

Bidding Document for Actuarial Valuation of Government of Punjab's Pension & General Provident Fund Liability

Table of Contents

- I. Letter of Invitation
- II. Instructions to Consultants
- III. Terms of Reference
- IV. Evaluation Criteria
- V. Form of Contract
- VI. Special Provisions

I. Letter of Invitation

Punjab Pension Fund (PPF) is established under the Punjab Pension Fund Act 2007. The PPF's primary role is to manage the funds set aside by Government of the Punjab (GoPb) to meet the pension liabilities of its employees.

GoPb has two retirement benefit schemes for its permanent employees i.e. a Defined Benefit Pension Scheme and a General Provident Fund which is a Defined Contribution Scheme in which only employees contribute.

PPF is seeking the services of a qualified Actuary/Actuarial Firm to carry out the Actuarial Valuation of the Pension and General Provident Fund liabilities of GoPb and it shall enter into a contract for provision of the services detailed in Terms of Reference.

Qualified Actuaries/Actuarial Firms are invited to submit their sealed bids/proposals to the General Manager, Punjab Pension Fund on the address below, according to the guidance given in the bidding document. Deadline for proposal submission is **Friday October 31, 2014 by 1100 hours**. PPF reserves the right to accept or reject any or all bids/ proposals without assigning any reason.

General Manager
Punjab Pension Fund
3-Canal Park, Gulberg-II, Lahore
Ph: 042-35758138 Cell: 0300-8255739

II. Instructions to Consultants

Following documents must be included in the bid:

- a) Detail and Profile showing experience in similar projects
- b) Start of Business
- c) At least 03 Client Testimonials
- d) Evidence of actuarial services provided to public sector organization/s
- e) Profile of Staff Deployed including their qualification & experience
- f) Evidence of the membership of the relevant Actuary Society/body
- g) Copy of NTN certificate

FORM OF BID AND THE BIDDING PROCESS

Bids will be selected in accordance with Clause 38 (2) (a) of the Punjab Procurement Rules (PPRA)-2014, as a Single Stage – Two Envelope procedure. The bidding process will be as under:

- 1) The bid shall comprise a single package containing two separate envelopes. Each envelope shall contain separately the technical proposal and the financial proposal;
- 2) The envelopes shall be marked as “TECHNICAL PROPOSAL” and “FINANCIAL PROPOSAL” in bold and legible letters;
- 3) In the first stage, only the envelope marked “TECHNICAL PROPOSAL” shall be opened and the envelope marked as “FINANCIAL PROPOSAL” shall be retained without being opened;
- 4) The technical proposals of all the bidders shall be evaluated. The proposals which meet all the technical eligibility criteria laid down in this document shall be accept for the second stage. The proposals which do not meet any of the technical eligibility criteria laid down in this document shall be rejected;
- 5) During technical evaluation no amendments in the technical proposal shall be permitted;
- 6) The financial proposals of selected bidders shall be opened publicly at a time, date and venue announced and communicated to the bidders in advance. The financial proposals of the rejected bidders shall be returned un-opened;
- 7) Both the proposals will be evaluated according to the evaluation criteria and the bidder scoring highest points shall be declared as successful and a written Contract Offer will be made to the successful bidder after a minimum of 15 working days of the opening of financial proposals. The Contract Offer will remain valid for 30 days from the date of its receipt by the successful bidder.
- 8) If the Contract Offer is not accepted by the successful bidder within the validity period of 30 days, the Security deposit shall be forfeited and PPF will either make the Contract Offer

to the next highest scorer or re-initiate the procurement process through a fresh public advertisement; and

- 9) The amount of the security deposit will be returned to the successful bidder/ contractor after satisfactory completion/ termination of the contract and after adjusting the dues, if any, payable by the contractor to PPF.

DELIVERY TIME / COMPLETION SCHEDULE

Deliverables include a single report for GP and Pension Fund submitted within (60 days) after getting all data from all relevant departments. Actuarial model and supporting documents will also be required to be submitted within this time.

The project must be completed within due time frame. The project must be complete and presented in form of a written report. The draft Report will be reviewed by Finance Department and the PPF's officials. Any shortcoming will be communicated to the party. After addressing concerns final report will be presented.

