



STATE LIFE
INSURANCE CORPORATION OF PAKISTAN

TENDER DOCUMENT

Hiring of Consultant for preparation of Gap
Analysis Report for UAE Operation

With Respect to IFRS-17

Tender Documents for:

*Hiring of Consultant
for Preparation of Gap Analysis Report
in UAE Operation*



SUMMARY

SL No.	Event	Para No.	Page No.	Dates
1	Eligibility Criteria	3	4	NA
2	Evaluation Criteria	4	4	NA
3	Bidder need to fill-in Technical proposal	6	5,6,7,8	NA
4	Bidder need to fill-in Financial proposal	7	9	NA
5	Pre Bid meeting	12	13	26.02.2019 at 11:00 AM
6	Last date of submission of proposal	8.9	11	04.03.2019 at 11:00 AM
7	Opening of Technical proposal	9	12	04.03.2019 at 11:30 AM
8	Bid evaluation Criteria	10	13	NA
9	Penalty clause	13	13	NA
10	How to fill the Technical proposal	14	13	NA
11	How to fill the financial proposal	15	14	NA

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State Life Insurance Corporation (SLIC) through its Gulf Zone intends to acquire the services of Consultant for Gap Analysis and suggested road map to implement IFRS-17 in its Gulf Zone UAE. State Life requires bids from Consultant Firms as per single stage two envelope system of PPRA rules.

1. Brief Overview

State Life Insurance Corporation of Pakistan (SLIC) being the largest Life Insurance Corporation in Pakistan (AAA Rated by PACRA) has been providing best possible services to its valued policyholders for last 46 years. State Life has following lines of business operations in Pakistan.

- Individual Life Insurance
- Group Life Insurance
- Health Insurance
- Pension
- Bancassurance
- Takaful

- a. **Besides, State Life has International Life Insurance Business** which is being carried out by Gulf Zone having Zonal Office in U.A.E and Sector Offices in Kuwait & Kingdom of Saudi Arabia. The International business is restricted to individual Life business only.
- b. **Principal Office (PO)** of the Corporation is located in Karachi, Pakistan and all the business units as mentioned above are controlled through various Divisions at Principal Office.
- c. State Life Insurance Corporation sells conventional products and give its policyholders guarantee in terms of sum insured and declared bonuses.

2. Scope of Work

Gap Analysis is required for Gulf Zone only as communicated by UAE Insurance Authority vide Circular No. (50)/2018 dated December 07, 2018. The scope of the gap analysis should include an assessment of the company's current state against the requirement of IFRS-17, including an evaluation of the expected financial and operational impacts for implementing IFRS-17.

At a minimum, the impacts as listed in Appendix 1 of the above circular, which is reproduced below; is desired from bidders / consultant firm.

Appendix 1 – Outline of the potential impacts:

The financial and operational impacts, not limited to the following:

2.1 Financial and Reporting impacts:

- (a) IFRS-17 methodologies, guidelines, and reporting structures
- (b) Detailed accounting policy changes required, including transitions if appropriate, in terms of:

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-
- I. Level of aggregation
 - II. Estimate of fulfillment Cash flows
 - III. Discount rates
 - IV. Risk Adjustment
 - V. Contractual service margin
 - VI. Embedded guarantees
 - VII. Accounting for financial guarantee contracts
 - VIII. Premium allocation approach measurement
 - IX. Contracts with direct participation features
 - X. Reinsurance
 - XI. Impact of adoption of IFRS-9 with IFRS-17
 - XII. Measurement, classification, presentation and disclosures
-
- (c) General Ledger chart of accounts changes and mappings
 - (d) Assumptions setting for the methodologies adopted
 - (e) Investment policy changes
 - (f) Published financial statements
 - (g) Management information report
 - (h) Key performance indicators of the insurers
 - (I) Planning, budgeting, and forecasting
 - (j) Planning and reporting processes
 - (k) Actuarial processes
 - (l) Risk management processes
 - (m) Linking external and internal reporting templates
 - (n) Internal control
 - (o) Audit trails
 - (p) Opening IFRS equity balance
 - (q) Earnings

2-2 Resource and Organizational Impacts:

- I. Project team resources, such as a project leader, finance and accounting leader, Actuarial leader, and so on for IFRS 17
- II. Project implementation costing and budgeting
- III. Education of key stakeholders
- IV. Cross functional collaboration
- V. Clear roles and responsibilities between finance and actuarial department functions
- VI. Technical reserving committee or expert judgment committee
- VII. Outsourcing functions contract
- VIII. Core operational systems for premiums, claims and reinsurance
- IX. Investment systems
- X. Actuarial/Technical reserving automation systems
- XI. Pricing systems
- XII. General ledger accounting and financial reporting systems
- XIII. System integration and interference

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-
- XIV. Current system capacities and capabilities
XV. Building new features and functions

By the end of the gap analysis, successful bidder is required to prepare a comprehensive internal impact assessment report, scoped out all requirements, and suggest a clear roadmap for implementation of IFRS-17 by the end of 2020. Any query rose in this regard by SLIC management or Insurance Authority, UAE will be responded by the successful bidder without charging any additional cost and irrespective of time limit.

