us and that we shall abide the same in letter and spirit.

Name, Signature and Stamp of owner/Authorized representative

Schedule-B

[to be printed on letter head of firm]

Financial Proposal

[this form must be kept in a separate envelop along with earnest money and the envelop be sealed and marked as financial proposal]

No.....

Date.....

To:
The Chief Financial Officer,
Pakistan Reinsurance Company Limited
12th Floor, PRC Towers,
Karachi

Subject: - Tender for Implementation of IFRS – 17 “Insurance Contracts”

Dear Sir,

With reference to tender advertisement of Pakistan Reinsurance Company Limited titled Tender for _____ published in daily _____ dated _____, on behalf of M/s _____ (name of firm) our financial proposal for subject tender is under:

Work Responsibilities	Financial Proposal inclusive of all Tax (in Rupees)
As per terms of the agreement and TORs.	Amount: Rs..... (in fugues)
Out of Pocket Expenses	Amount: Rs..... (in fugues)
Any Other Expense (with Detail)	Amount: Rs..... (in fugues)
Total including all Expenses	Amount: Rs..... (in fugues)

2. we hereby confirm that we have thoroughly read the contents of the bidding document, TORs mentioned therein and the terms and conditions framed therein. we further confirm that all the terms and conditions stipulated in bidding document of above-mentioned tender are unconditionally acceptable to us and that we shall abide the same in letter and spirit.

Name, Signature and Stamp of owner/Authorized representative