FORMAT OF ALL SECURITIES REQUIRED

Bidder shall submit as part of its bid, a bid security equal to at least 2% of the bid price in favor of Punjab Pension Fund in the form of Demand Draft / Pay Order (DD/PO). This security shall remain with the fund till the completion of task.

The service provider will also sign an undertaking with the fund in which the completion of work will be ensured as per **Annex-A**.

III. Terms of Reference

As approved by Investment Sub Committee Meeting # 11, Terms of Reference are as follows:

Title of Consultancy	Actuarial Valuation of Pension and GP Fund Liability
Executing & Implementing Agency	Punjab Pension Fund

A. Introduction

Government of the Punjab through Punjab Pension Fund Act 2007 has established Punjab Pension Fund (the Fund). The Fund is responsible for secure and profitable investment of pension funds in financial markets.

B. Background and Objective

Last Actuarial Assessment of Pension and General Provident Fund Liabilities was made as of 30 June 2010. Government of the Punjab wants to engage an Actuary/Actuarial Firm in order to conduct an Actuarial Assessment of Pension and General Provident Fund Liabilities of Government of the Punjab as on 30 June 2014 and also to recommend a suitable Funding Strategy.

C. Responsibilities / Outputs / Deliverables

The Consultant will work in close coordination with Punjab Pension Fund as well as the Finance Department and the office of Accountant General, Punjab. The expected output / deliverable will be in the shape of reports as under:

- i. Report containing Actuarial Assessment of Pension and GPF liabilities as on 30 June 2014. The report must include the following:
 - o Financial Projections of liabilities for at least 30 years and if possible for the entire lives of pensioners.
 - o Present Value of liabilities as on 30 June 2014.
 - o Sensitivity Analysis of PV of liabilities vis-à-vis key variables e.g. nominal interest rates, inflation, real interest rates etc.
- ii. Report on Funding Strategy for Pension and GPF liabilities. The Report must including the following:
 - o Review of the current Funding Strategies with a focus on current and future Funding Ratios of Pension and GPF Schemes.
 - o Recommendations regarding future Funding Strategies.
- iii. Report regarding Pension and General Provident Fund liabilities in line with International Public Sector Accounting Standard 25 (IPSAS) for FY 2014.
- iv. Report regarding composition of contractual workers population and computation of the impact on Pension and GPF liabilities in case contractual workers are regularized.

Qualification / Competence of the Consultant

The Consultant must:

- v. be a qualified Actuary i.e. at least an Associate of Society of Actuaries (ASA) or equivalent.
- vi. have at least 5 years of experience in handling actuarial analysis / employee benefit schemes.

Knowledge of public sector pension rules & regulations and prior experience of similar assignments in public sector will be preferred.

IV. Evaluation Criteria

MINIMUM TECHNICAL ELIGIBILITY CRITERIA

- 1) Bidder shall submit the requisite security as described above.
- 2) The firm must be capable to perform actuarial works as per TOR and other service plan for the Institution.
 - a. be a qualified Actuary i.e. at least an Associate of Society of Actuaries (ASA) or equivalent.
 - b. The firm/individual must have valid current practicing membership of the society
- 3) Must be a qualified actuary.

- 4) The firm/individual must have valid current practicing membership of the society of actuaries or any other actuarial body of international/national standard.
- 5) 5 years overall experience in actuarial practices.
- 6) The amount of the security deposit will be returned to the successful bidder/ contractor after satisfactory completion/ termination of the contract and after adjusting the dues, if any, payable by the contractor to PPF.

METHOD OF SELECTION

- Quality and Cost based Selection Method will be used.
- The Evaluation Criteria shall give 80% weight to Quality and 20% weight to Cost.
- 80% Quality weight will be assessed on the basis of:

a. Demonstrated prior experience of actuarial valuation in the public sector	35%
b. Profile of qualified Actuaries in the firm and their affiliation with professional bodies	15%
c. Number of years of experience	15%
d. Reputation of clientele serviced in the past 24 months	15%
Total Quality	80%

V. Form of Contract

PPF shall enter into a lump sum contract with the successful tenderer with payment to be made after satisfactory completion/ termination of the contract and after adjusting the dues, if any, payable by the contractor to PPF.