3. **Eligibility Criteria:**

The firm should:

- 3.1 Be approved as per prevailing laws of UAE. (Please attach proof as Annex 3.1)
- 3.2 Have **at least two** qualified professional Chartered Accountants/CPA/FCCA/FCMA and two Fellow Actuaries. (Please attach proof as Annex 3.2)
- 3.3 Have valid license to operate in UAE. (Please attach proof as Annex 3.3)
- 3.4 Be registered with relevant tax authorities. (Please attach proof as Annex 3.4)
- 3.5 Have observed internationally recognized quality standards. (Please attach proof as Annex 3.5)
- 3.6 Have deposited and sealed the bid security equal to 5% of quoted amount in financial proposal envelope as explained in para 17.

4. **Evaluation Criteria.**

- 4.1 Period of establishment of the firm.
- 4.2 List of location of office(s)
- 4.3 Firm/Consortium (Number of partners)
- 4.4 Number of staff engaged on full time
- 4.5 International affiliation.
- 4.6 Monetary size of balance sheet of client
- 4.7 Experience in Life insurance companies providing consultancy
- 4.8 Quality control review
- 4.9 Number of Fellow Actuary
- 4.10 Number of Chartered Accountants /CPA/FCCA/FCMA
- 4.11 Number of clients to whom IFRS 17 services provided/ being provided by bidder

(Details and marks allocation have been mentioned at para 6)

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5. Financial Bids

- 5.1 The financial proposals should be submitted separately in sealed envelopes.
- 5.2 Financial bids submitted should include the consultancy fee and out of pocket expenses if any.
- 5.3 Financial bids of the bidders who score at least 70% marks on the technical evaluation will be opened.
- 5.4 State Life will deduct all the applicable taxes at the rate prescribed under the relevant tax laws.
- 5.5 No advance payment or mobilization charges will be paid for the job.
- 5.6 Full and final settlement of fee and out of pocket expenses, if any will be made after one month of submission of Gap analysis report and suggested road map duly verified by Zonal Accountant and Zonal Chief, Gulf.

6. Technical Proposal

For Hiring of consultant

Tender to be submitted to:

Mr. Muhammad Arshad Bhatti
Zonal Accountant
State Life Insurance Corporation of Pakistan
503- Sheikh Saud Bin Sagar
Al Qasim Building, Salah uddin Road
P.O. Box No. 11278 Deira Dubai, UAE
Phone # 00971-42729061
Cell # 00971-529951220

Submitted by (name): _____

Company's Name: _____

6.1 Company's basic information:

a.	Name of company/bidder		
b.	Registered Address		
c.	Contact person's name/title	Name:	
		Title:	
d.	Phone No.	Cell No.	
e.	Fax No:	Email	
f.	Names of partners	(Please attach list) as Annex 6.1(f)	

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6.2 Company's profile

Sr. No.	Para No.	Parameters	Response of Bidder	Proof of response is attached at Page No. ___ /Falg No. ___	Distribution of Marks
1.	4.1	Firm's Profile:			
		Period of establishment:			
		Above 10 years			10
		Above 7 years			7
		Above 5 years			5
		Above 3 years			3
		Below 3 years			1
2.	4.2	List of location of office(s) (Name of country)			
		1 mark for Representation in each country			10
3.	4.3	Firm / consortium			
		Number of Partners:			
		5 and Above			10
		4 Partners			8
		3 Partners			6
		2 Partners			4
4	4.4	Number of staff engaged as full time employee/trainee:			
		Above 50 +			10
		From 40 – 50			5
		From 30 - 40			4
		From 20 – 30			2
5	4.5	International affiliation with accounting body / actuarial professional body			
		Above two affiliation			5
		Up to 2 affiliation			2
6	4.6	Monetary size of balance sheet of client to whom consultancy/accounting advisory services were provided in the last five years			
		Above AED 1000 Million (at least one client)			10
		Above AED 800 Million (at least one client)			8
		Above AED 600 Million (at least one client)			6
		Above AED 400 Million (at least one client)			4

