



STATE LIFE
INSURANCE CORPORATION OF PAKISTAN

TENDER DOCUMENT

FOR

**APPOINTMENT/HIRING OF AN AUDIT FIRM TO
CONDUCT A GAP ANALYSIS OF INTERNAL AUDIT
FUNCTIONS/DIVISION OF STATE LIFE & REVIEW ITS
OPERATIONS**

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1. INTRODUCTION

State Life Insurance Corporation of Pakistan (State Life) being the largest Life Insurance Organization in Pakistan has been providing to its valued policyholders and field workers with the best possible services for over forty-five years. Principal Office (PO) of the Corporation is located at Karachi and all the business as mentioned below are controlled through various Divisions from Principal Office, while Regional offices supervise functions of their respective Departments / Sections working in the Zones. To fulfill our immediate and long-term plans, and to provide effective services, we intend to reformulate our Internal Audit strategies. State Life has following areas of business operations:

- Individual Life Insurance
- Group & Pension Insurance
- Health & Accidental Insurance
- Bancassurance
- Takaful
- International Business through Gulf Zone
- Real Estate Investment and Rental Income
- Investment in equities and Government securities

A brief introduction of the above is as follows:

- a. **Individual Life** Insurance is being done at present 33 Zones through seven Regional Offices spread all over the Country, Sub Zonal Offices, Sector Offices & Area Offices attached with each Zone have also been setup all over the Country for this business.
- b. **Group Life & Pension** Insurance business is being done through four Zones spread all over the Country located in major Cities.
- c. **Health & Accidental** insurance business is done through Principal Office along-with KPK & Punjab Provincial Offices.
- d. **Bancassurance** business is done through all Regional Offices along with sector heads at all locations.
- e. **Takaful Business** inaugurated recently in the month of October 2019.
- f. **International Business** is being carried out by Gulf Zone having Zonal Office in U.A.E. The International Business is restricted to individual Life business only.
- g. **Real Estate Business** is mainly being operated upon through Principal Office at Karachi and partly through Offices at Lahore and Islamabad with its sub-offices in each State Life building in various cities of the Country.
- h. **Investment in equities and Government Securities Portfolio** is being operated and managed by Investment Division at Principal Office.

It is pertinent to mention here that currently State Life is in the implementation phase of ERP system and three Zones of Individual life have been equipped with Individual Life Administration

System (ILAS). The remaining 30 Zones are on legacy system (Cobol & Oracle based with standalone server at each Zonal location). Moreover, two Zones of Group Life & Pension Insurance have also been equipped with Group Life Administration System (GLAS).

2. MAIN FUNCTIONS

2.1 PERSONNEL & GENERAL SERVICES

2.1.1 PERSONNEL

- Personnel Information System
- Job Description
- Work Flow
- Recruitments, Promotions and Transfers
- Performance Evaluation/Annual Performance Appraisal Reports
- Terminal Benefits & Pension
- Advance & Loan Administration
- General Administration
- Leave Records
- Seniority list Maintenance
- Disciplinary Proceedings
- Coordination with Ministry of Commerce

2.1.2 GENERAL SERVICES

- Procurement System
- Fixed Assets Management
- Inventory Management
- Main Stationery Store
- Computer Stationery Store
- List of Venders / Suppliers
- Dispatch & Receipt Administration
- Vehicle Management
- Utilities

2.1.3 MEDICAL

- Bills Processing System
- Employees
- Field
- Doctors
- Pharmacy
- Labs
- Hospital etc.
- Medical Expenses Accounting of different heads

2.2 MARKETING

2.2.1 BUSINESS INFORMATION

- Business Target Setting
- Business Review
- Sales campaigns & Incentives
- Sales Force Support For Prospects
- Marketing Sales statistics and variance analysis

2.2.2 AGENCY ADMINISTRATION

- Field Workers Management
- Recruitment
- Registration
- Field Adjustment
- Performance Evaluation & Promotion
- Seating & Allied Facilities of Field Workers
- Group Insurance
- Area Managers Operating Cost Statement
- Complaints and Disciplinary Action

2.2.3 CORPORATE COMMUNICATION DIVISION

- Media Strategy
- Sales Promotion
- Ads Management Information
- Ads Schedule Information
- Response Analysis
- Product promotion Analysis

2.3 POLICY HOLDER SERVICES DIVISION

2.3.1 NEW BUSINESS PROCESSING

- Plans Illustration
- Underwriting
- Policy Issue
- Re-Insurance
- Index Registry System

2.3.2 POLICY HOLDER SERVICES

- Policy Alteration
- Loans
- Surrenders
- Complaints
- Policy Revival

2.3.3 CLAIMS ADMINISTRATION

- Maturity Claims
- Death Claims
- Family Income Benefit
- Accidental Indemnity Claims
- SB Claims

2.4 INFORMATION TECHNOLOGY

- Periodical Business Data Updating and Posting
- Historical Data Archiving
- Data Security Plan
- Disaster Management Plan
- MIS Report
- Management of Legacy System
- Management of ERP System
- Data Consolidation
- Data Dissemination

2.5 FINANCE & ACCOUNTS

2.5.1 COLLECTIONS

- New business
- Renewal
- Agency & Staff
- Policy Loan Repayments
- Misc.

