



Procurement Number PPF/19-20/02

REQUEST FOR PROPOSAL (RFP)

FOR

ACTUARIAL SERVICES

FOR

**Government of Punjab's Pension Liability at
June 30, 2019**



Request for Proposal

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 pension liabilities of its employees.

GoPb has a pension scheme for its permanent employees i.e. a Defined Benefit Pension Scheme.

Punjab Pension Fund is seeking the services of a qualified Actuary/Actuarial Firm(s) to carry out Actuarial Valuation of the Pension liabilities of the GoPb. Qualified Actuary/Actuarial Firm(s) shall enter into a contract for provision of services detailed in Terms of Reference. Upon completion of the assignment the Qualified Actuary/Actuarial Firm shall be engaged for advise on any follow-up matter in subsequent years at a mutually agreed hourly rate.

Single stage two envelope procedure will be adopted and a Firm/individual shall be selected under Quality and Cost based selection method in accordance with the Punjab Procurement Rules and instructions provided in the RFP.

Qualified Actuaries/Actuarial Firm(s) 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 21 October 2019.

The RFP may be cancelled at any time by the PPF without assigning any reason and without any cost to the PPF. Bidders shall be informed accordingly in case bid is cancelled.

General Manager
Punjab Pension Fund
112-Tipu Block, New Garden Town, Lahore
Ph: 042-35882960-2

II. Instructions to Consultants

Following documents must be included in the bid:

- 1) Details about Profile of the Actuary/Actuarial Firm showing experience in similar projects
- 2) At least 03 Client Testimonials
- 3) Evidence of actuarial services provided to public sector organizations
- 4) Profile of Staff Deployed including their qualification & experience
- 5) Evidence of membership with the relevant Actuary Society/Body
- 6) Evidence of Registration with Income tax and Sales Tax Authorities

2.1. FORM OF BID AND THE BIDDING PROCESS:

Bids will be selected in accordance with the Punjab Procurement Rules (PPRA)-2014, on a Quality and Cost Based Selection. The bidding process will be as under:

- 1) The bid shall comprise separate sealed envelopes for 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) Consultants may request a clarification of any of the RFP documents before submission date. Any request for clarification must be sent in writing or by standard electronic means to the PPF’s address indicated in this RFP;
- 4) The Financial Proposal shall be prepared using the attached Standard Form. It shall include all costs associated with the assignment including (a) fees for consultancy services (inclusive of all applicable taxes), and (b) out-of-pocket expenses relating to the consultancy services. It shall be deemed that the Financial Proposal includes price of all activities described in the Technical Proposal;
- 5) 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;
- 6) The technical proposals of all the bidders shall be evaluated. The proposals which meet all the technical eligibility criteria laid down in this document and obtain at least 65% marks shall be accepted for the second stage;
- 7) During technical evaluation no amendments in the technical proposal shall be permitted;
- 8) 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;
- 9) 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;
- 10) 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
- 11) 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.

2.2. DELIVERY TIME / COMPLETION SCHEDULE:

Deliverables include a single report for Punjab Pension Fund submitted within (six months) after getting all data from all relevant departments. Draft Reports for each component may be submitted earlier for discussion with the Fund/Government.

The assignment must be completed within due time frame. The assignment 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 actuary. After addressing concerns final report will be presented.



2.3. FORMAT OF ALL SECURITIES REQUIRED:

Bidder shall submit as part of its bid, a bid security equal to at least 1% 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 Actuary 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

Terms of Reference are as follows:

Title of Consultancy	Pension Liability Management
Executing & Implementing Agency	Punjab Pension Fund

3.1. 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.

3.2. BACKGROUND AND OBJECTIVES:

Last Actuarial Assessment of Pension Fund Liabilities was made at June 30, 2015. Government of the Punjab wants to engage an Actuary/Actuarial Firm in order to conduct an Actuarial Assessment of Pension Liabilities of the Government of Punjab at June 30, 2019. The exercise aims to validate the existing funding strategy to fund pension liabilities and to identify reform contours to bring contribution rate for the existing pension scheme at a manageable level. The exercise also aims to analyze efficacy of existing contract policy and to identify a structure of a pension scheme for new hires in the Government.

3.3. DELIVERABLES:

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

- 1) Report containing Actuarial Assessment of Pension liabilities as at June 30, 2019. The report must determine:
 - Present value at June 30, 2019 of projected pension liabilities for at least 30 years.
 - Contribution rate to fund existing pension scheme.
 - Pension cash outflows for the next 30 years.
 - Sensitivity Analysis of PV of liabilities vis-à-vis key variables e.g. inflation, interest rates etc.



- 2) Report on Funding Strategy to Fund existing pension scheme. The Report must include the following:
 - Review of the existing Funding Strategy to validate its adequacy.
 - Recommendations regarding future Funding Strategy for achieving a targeted funded status over the next twenty years.
- 3) Report regarding Pension liabilities in line with International Public Sector Accounting Standard 25 (IPSAS) for FY 2019.
- 4) Report regarding composition of contractual workers in the civil service and the impact on pension liabilities upon their regularization under the Punjab Regularization of Service Act, 2018.
- 5) Report identifying reform contours to bring contribution rate of the existing pension scheme at a manageable level for seeking opinion by the Fund/Government from legal experts for their acceptability under current judicial paradigm.
- 6) Propose a structure for a new pension scheme for new hires in the Government and its impact on the pension expenditure of the Province.
- 7) Impact of any change in retirement age on pension expense and liability.