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		Above 200 Million (at least one client)			2
7	4.7	Experience of providing consultancy / accounting advisory services to Life Insurance companies.			
		Above 10 years			10
		Above 8 years			8
		Above 6 years			6
		Above 4 years			4
		Above 3 year			2
		No Experience			0
8	4.8	Proof of recent Quality Control Review by the Institute of Chartered Accountants / other professional body of accountants.			
		A+/satisfactory			10
		Other			0
9	4.9	Number of Fellow Actuary recognized either from Institute and Faculty of Actuaries (UK) or Society of Actuaries (USA)			
		5 or above			10
		4			8
		3			6
		2			4
10	4.10	Number of Chartered Accountants /CPA/FCCA/FCMA recognized from relevant professional body			
		5 or above			5
		4			4
		3			3
		2			1
11	4.11	Number of Clients to whom IFRS 17 services provided / being provided by the bidder.			
		10			10
		8			8
		6			6
		4			4
		2			2

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Date: _____

Authorized signature: _____

Name: _____

Title: _____

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

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7. Financial Proposal

For Hiring of Consultant

Tender to be submitted to:

Mr. Muhammad Arshad Bhatti
Zonal Accountant
State Life Insurance Corporation of Pakistan
503- Sheikh Saud Bin Sagar
Al Qasim Building
Salah uddin Road
P.O. Box No. 11278 Deira Dubai, UAE
Phone # 00971-42729061
Cell # 00971-529951220

Submitted by (name): _____ Company's Name: _____

7.1 Company Information:

a)	Name of company/Bidder	
b)	Tax Registration	(Attach copy)

7.2 Financial Proposal

a)	Consultancy Fee	AED _____ _____
b)	Out of pocket expenses, if any	AED _____ _____
c)	Federal/Provincial Taxes (if applicable)	AED _____ _____ _____
d)	Grand total (a+b+c)	AED _____ _____ _____

Date: _____

Authorized signature: _____

Name: _____

Encl: a) Registration Certificate with relevant tax Title: _____
authority.

b) Technical Bid has been submitted separately.

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08. General Terms & Conditions:

8.1 Instructions to Responding Firms:

- To state complete name of the firm, complete address, telephone number, fax number, email address, website address (if any)
- Names of partners including their scope of involvement.
- Name and designation of contact person.
- Title, bank name and account number of the firm / consultant.
- Supporting materials 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 proposals and price shall remain valid for a minimum period of 60 days from the closing date of submission of proposal.

8.3 Ownership.

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

8.4 Governing Laws

This Request for Proposal and any contract executed pursuant to this bidding shall be governed by and construed in accordance with the relevant laws.

8.5 Acceptance or Rejection of Proposals

State Life Insurance Corporation 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 Insurance Corporation will be binding on all concerned and will not be challengeable at any forum.

8.6 The consortium of firms participating in the bidding process will be viewed as a single firm and its evaluation will be made accordingly.

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8.7 Completion time:

Contract completion time will be 30 days from the date of award of work order

8.8 Availability of Bid Form and contact person for enquiries:

The Bid Form can be obtained from F&A Division, State Life Insurance Corporation of Pakistan at the following address, and can be down loaded from the website of state life www.statelife.com.pk

Mr. Muhammad Arshad Bhatti
Zonal Accountant
State Life Insurance Corporation of Pakistan
503- Sheikh Saud Bin Sagar
Al Qasim Building
Salah uddin Road
P.O. Box No. 11278 Deira Dubai, UAE
Phone # 00971-42729061
Cell # 00971-529951220
Fax # 00971-42729051

8.9 Submission of proposal

Tender documents may be obtained from the office of Zonal Accountant (Finance & Accounts) after appearance of this advertisement on the websites of PPRA/State Life. The interested bidders shall submit the proposals which shall be physically separated, sealed and labeled as "Technical Proposal" and "Financial Proposal" to the Zonal Accountant (Finance & Accounts) at the above address latest by 04.03.2019 at 11:00 A.M.

No proposal shall be entertained if the technical and financial proposal are not separately sealed, bound and company's stamp is not affixed on envelopes. While filling technical proposal, firms are required to insert the data in the column "Response of Firm" and give the reference of Page No. or Flag No. in the column "Proof is attached at Page No____/Flag No_____".

8.10 Levy of Taxes or Increase/Decrease in Sales Tax Rates

Levy of sales tax or increase/decrease in sales tax rates will be absorbed by SLIC.