2.5.2 DISBURSEMENT

- Policy Payments
- Salary
- Medical
- Tax Withholding and Payments
- General

2.5.3 COMMISSION

2.5.4 FINANCIAL ACCOUNTING

2.5.5 CASH FLOW MANAGEMENT

2.5.6 MANAGEMENT ACCOUNTING

2.5.7 ASSET AND LIABILITY MANAGEMENT

2.6 INTERNAL AUDIT

- Pre- auditing
- Post-auditing
- System & Procedure Audit

- Audit Observations
- Audit Reports

2.7 ACTUARIAL

- Research and Development of New Products
- Policy Pricing
- Policy Liability Valuation
- Bonus Valuation
- Employees' Pension and other Liability Valuation
- Investment valuation
- Insolvency computation
- Misc. Valuation

2.8 LEGAL AFFAIRS

- Legal Information System
- Legal Cases Management
- Cases Registration and Follow Up
- Cases Decisions History and Analysis
- Engagement of lawyers/attorneys
- Management of external lawyers

2.9 GROUP & PENSION

- Business Planning and Strategy
- Sales Campaigns and Incentives
- Marketing Sales statistics and variance analysis
- Premium Rates Computation
- Claim Administration
- Policy wise Profitability Analysis
- Profit Commission Management
- Accounting System

2.10 INTERNATIONAL BUSINESS

- File Management of Converted (into Pak Rupees) Policies
- Claims Management of Converted (into Pak Rupees) Policies
- Surrender and Loan Management of Converted (into Pak Rupees) Policies
- Accounting of Converted (into Pak Rupees) Policies

2.11 INVESTMENT

- Investment Policy and Research
- Investment Equity Market Analysis
- Investment Money Market Analysis
- Develop Strategy for Investment as per Approved Investment Policy
- Corporation Affairs Management
- Securities Management
- Investment Accounting

2.12 REAL ESTATE

- New Projects Planning
- Existing Projects Management
- Real Estate Management
- Inventory Control
- Tenancy Management
- Accounting System

2.13 SECRETARIAT

(CHAIRMAN, BOARD, EXECUTIVE DIRECTORS, REGIONAL CHIEFS AND ZONAL HEADS)

- Maintenance of Meetings and its record
- File Management System
- Decisions & follow up record
- Communication Setup
- Management of Memorandums, Circulars & Notices

2.14 COMPLIANCE

- Internal Compliance
- External Compliance
- Coordination with SECP and other Statutory Authorities
- AML & CFT and NACTA Compliance

2.15 HUMAN RESOURCE DEVELOPMENT DIVISION

2.15.1 STAFF TRAINING WING

- In House Courses Management
- External Courses Management

2.15.2 MARKETING TRAINING WING

- In House Courses Management
- External Courses Management

2.15.3 RESEARCH AND DEVELOPMENT WING

- Training Need Analysis (TNA)
- Research & Development of Courses
- Develop Training Methodology
- Evaluation of 360 Feed Back
- Library Management

2.16 BANCASSURANCE

- New Business
- PHS & Claims Administration
- Marketing
- Agency Administration
- Accounting System

2.17 TAKAFUL INSURANCE

- New Business
- PHS & Claims Administration
- Marketing
- Agency Administration
- Accounting System

2.18 CORPORATE AFFAIRS

- Coordination with Chairman of the Board and Board of Directors
- Arrangement of Board meetings
- Preparation, approval and circulation of minutes to Board Members and other stakeholders
- Maintenance of record of Board meetings and other regulatory requirements etc.

3. BRIEF OVERVIEW

State Life intends to acquire the services of Audit Firm to study and conduct a Gap Analysis of its Internal Audit Function. The selected Firm shall study the existing system and procedure of Internal Audit Division at State Life and conduct a GAP Analysis of it against the Internal Audit Function as defined by the Institute of Internal Auditors (IIA) and international best practice of life insurance business. For this, detailed RFP for the proposed Gap analysis along-with implementation strategy to overcome the Gap containing the structure, manpower, software, hardware, network & communication requirements, if any, shall be prepared. In this regard, the processes of Audit verification of State Life will be studied; mapped and essential re-engineering will be proposed.

4. SCOPE OF WORK

- A. Study of existing structure, activities and functions of Internal Audit Division at PO, Region, Zones and Internal Audit Department, Gulf regarding pre-audit and post audit, compared with international best practices and conduct Gap Analysis of Internal Audit Functions with standard Audit Functions as defined by the IIA.
- B. Study of existing internal audit reports and conduct GAP analysis between existing reporting and international standard reporting.
- C. Suggest standard reports according to international practices / IIA.
- D. Review existing Internal Audit Plan for 2018 and onwards and compare it with the scope as per International Standard for the Professional Practice of Internal Auditing issued by IIA and identify gaps.
- E. Provision of opinion in the light of guidelines issued by the Institute of Internal Auditors (IIA) and international best practice of life insurance business i.e., whether globally and ideally Internal Audit Division should perform pre-auditing of payments or post audit of operations by keeping in view the status of SLIC, i.e., State Owned Enterprise (SOE).
- F. Review of Internal Audit Procedure Manual prepared by Internal Audit Division and suggest the changes.

- G. Review the existing Job Descriptions(JDs), Key Performance Indicators(KPIs) and Key Result Areas (KRAs) of Internal Audit Division and compare it with standards as per IIA/International best practices and identified the gaps of the following level:
 - a. Principal Office (PO)
 - b. Region
 - c. Zone
 - d. Gulf
- H. The appointed Firm may propose the procedures in the GAP Analysis Report for linkage and compatibility with the ERP including IT Module for Internal Audit.
- I. Internal Audit Function with respect to IFRS-17.
- J. Manpower requirements / recruitments and placement of the staff / officers to effectively implement the changes suggested.
- K. Propose trainee Scheme to fulfill the gaps and to meet long term staff requirement.
- L. Recommend and suggest Training program for Internal Audit Division to update them with modern Audit Techniques.
- M. The appointed Firm will arrange the deployment of a dedicated team comprising of professionally qualified members to interact with SLIC team at Internal Audit Division, PO, Karachi till the completion of the assignment.
- N. The Firm should have regular meetings with the Designated Committee and give presentation before the submission of the deliverables.