3.4. QUALIFICATION / COMPETENCE OF THE CONSULTANT:

The Consultant must:

- 1) be a qualified Actuary i.e. at least an Associate of Society of Actuaries (ASA) or equivalent,
- 2) have at least 5 years' experience in handling actuarial analysis of employee benefit schemes,
- 3) have at least 5 years' experience in fund management and reform contours, and
- 4) knowledge of public sector pension rules & regulations and prior experience of similar assignments in public sector.

IV. Evaluation Criteria

4.1. MINIMUM TECHNICAL ELIGIBILITY CRITERIA:

- 1) Bidder shall submit the requisite security as described above. The amount of the security deposit will be returned to the successful bidder after satisfactory completion/ termination of the contract and after adjusting the dues, if any, payable by the bidder to the PPF.
- 2) The firm/individual must be capable to perform actuarial works as per TOR and other service plan of the Government.
- 3) The firm/individual must be a qualified Actuary i.e. at least an Associate of Society of Actuaries (ASA) or equivalent with global experience. The firm/individual must engage professional(s) with understanding of fund management and pension reform contours. Actuary and the pension expert must have at least 5 years' experience.
- 4) The firm/individual must have valid current practicing membership of the society of actuaries or any other actuarial body of international/national standard.



4.2. 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. Actuary/Pension Expert Profile		30%
A1. Profile of qualified Actuary/Firm and its affiliation with professional bodies with minimum 5 years' experience.	10%	
A2. Profile of international Actuary/Firm and its affiliation with professional bodies with minimum 5 years' experience.	10%	
A3. Profile of pension expert specializing in fund management and pension reforms with minimum 5 years' experience.	10%	
B. Demonstrated prior experience of actuarial valuation in the Federal and Provincial governments including public sector entities locally and globally in the last 10 years with employee strength of more than 50,000 (attach documentary proof).		40%
B1. Actuarial Valuation of the Federal & Provincial Governments locally and globally in the last 10 years. Federal, Provincial Governments and foreign governments to be counted once if actuarial valuation done repetitively.	10% for each Government	
B2. Experience of public sector in the last 10 years. Each public sector entity to be counted once if actuarial valuation done repetitively during last 10 years.	5% for each entity	
C. Demonstrated prior experience of representing at Federal Pay & Pension Commission (attach documentary proof).		10%
Total Quality		80%

V. Form of Contract & Payment Terms:

PPF shall enter into a lump sum contract with the successful bidder with payment to be made as under:

	Stage	% Payment
1.	Mobilization Advance – at start of the Assignment	20%
2.	Submission of Draft Report (10% for each Deliverable)	60%
3.	Submission of Final Report	20%



VI. Special Provisions

1. Tenders should be addressed to the General Manager, Punjab Pension Fund, 112 Tipu Block, New Garden Town, Lahore.
2. 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.
3. The Consultant shall be subject to taxes e.g. Sales Tax, Withholding Income Tax etc. as per laws of Pakistan on amounts payable by the Client under the Contract. The Consultant shall provide his Sales and Income Tax Numbers to the Punjab Pension Fund for deduction and payment of sales and income tax on his behalf.
4. Financial Proposal shall be denominated in Pakistan Rupees.
5. All the pages of proposal documents must be properly signed by the authorized signatories, 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:
 - Received without security deposit.
 - Received after the time and date fixed for its receipt.
 - The tender is unsigned.
 - The offer is ambiguous.
 - The offer is conditional.
 - 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. Proposal shall be submitted with two separate envelopes 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. Envelop No.1 to also include the bid security.

The envelope No. 2 will contain only the price bid.
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.



Government of the Punjab Punjab Pension Fund



11. All documents, reports, designs, research work, and all deliverables prepared by the consultant shall become and remain the property of Punjab Pension Fund.
12. Consultants shall bear all costs associated with the preparation and submission of their proposals and Contract negotiation. Punjab Pension Fund is not bound to accept any proposal, and reserves the right to annul the selection process at any time prior to Contract award, without thereby incurring any liability to the Consultants.
13. Consultants shall provide professional and independent advice in the best interest of the Punjab Pension Fund. Consultants have an obligation to disclose any actual or potential conflict of interest that impacts their capacity to serve the best interest of Punjab Pension Fund, or that may reasonably be perceived as having this effect. Failure to disclose such situations, as soon as the Consultant becomes aware of these, may lead to disqualification of the Consultant or termination of the Contract.



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 **October 22, 2019** for provision of Actuarial Valuation of Government of Punjab's Pension 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: _____



**Government of the Punjab
Punjab Pension Fund**



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 Liability to be submitted to General Manager, Punjab Pension Fund, 112-Tipu Block, New Garden Town, Lahore

SR.NO.	DETAIL OF SERVICES	RATE (IN DIGIT / WORDS)
1.	Government of Punjab's Pension Liability	
	Total	

Note: The offer should be up to thousand.

Signature of the Bidder with seal

Address: _____