8.11 Payment of Consultancy Fee

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Payment of consultancy fee will be made within 30 days after satisfactory report issued by Zonal Accountant and Zonal Chief, Gulf Zone.

8.12 Query raised by SLIC or Insurance Authority, UAE

Any query rose in this regard by SLIC or Insurance Authority, UAE will be responded by successful bidder without charging any additional cost irrespective of time limit.

8.13 Submission of Proposal

The Technical and Financial Proposals, complete in all respect, should be submitted latest by 04.03.2019 at 11.00 A.M. Technical and Financial proposals should be submitted separately duly sealed and labeled as “Technical Proposal” and “Financial Proposal” at the given address.

8.14 Rejection of Proposal

No proposal shall be entertained if the technical and financial proposals are not separately sealed bound and without bidder’s stamp.

8.15 Boarding, Lodging and travelling Expenses

Since Principal Office and core functions of SLIC are at Karachi (Pakistan) hence successful bidder may need to travel to Principal office of SLIC. For this no additional boarding, lodging and travelling expenses will be borne by SLIC. Bidders may include the estimated financial impact in its financial proposal.

09. Opening of Bids

Technical Bid will be opened on last day of submitting the proposal i.e 04.03.2019 at 11.30 A.M., in the presence of representatives of firms participating firms are requested to observe the time strictly.

Financial Bid Opening

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

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10. 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 financial bid. Please see illustrations at Annex – A.

11. Award of work

Work will be awarded to lowest evaluated bidder (according to 70:30 weighted average formulas) as per PPRA rules.

12. Pre-Bid Meeting

Pre-bid meeting will be held on 26-02-2019 at 11.00 A.M at the under mentioned venue.

Mr. Muhammad Arshad Bhatti
Zonal Accountant
State Life Insurance Corporation of Pakistan
503- Sheikh Saud Bin Sagar
Al Qasim Building
Salah uddin Road
P.O. Box No. 11278 Deira Dubai, UAE
Phone # 00971-42729061
Cell # 00971-529951220

13. Penalty

Delay in completion of work will be subject to levy of penalty to successful bidder @ AED 50 per day subject to maximum of 10% of the contract price.

14. How to fill Technical Proposal

Bidders are required to complete/ fill para 6 (including para 6.1 & 6.2) of the tender document and seal it in an envelope and mark it as **Technical proposal**.

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15. How to fill Financial Proposal

Bidders are required to complete/ fill para 7 (including para 7.1 & 7.2) of the tender document and seal it along with bid security (explained at para 17) in an envelope and mark it as **Financial proposal**.

16. Firms not eligible to participate

The Bidder not fulfilling the criteria mentioned at para 3 (including 3.1 to 3.6) will not be eligible to participate in this tender. The participating bidders are requested to attach proof of 3.1 to 3.6 and flag the same.

17. Bid Security

5% of the consultancy fee will be deposited by bidder as bid security in the shape of banker's cheque, payorder or draft etc. in favour of State Life Gulf Zone. The instrument must be sealed by bidder with financial proposal.

18. Refund of bid security

Bid security of unsuccessful bidders will be refunded after the award of work. However, bid security of successful bidder will be refunded after 90 days from the completion of work upon the satisfactory performance report by Zonal Accountant and Zonal Chief, Gulf Zone.

19. Non-disclosure Agreement (NDA)

Bidder needs to sign an NDA agreement with SLIC.

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Annexure - A

Illustration (of weighted average 70:30 ratio)

Let five consultancy firms participate in the bidding process. After evaluation of their technical bid, financial bids of four bidders opened while financial bid of 5th bidder is returned scoring less than 70 marks in technical evaluation. The data of all bidder is tabulated as under:

Sr. No.	Name of Bidder	Marks obtained in Technical Bid	Total Financial Bid (AED)
1	A	95	1,400
2	B	89	1,100
3	C	68	Not opened
4	D	78	1,000
5	E	80	900

Sr. No.	Name of Bidder	Technical evaluation after assigning 70% weight	Financial evaluation after assigning 30% weight	Total Marks (Tech. + fin)
1	A	$95/95*70=70.00$	$900/1400*30=19.29$	89.29
2	B	$89/95*70=65.58$	$900/1100*30=24.55$	90.13
3	D	$78/95*70=57.47$	$900/1000*30=27.00$	84.47
4	E	$80/95*70=58.90$	$900/900*30=30.00$	88.90

In this way Bidder "B" will be evaluated lowest with highest marks of 90.13