The Corporation is in the implementation phase of ERP system and three Zones have been equipped with Individual Life Administration System (ILAS). The remaining 31 Zones including Gulf Zone are on Legacy System (Cobol & Oracle based with standalone server at each Zonal location). Moreover, two Zones of Group Life & Pension Insurance have also been equipped with Group Life Administration System (GLAS). Therefore, the Audit Firm needs to study the Internal Audit system/activities accordingly.

The Audit Firm has to clearly mention all the deliverables under this tender document. The reports regarding each deliverable must address the following points explicitly.

- (i) Usage of the existing resources.
- (ii) Additional resources required including IT resources.
- (iii) Abandoned resources.
- (iv) Cost-benefit analysis for adoption of the recommendations of the Audit Firm.
- (v) Recommendations as stop gap arrangement till the implementation of ERP.
- (vi) The time line to implement each recommendation.

5. ELIGIBILITY / MANDATORY REQUIREMENT

The Firm should:

- Be approved as per prevailing laws of Pakistan.
- Have at least fifteen partners.
- Have valid license/registration to operate in Pakistan.
- Must have Global affiliation.
- Must be "A" rated firm as per the approved list of SECP to conduct audit of Insurance Entities.
- Minimum yearly turnover of Rs. 750 Million.

- Have at-least 20 years' experience of consultancy of Internal Auditing of large organizations. Preference would be given to the professional firms having experience with state owned enterprises or life insurance companies.
- Minimum five years' experience of Internal /Statutory Auditing Services to Life Insurance Company from 2005 to till date.
- Have satisfactory rating in recent quality control review by the Institute of Chartered Accountants of Pakistan.
- Not have been black listed by any organization whether government, multinational or private entity. An affidavit in this regard on the stamp paper of Rs. 100/- must be provided and enclosed with technical proposal.
- Not have been under any disciplinary proceedings by Audit Oversight Board (AOB) or any other Regulatory Authority till the signing of Contract.
- Have deposited and sealed the bid security equal to 2% of quoted amount in financial proposal envelope as explained in **Para – 15**.
- Must secured minimum qualification marks (60) as described at **Para – 23**.

6. EVALUATION CRITERIA

(Note: Numbering of each point is mentioned in section 23)

- Period of establishment of the Firm.
- Minimum yearly turnover of Rs. 750 Million.
- Number of branches across the country.
- Number of Partners.
- Number of staff engaged on full time.
- Monetary size of balance sheet of clients.
- Experience of providing Internal / Statutory Auditing services to Life Insurance companies.
- Number of clients to whom Internal Auditing Consultancy services provided/being provided by bidder.
- Experience of providing consultancy to Life Insurance companies regarding internal audit Gap Analysis.

7. FINANCIAL BID

- The financial and technical proposals must be submitted separately in sealed envelopes.
- Financial bid submitted must include the consultancy fee and out of pocket expenses separately, if any.
- Financial bid of the bidders who score at least 60% marks on the technical evaluation will be opened.
- Financial bid must contain Banker's cheque/pay order/draft as bid security equal to 2% of quoted amount as also explained in **Para – 15**.

Bid security will be released to successful bidder upon furnishing Bank Guarantee (minimum A rated Bank) equal to 10% of financial quotation. Bid security of the successful bidder shall be forfeited, if the Firm refused to sign the work award agreement. Bid security of the unsuccessful bidder shall be released immediately after the award of work as also explained at **Para – 16**.

8. GENERAL TERMS & CONDITIONS

8.1 Instructions to Responding Firm

- To state complete name of the Firm, complete address, telephone number, fax number, email address, website address (if any).
- Name of partners including their scope of involvement.
- Name and designation of contact person.
- Title, bank name and account number of the Firm.
- Supporting material should not be the part of the main proposal but should be placed as annexure, and referring the page No. /Flag No. while filling the technical proposal in the column “**proof is attached at Page No. __/Flag No. __.**”.

8.2 Validity of the proposal

All proposal and price shall remain valid for a minimum period of 120 days from the closing date of submission of proposal. However, the bidders are encouraged to state a longer period of validity for the proposal.

8.3 Ownership

The ownership of all products and services rendered under this contract arising as a result of this RFP will be the sole property of State Life Insurance Corporation of Pakistan.

8.4 Governing Laws

This RFP and any contract executed pursuant to this RFP shall be governed by and construed in accordance with the laws of Pakistan.

8.5 Acceptance or Rejection of Proposals

State Life reserves the right not to accept the lowest or any proposal and to cancel the bidding process as per PPRA rules. The decision of State Life will be binding on all concerned and will not be challengeable at any forum.

8.6 Initiation of Work

Immediate after signing of contract/Award of work.

8.7 Completion of Work

180 days from the award of the contract.

8.8 Availability of tender document and contact person for enquiries

The tender document can be obtained from Internal Audit Division, State Life Insurance Corporation of Pakistan at following address and can be downloaded from the website of state life i.e., www.statelife.com.pk :

Departmental Head (General Services)
State Life Insurance Corporation of Pakistan
Principal Office,
2nd Floor, State Life Building No. 9,
Dr. Zia-ud-din Ahmed Road, Karachi.
Phone # 021-99204521

8.9 Submission of Proposal

The technical and financial proposals complete in all respect, should be submitted by 26-08-2021, up-to 11:00 hours. The Firm shall submit Two proposals which shall be physically separated, sealed and labeled as **“Technical Proposal” and Financial proposal** at the above address mentioned in para 8.8.

No proposal shall be entertained if the technical and financial proposal are not separately sealed and company’s stamp is not affixed on envelopes. Pre-bid meeting can be arranged, if required.

For any queries regarding Tender Documents, please email us at dhiae@statelife.com.pk. You may also request for pre-bid meeting on the same ID if desired.