VI. Special Provisions

1. Tenders should be addressed to the General Manager, Punjab Pension Fund, 3-Canal Park, Gulberg-II, Lahore.
2. Bidders must quote their offers on the prescribed invitation Tender Form. Cash Receipts (in original or photocopy) in token of having purchased the tender must be accompanied with the Tender Documents.
3. Affidavit on Rs.100/- stamp paper to the effect that the firm or individual is not blacklisted and has no dispute with any Government Organization shall be furnished.
4. Bidder should specifically indicate their National Tax Number.
5. All the pages of Bidding documents and in case having any Erasing/ cutting/ crossing or over writing etc., therein, must be properly signed by the signing person of the tenderer by the

authorized signatory, who have been given power of attorney on company letter head (be enclosed with tender documents, if any), along with attested copy of his CNIC.

6. Offer shall not be considered if:
 - i. Received without security deposit.
 - ii. Received after the time and date fixed for its receipt.
 - iii. The tender is unsigned.
 - iv. The offer is ambiguous.
 - v. The offer is conditional.
 - vi. The offer is from a firm/individual, which is blacklisted, suspended or removed from the approved list.
7. No incomplete, supplementary or revised offer shall be accepted after opening of the tender.
8. Canvassing in any form by the Tenderer will lead to summary rejection of his tender.
9. Tenders shall be submitted under the "Single Stage Two Envelopes System" duly sealed as under:-

The envelope No.1 should contain the complete Technical Bid/ bidding documents, as per list mentioned under the heading "Instructions to Consultants", herein the bidding documents along with details of constitution of company and all testimonials in proof of eligibility, other documents as mentioned in the list of documents and should be super scribed as "Tender Document" for provision of consultancy services for actuarial valuation to PPF.

The envelope No. 2 will contain only the price bid and security deposit for an amount not less than 2% of bid price.

Both the above mentioned envelopes should be put in one large envelope, super scribed "This envelope contains two duly sealed envelopes containing Tender Document and the Price Bid for providing Actuarial Valuation – in two separate duly sealed envelopes clearly marked so".
10. The bidder must quote his price only as per the bid price proforma of the bidding document (as per **Annex-B**) and put it in Envelope 2. The rate(s) quoted should be inclusive of all kind of taxes and must be quoted in figure as well as in words.

CERTIFICATE

1. Proposal duly signed must be furnished along with the following certificate:-

- i. I/We hereby confirm to have read carefully all the terms & conditions of your Request for Proposal, due for opening on **Friday October 31, 2014 at 11.30 A.M.** for provision of Actuarial Valuation of Government of Punjab's Pension & General Provident Fund Liability. In addition to the conditions we also agree to abide by all the special instructions mentioned in tender document. We also hereby categorically confirm that we/I are/am fully capable to provide services of actuary as laid down in the terms of reference.
- ii. I/We accept that if the required Security Deposit is not furnished or my/our offer is found lacking in any of the requirements of the proposal, it shall be liable to be ignored.

Signature: _____

Name & Address of Tenderer _____

Designation & ID Card No. _____

NTN _____ GST No. _____

Date: _____ Official Seal: _____

i) **WITNESS**

Signature: _____

Designation & ID Card No. _____

Full Address _____

I.D. Card No: _____ Date: _____

ii) **WITNESS**

Signature: _____

Designation & ID Card No. _____

Full Address _____

I.D. Card No: _____ Date: _____

BID PRICE PROFORMA – ENVELOPE-2

NAME OF CONTRACT:

Contract for provision of Actuarial Valuation of Government of Punjab’s Pension & General Provident Fund Liability to be submitted to General Manager, Punjab Pension Fund, 3-Canal Park, Gulberg-II, Lahore

SR.NO.	DETAIL OF SERVICES	RATE (IN DIGIT / WORDS)
1.	General Provident Fund	
2.	Pension Fund	
	Total	

Note: The offer should be up to thousand.

Signature of the Bidder with seal

Address: _____