8.10 Taxes

The bid amount will be inclusive of all applicable taxes, however withholding tax will be deducted upon payment of consultancy fee as per prevailing laws.

8.11 Payment of Consultancy Fee

Payment of consultancy fee will be made within 30 days of satisfactory report of the pre-defined phases of the assignment as per schedule of payment at **Para – 25**. The payment will be made with the approval of Chairman, SLIC on the recommendations of the Tender Committee. However, final payment (30%) will be released on the recommendations of Board Audit Committee (BAC) and with the approval of Board of Directors (BoD) on submission of complete sets of final reports and presentations by the Firm to BAC/BoD covering complete scope of work for adoption and sign off.

8.12 Rejection of Proposal

No proposal shall be entertained if the technical & financial proposals are not submitted separately sealed and found without bidder’s stamp as per prescribed format given at paras 23 & 24 respectively.

8.13 Boarding, Lodging & Travelling Expenses

No boarding, lodging and travelling expenses will be borne by SLIC.

8.14 Performance Guarantee

Successful bidder will have to submit Bank Guarantee (from bank having minimum A rating). The Guarantee will be equal to 10% of total quoted sum. The specimen of the guarantee is attached as **Annexure- A**. Guarantee may be forfeited if satisfactory performance as per requirement was not given by successful bidder.

8.15 Integrity Pact

Successful bidder will have to sign an integrity pact with SLIC on stamp paper of Rs. 100/- or equivalent. The specimen of integrity pact is attached as **Annexure- B**.

9. OPENING OF BID

Technical bid

Technical bid will be opened on last day of submitting the proposal i.e., at 11:30 AM on 26-08-2021 in the presence of representatives of the firm.

Presentation for Offered Solution

The bidders who qualify the technical criteria may be called for presentation on offered solutions and implementation methodology according to; but not limited to; the key deliverables defined in scope of work along-with templates. The schedule of presentation will be conveyed to bidders through email/telephone after the opening of technical proposal.

Financial bid

The date of opening of financial bid will be conveyed to all bidders through email/letter/telephone.

10. DISQUALIFICATION

State life through its committees may at its sole discretion and at any time during the evaluation of proposal till signing of agreement, disqualify any respondent, if the respondent has:

- Submitted the proposal documents after the deadline.
- Made misleading or false representations in the forms, statements and attachments submitted in proof of the eligibility requirements.
- Exhibited a record of poor performance such as abandoning works, not properly completing the contractual obligations, delay in completion of work or financial failures etc. in any project.
- Submitted a proposal that is not accompanied by the required documentation or is non-responsive.
- Failed to provide clarification related thereto, when sought.
- Declared ineligible, black listed or disciplinary proceedings initiated against the firm by the Federal/Provincial Government /any agency/any regulatory authority for corrupt and fraudulent practices or convicted by the court till signing of contract.
- Submitted a proposal with price adjustment / variation provision / condition and without Bid Money.

11. BID EVALUATION CRITERIA

All bids will be evaluated on the basis of weighted average. 70% weight will be assigned to Technical bid and 30% weight to the financial bid. Please see illustration at **Annexure- C**.

12. AWARD OF WORK

Work will be awarded / contract will be signed with lowest evaluated bidder (according to 70:30 weighted average formulas) as per PPRA rules. Illustration is given at **Annexure- C**.

13. PENALTY

Delay in completion of work or delay in submission of reports beyond timeline will be subject to levy of penalty @ Rs. 10,000/- per day subject to maximum of 30% of contract price. However, Management of SLIC may consider to waive penalty for delay up-to 15 days in submission of maximum two reports.

14. FIRMS NOT ELIGIBLE TO PARTICIPATE

The bidders not fulfilling the criteria mentioned at **Para – 5** will not be eligible to participate in this tender. The participating bidders are requested to attach proof and flag the same.

15. BID SECURITY

2% of the consultancy fee and out of pocket expenses (if any) will be deposited by bidder as bid security in the shape of banker's cheque, pay order or draft etc. in favour of State Life. The instrument must be sealed by bidder with financial proposal.

16. RELEASE OF BID SECURITY

Bid security of unsuccessful bidders will be refunded/released after award of work. However, bid security of successful bidder will be refunded/released upon submission of bank guarantee (from bank having minimum A rating). The guarantee will be equal to 10% of total quoted sum and will be released one year after the sign off upon having the satisfactory performance report.

17. NON-DISCLOSURE AGREEMENT (NDA)

Bidder needs to sign Non-Disclosure Agreement with SLIC. The specimen of Non-Disclosure Agreement is attached as **Annexure- D**.

18. FORFEITURE OF PERFORMANCE GUARANTEE/ BANK GUARANTEE

Bank guarantee of successful bidder will be forfeited if bidder failed to perform the work as per agreed scope and timeline.

19. SETTLEMENT OF DISPUTE

19.1 Amicable Settlement

The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation.

19.2 Dispute Settlement

Any dispute between the Parties as to matters arising pursuant to this Contract which cannot be settled amicably within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for settlement in accordance with the provisions of the Arbitration Act, 1940 (Act No. X of 1940) and Rules made thereunder and any statutory modifications thereto.

Services under the Contract shall, if reasonably possible, continue during the arbitration proceedings and no payment due to or by the Client shall be withheld on account of such proceedings except disputed.

20. FORCE MAJUERE

For the purposes of this Contract, "Force Majeure" means an event which is beyond the reasonable control of a Party and which makes a Party's performance of its obligations under the Contract impossible or so impractical as to be considered impossible under the circumstances, and includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions, strikes, lockouts or other industrial actions (except where such strikes, lockouts or other industrial actions are within the power of the Party invoking Force Majeure to prevent), confiscation or any other action by government agencies.

Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or such Party's agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected to both (A) take into account at the time of the conclusion of this Contract and (B) avoid or overcome in the carrying out of its obligations hereunder.

Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder.

The failure of a Party to fulfill any of its obligations under the Contract shall not be considered to be a breach of, or default under this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event; (a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this Contract; and (b) has informed the other Party in writing not later than fifteen (15) days following the occurrence of such an event.

Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

21. TERMINATION

The SLIC may terminate this Contract, by not less than thirty (30) days written notice of termination to the firm, to be given after the occurrence of any of the events specified in paragraphs (a) through (d):

- (a) if the firm do not remedy a failure in the performance of their obligations under the Contract, within thirty (30) days after being notified or within any further period as the Client may have subsequently approved in writing;

- (b) if the firm fail to comply with any final decision reached as a result of arbitration proceedings;
- (c) if, as the result of Force Majeure, the firm are unable to perform a material portion of the Services for a period of not less than sixty (60) days;
- (d) if the Client, in its sole discretion, decides to terminate this Contract.

22. SUBLETTING

The Bidder shall not sublet, sell, transfer, assign any portion of the contract without written consent of the Corporation.

23. TECHNICAL PROPOSAL

For Hiring of Audit Firm

Tender to be submitted to:

Departmental Head (General Services)
State Life Insurance Corporation of Pakistan
Principal Office,
2nd Floor, State Life Building No. 9,
Dr. Zia-ud-din Ahmed Road, Karachi.
Phone # 021-99204521

Submitted by (name): _____

Firm's Name : _____

1. Company's basic information:

a)	Name of the Firm			
b)	Registered Address of the Firm			
c)	Contact person's name/title	Name:		
		Title:		
d)	Phone No.	Cell No.		
e)	Fax No.	Email		
f)	Name of partners	(Please attach list)		

2. Company's profile

Sr. No.	Parameters	Response of Bidder	Proof of response is attached at Page No. ___/Flag No. ___	Distribution of Marks
1	Firms Profile			
	Period of establishment			
	Above 30 years			10
	Above 25-30 years			8
	20-25 years			6
2	Yearly Turnover			
	Above Rs. 1750 Million			10
	Above Rs. 1250- Rs. 1750 Million			8
	Above Rs. 750-Rs. 1250 Million			6
3	Number of branches across the country			5
	1 mark for representation in each city,			
	maximum 5 marks			
4	No. of partners			
	Above 30			15
	From 25 to 30			12
	From 20 to 24			9
	From 16 to 19			6

5	Number of staff engaged as full time employee:			
	Above 100+			10
	From 81-100			8
	From 61-80			6
6	From 41-60			4
	Monetary size of balance sheet of clients to whom auditing advisory services were provided in last five years			
	Above Rs. 500 Billion			15
	Above Rs. 400-500 Billion			12
	Above Rs. 300-400 Billion			9
7	Above Rs. 200-300 Billion			6
	Rs. 100- 200 Billion			3
	Experience of providing Internal /Statutory auditing services to any Life Insurance companies for at least five years from 2005 till date.			
	Above 14			15
	Above 12-14			12
	Above 10-12			9
8	Above 8-10			6
	6-8			3
	Number of clients to whom internal auditing services provided/being provided by the bidder			
	20 or above			10
	15-19			8
9	10-14			6
	5-9			4
	Experience of providing consultancy services to Life Insurance companies regarding Gap analysis of Internal Audit			
	Above 5 Years			10
	Above 2-5 Years			8
	For 2 Years			6

Minimum Qualification marks = 60.

Date: _____

Authorized signature _____

Name: _____

Title: _____

- Encl: a) All supporting documents
b) Financial Bid has been submitted separately.

24. FINANCIAL PROPOSAL

For Hiring of Audit Firm

Tender to be submitted to:

Departmental Head (General Services)
State Life Insurance Corporation of Pakistan
Principal Office,
2nd Floor, State Life Building No. 9,
Dr. Zia-ud-din Ahmed Road, Karachi.
Phone # 021-99204521

Submitted by (name): _____ Firm's Name: _____
--

1. Company Information:

a)	Name of Company/Firm	
b)	Registration with FBR	(Attach copy)

2. Financial Proposal

a)	Consultancy fee	Rs.
	Out of pocket expenses	Rs.
b)	Sales Tax (s)	Rs.
c)	Total fee and out of pocket expenses with Sales Tax(s)	Rs.

Bid bond in the shape of bank draft equivalent to 2% of total cost: (Enclosed)	No.
	Date:
	Amount:
	Bank:

Date: _____

Authorized signature: _____

Name: _____

Title: _____

- Encl: a) Registration Certificate with FBR
b) Bid Bond
c) Technical Bid has been submitted separately

25. DELIVERABLES AND SCHEDULE OF PAYMENTS

	Deliverables	Timeline	Payment Schedule
A.	<p>I. Report on existing structure, activities and functions of Internal Audit Division at PO, Region, Zones and Internal Audit Department, Gulf regarding pre-audit and post audit.</p> <p>II. Report on structure, activities and functions of Internal Audit Division in line with international best practices.</p> <p>III. Gap report on the existing structure of Internal Audit Division at PO, Regional and Zonal level regarding pre-audit and post audit functions by comparing point I and II above, covering the following aspects:</p> <p>a. Internal Audit Setup/Structure</p> <p>b. Internal Audit strength along with designations and skill sets etc.</p> <p>c. Internal Audit reports</p> <p>d. Internal Audit plan</p> <p>e. Internal Audit techniques</p> <p>f. Internal Audit Manual</p> <p>g. Job Descriptions (JDs), Key Performance Indicators (KPIs) & Key Result Areas (KRAs)</p>	Seven Weeks	30%
B.	<p>Proposed structure, activities and functions of Internal Audit Division on the basis of Gap Analysis Report. Suggest steps and timelines to overcome the identified gaps and to implement the proposed structure, activities and functions of Internal Audit Division covering the following of entire Audit Division (i.e., PO, Regions, Zones and Internal Audit Department, Gulf):</p> <p>a. Internal Audit Setup/Structure</p> <p>b. Internal Audit strengths along with designations and skill sets</p> <p>c. Internal Audit reports</p> <p>d. Internal Audit plan</p> <p>e. Internal Audit techniques</p> <p>f. Internal Audit Manual</p> <p>g. Job Descriptions (JDs), Key Performance Indicators (KPIs) & Key Result Areas (KRAs)</p>	Five Weeks	20%
C.	<p>I. Propose the procedures in the GAP Analysis Report for linkage and compatibility with the ERP including IT Module for Internal Audit.</p> <p>II. Report containing Manpower requirements/recruitments according to skillsets recommended at para 25 (B) and placement of the staff/officers for effective implementation of Revised Audit Structure as per IIA.</p> <p>III. Report containing the recommendations and suggestion on Training programs for Audit Staff and Officers at each</p>	Five Weeks	20%

	<p>level to update them with modern Audit Techniques i.e., at Divisional, Regional and Zonal level to implement the proposed structure recommended at par 25 (B).</p> <p>IV. Report containing the recommendations and suggestion for introduction of trainee Scheme to fulfill the gaps and to meet long term staff requirement for Internal Audit Division.</p>		
D.	<p>I. Submission of complete sets of final reports including PO, Regions, and Zonal level & Gulf on the following:</p> <ul style="list-style-type: none"> a. Internal Audit Setup/Structure b. Internal Audit strength along with designations and skill sets etc. c. Internal Audit reports and its timeline (sample audit reports at each level) d. Procedure of audit reporting Follow up (Findings/recommendations, Management response and Closure). e. Internal Audit plan f. Audit techniques (including sampling techniques and materiality levels) g. Internal Audit Manual h. Job Descriptions (JDs), Key Performance Indicators (KPIs) & Key Result Areas (KRAs) <p>II. Standardization of Audit functions at Zonal including Gulf, Regional and Divisional Levels for better internal controls and efficiency.</p> <p>III. Report on Internal Audit function with respect to IFRS-17.</p> <p>IV. Provision of opinion in the light of guidelines issued by the Institute of Internal Auditors (IIA) and international best practice of life insurance business i.e., whether globally and ideally Internal Audit Division should perform pre-auditing of payments or post audit of operations keeping in view the status of SLIC, i.e., State Owned Enterprise (SOE).</p> <p>V. Presentation to Board Audit Committee/Board of Directors covering complete scope of work for adoption and sign off.</p>	Seven Weeks	30%
<p>Bank Guarantee will be released after one year from sign off on the recommendations of the Tender Committee with the approval of Chairman, SLIC/CFO.</p>			

26. SPECIMEN OF FORM OF PERFORMANCE SECURITY

(Bank Guarantee)

Guarantee No. _____

Executed on _____

Expiry date _____

[Letter by the Guarantor to the Employer]

Name of Guarantor (Bank) with address (Schedule Bank in Pakistan): _____

Name of Audit Firm with address: _____

Penal Sum of Security (express in words and figures): _____

Letter of Acceptance No. _____ Dated: _____

KNOW ALL MEN BY THESE PRESENTS, that in pursuance of the terms of the Bidding Documents and above said Letter of Acceptance (hereinafter called the Documents) and at the request of the said Principal we, the Guarantor above named, are held and firmly bound unto the State Life Insurance Corporation of Pakistan (hereinafter called the Client) in the penal sum of the amount stated above for the payment of which sum well and truly to be made to the said Client, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the Principal has accepted the Client's above said Letter of Acceptance for _____ (Name of Contract) for the _____ (Name of Project).

NOW THEREFORE, if the Audit Firm shall well and truly perform and fulfill all the undertakings, covenants, terms and conditions of the said Documents during the original terms of the said Documents and any extensions thereof that may be granted by the Client, with or without notice to the Guarantor, which notice is, hereby, waived and shall also well and truly perform and fulfill all the undertakings, covenants terms and conditions of the Contract and of any and all modifications of said Documents that may hereafter be made, notice of which modifications to the Guarantor being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue till all requirements of relevant Clause, Defects Liability, of Conditions of Contract are fulfilled.

Our total liability under this Guarantee is limited to the sum stated above and it is a condition of any liability attaching to us under this Guarantee that the claim for payment in writing shall be received by us within the validity period of this Guarantee, failing which we shall be discharged of our liability, if any, under this Guarantee.

We, _____ (the Guarantor), waiving all objections and defenses under the Contract, do hereby irrevocably and independently guarantee to pay to the Client without delay upon the Client's first written demand without cavil or arguments and without requiring the Client to prove or to show grounds or reasons for such demand any sum or sums up to the amount stated above, against the Client's written declaration that the Principal has refused or failed to perform the obligations under the Contract which payment will be effected by the Guarantor to Client's designated Bank & Account Number.

PROVIDED ALSO THAT the Client shall be the sole and final judge for deciding whether the Audit Firm has duly performed his obligations under the Contract or has defaulted in fulfilling said obligations and the Guarantor shall pay without objection any sum or sums up to the amount stated above upon first written demand from the Client forthwith and without any reference to the Principal or any other person.

IN WITNESS WHEREOF, the above-bounden Guarantor has executed this Instrument under its seal on the date indicated above, the name and corporate seal of the Guarantor being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

Guarantor (Bank)

Witness:

1. _____

Corporate Seal

Signature _____
Name _____
Title _____

2. _____

Name, Title, Seal

Corporate Guarantor (Seal)

27. SPECIMEN OF INTEGRITY PACT

**DECLARATION OF CONSULTANCY FEES/OUT OF POCKET EXPENSES PAYABLE BY
THE AUDIT FIRM**

Contract Number _____ Dated: _____
Contract Value _____
Contract Title _____

Audit Firm hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from Government of Pakistan or any administrative subdivision or agency thereof or any other entity owned or controlled by it (GoP) / SLIC through any corrupt business practice.

Without limiting the generality of the foregoing, the Firm represents and warrants that it has fully declared the brokerage, commission, fees etc. paid or payable to anyone and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kickback, whether described as consultation fee or otherwise, with the object of obtaining or inducing the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form from SLIC, except that which has been expressly declared pursuant hereto.

The Firm certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with SLIC and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.

The Firm accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other right and remedies available to SLIC under any law, contractor other instrument, be voidable at the option of SLIC.

Not with standing any rights and remedies exercised by SLIC in this regard, the Firm agrees to indemnify SLIC for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to SLIC in an amount equivalent to ten time the sum of any commission, gratification, bribe, finder's fee or kickback given by [name of supplier] as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from SLIC.

[Client/SLIC]

[Bidder/Firm]

28. ILLUSTRATION (OF WEIGHTED AVERAGE 70:30 RATIO)

Let five Audit Firms participate in the bidding process. After evaluation of their technical bid, financial bids of four bidders are opened, while financial bid of 3rd bidder is returned scoring less than 60 marks in technical evaluation. The data of all bidders is tabulated as under:

Sr. No.	Name of Bidder	Marks obtained in Technical Bid	Total Financial Bid (Rs.)
1	A	95	140
2	B	89	110
3	C	58	Not opened
4	D	78	100
5	E	80	90

Sr. No.	Name of Bidder	Technical evaluation after assigning 70% Weight	Financial evaluation after assigning 30% weight	Total Marks (Tech. + fin)
1	A	$95/95*70=70.00$	$90/140*30=19.28$	89.28
2	B	$89/95*70=65.57$	$90/110*30=24.54$	90.11
3	D	$78/95*70=57.47$	$90/100*30=27$	84.47
4	E	$80/95*70=58.94$	$90/90*30=30$	88.94

In this way Bidder "B" will be evaluated lowest with highest marks of 90.11.

29. SPECIMEN OF NON-DISCLOSURE AGREEMENT

This Non-Disclosure Agreement (“Agreement”) is entered into by and between _____(Firm) and State Life Insurance Corporation of Pakistan (hereinafter called the “SLIC” which expression shall include the successor, legal representatives and permitted assigns), effective as of the date of latest execution below (“Effective Date”).

WHEREAS, as part of scope/execution of awarded work(Gap Analysis of Internal Audit Division and Review its Operations), the SLIC shall provide financial, accounting, auditing and other proprietary information to Firm (Recipient); and

WHEREAS, the parties mutually desire to set forth the terms and conditions of their agreement for maintaining the confidentiality of such information and certain related matters;

NOW, THEREFORE, in consideration of the foregoing and the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. “Confidential Information” as used in this Agreement shall include all information provided by Disclosing Party to Recipient, except as noted herein, whether in oral, written, electronic, graphic, or other format, including without limitation: (a) Disclosing Party’s financial and accounting information; (b) information regarding Disclosing Party’s, or such party’s corporate affiliates’, financial condition or performance, business operations, plans, strategies or techniques, know how, products or services, pricing, past or current customer information, systems or system strategies, and marketing and distribution plans, methods or techniques; (c) any information that is marked “confidential,” “proprietary,” or with like words, or that is summarized in writing as being confidential prior to or promptly after disclosure to the other party; (d) any and all research, data and databases; (e) any models, source code, or other information contained within any software, model or system; (f) information relating to or arising from any software, models, modeling results or output; (g) insurance policy or policyholder information; (h) any reinsurance structures or risk management solutions created, disclosed or analyzed by Firm; (i) any insurance or reinsurance underwriting and pricing information, and information relating to actuarial analysis and market capacity; (j) any third-party confidential information included with, or incorporated in, any information provided by Disclosing Party; and (k) designs, ideas, concepts, intelligence engineering, techniques, processes, methodologies, and technology embodied in any of the foregoing. Additionally, the parties agree that “Confidential Information” shall also include (a) the existence of this Agreement; (b) the fact that the Confidential Information exists or has been, or may be, made available to Recipient; (c) the identity of the parties involved in the Transaction, including without limitation the parties hereto, and the fact that either party hereto is considering or evaluating the Transaction; (d) the fact that discussions or negotiations are taking or have taken place concerning the Transaction, including those discussions or negotiations pertaining to this Agreement; and (e) any term, condition or other facts relating to the Transaction or such discussions or negotiations, including without limitation the status thereof.
2. Confidential Information shall not include information which: (a) is or becomes generally available to the public other than as a result of disclosure by Recipient in violation of this

Agreement; (b) was available to or already known by Recipient on a non-confidential basis prior to its disclosure by Disclosing Party; (c) is developed by Recipient independently of any information acquired from Disclosing Party; or (d) becomes available to Recipient on a non-confidential basis from a source other than Disclosing Party, provided that Recipient does not know that such source is bound by confidentiality obligations to Disclosing Party.

3. Each party agrees to exercise reasonable care to protect and prevent unauthorized disclosure of the other party's Confidential Information. Recipient may disclose Disclosing Party's Confidential Information to any of its affiliates, officers, directors, employees, agents or representatives (collectively "Agents") who have a need to know such information in connection with the Transaction, provided that Recipient advises each such Agent of the requirements to maintain the confidential nature of the Confidential Information. Except as expressly authorized in writing by Disclosing Party, Recipient of such Confidential Information will not, and will not permit any of its Agents to, directly or indirectly, (a) report, publish, distribute, disclose, or otherwise disseminate the Confidential Information, or any portion thereof, to any third party or (b) use the other party's Confidential Information, or any portion thereof, for its own benefit or for the benefit of any of its Agents or any third party for any purpose (except as necessary for purposes of participating in or supporting the Transaction). Recipient acknowledges and agrees that it will be responsible for any breach of this Agreement by any of its Agents and agrees, at Recipient's sole expense, to take reasonable measures to restrain Recipient's Agents from prohibited or unauthorized disclosure or use of the Confidential Information.
4. Nothing in this Agreement shall prevent disclosures pursuant to a court order, subpoena, or other requirement of any governmental or regulatory authority, provided that Recipient promptly notifies Disclosing Party in writing (to the extent legally permissible) of any such order or requirement and cooperates, at Disclosing Party's expense, in an effort to obtain a protective order from the issuing court or governmental or regulatory authority limiting disclosure and use of the information. If Disclosing Party does not timely obtain such protective order or if Disclosing Party consents to the Confidential Information being released, then Recipient may provide only the Confidential Information that is legally required to be disclosed.
5. Nothing in this Agreement precludes Recipient from disclosing any Confidential Information relating to Disclosing Party or the Transaction to the extent that the disclosure is made in any suit, action or proceeding (whether in law or in equity or pursuant to arbitration) involving the Transaction for the purpose of defending itself, reducing its liability or protecting or exercising any of its claims, rights, remedies or interests under or in connection with the Transaction.
6. The parties agree that impermissible disclosure or use of Confidential Information or other breach or violation of any of the provisions of this Agreement may cause irreparable harm to Disclosing Party and that remedies at law may be inadequate to protect against breach of this Agreement. The parties hereby agree in advance that Disclosing Party shall have the right, in addition to all other available remedies, to seek injunctive relief without proof of actual damages in order to prevent such acts, attempts and violations. Nothing herein shall prevent either party from competing in good faith for the business of any customer or customers, provided it does not use for such purpose any Confidential Information of the other party obtained in connection with the Transaction.
7. Each party understands and agrees that its access to and use of Confidential Information of the other party is at the sole control and discretion of such other party and that this Agreement does not establish any rights to continued access to or use of the Confidential Information furnished by the other party. Upon request of Disclosing Party, Recipient shall return or destroy

all Confidential Information of Disclosing Party which is in its possession or subject to its control, except for archival and backup copies that are not readily available for use and business records required by law to be retained, which Recipient will continue to treat as confidential pursuant to the terms of this Agreement. Additionally, upon request, such destruction of information shall be certified in writing to Disclosing Party by an authorized official of Recipient.

8. This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective legal representatives, successors and permitted assigns. This Agreement may not be assigned by either party without the prior written consent of the other.
9. It is understood and agreed that any failure or delay in exercising any right granted in this Agreement shall not operate as a waiver of the right, nor shall any single or partial exercise of any right preclude any other or further exercise of the right or the exercise of any other right granted in this Agreement.
10. If any provision of this Agreement shall be finally determined to be invalid or unenforceable by any court of competent jurisdiction, such provision shall be deemed to be severed from this Agreement, but every other provision of this Agreement shall remain in full force and effect. With respect to any such provision so determined to be invalid or unenforceable, any court with jurisdiction over the parties and subject matter hereof shall have all necessary authority to rewrite such provision in order to provide for the enforceability thereof to the maximum extent permissible under law, and the parties hereto agree to abide by such court's determination.
11. The confidentiality obligations set out in this Agreement shall survive the termination of the business relationship between the parties and the termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have caused this Agreement to be executed, effective as of the Effective Date set forth above.

Firm

SLIC

Signatures: _____

Signatures: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

30. SPECIMEN FORM OF CONTRACT

This CONTRACT (hereinafter called the "Contract") is made on the ____ day of ____ (month) of ____ (year), between, State Life Insurance Corporation of Pakistan on the one hand, (hereinafter called the "SLIC" which expression shall include the successors, legal representatives and permitted assigns) and, on the other hand,

(hereinafter called the "Firm" which expression shall include the successors, legal representatives and permitted assigns).

WHEREAS

- (a) The SLIC has requested the firm to conduct gap analysis of Internal Audit Division and review its operations as defined in the Scope of Work as per tender document attached to this Contract (hereinafter called the "Services"); and
- (b) The Firm, having represented to the SLIC that they have the required professional skills, and personnel and technical resources, have agreed to provide the Services on the terms and conditions set forth in this Contract;

NOW THEREFORE the Parties hereby agree as follows:

- 1. The following documents attached hereto shall be deemed to form an integral part of this Contract:
 - a. The General Conditions as set forth / elaborated in the Tender Document;
 - b. Form of performance security;
 - c. The integrity pact;
 - d. Non-Disclosure Agreement
- 2. The mutual rights and obligations of the SLIC and the firm shall be as set forth in the Contract, in particular:
 - a. The firm shall carry out the Services in accordance with the provisions of the Tender Document;
 - b. The Firm shall initiate work after signing the instant agreement and complete the Services within six months. Moreover, the Firm hereby agrees to provide post implementation support for period of (1) one year starting from the completion date at no additional cost.
 - c. The SLIC shall make payments to the Firm in accordance with the provisions of the Tender Document to the tune of Rs. ----- including out of pocket expenses & all applicable taxes.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names in two identical counterparts, each of which shall be deemed as the original, as of the day, month and year first above written.

For and on behalf of
State Life Insurance Corporation

Witness:
Signatures _____
Name _____
Title _____

(SLIC)
Signatures _____
Name _____
Title _____
(Seal)

For and on behalf of firm

Witness:
Signatures _____
Name _____
Title _____

(FIRM)
Signatures _____
Name _____
Title _____
(Seal)