

# **RE-TENDER**

# **Bidding Document**

**Terms of Reference**

**For**

**Submission of Proposal**

**For**

**Pay Continuity Plan for 05 Years**

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**Last Date for Submission : 22-04-2019**

**Tender Opening Date / Time : 22-04-2019**

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### **About The Bank of Khyber**

The Bank of Khyber (BOK) is a Listed Scheduled Commercial Bank with majority of shares held by KP Government and having 169 branches; including 84 Islamic Branches. The Bank of Khyber established in 1991 through Act No. XIV, passed by the Provincial Legislative Assembly of the KHYBER PAKHTUNKHWA Province of Pakistan. It was awarded status of a scheduled bank in September 1994. The Bank of Khyber enjoys a unique position, stands out amidst the other banks operating within Pakistan, and has the privilege of being bracketed amongst the only three government banks in the country.

### **Scope of Work**

The aim of the Tender is for participating insurance companies with the necessary information to allow the company/firm to prepare a comprehensive Proposal regarding Pay Continuity Plan or simple PayCon. The Insurance Company is expected to examine carefully all requirements stipulated in this document and respond to each requirement individually in the format prescribed.

### **Mandatory Requirements**

Following **mandatory documents** are also required to be submitted by the Insurance Company.

1. **Two hard copies of Technical and Financial proposals** are to be submitted separately in sealed envelope.
2. Last three years audited financial documents.
3. Reference letters from satisfied clients preferably Banks.
4. Copy of Certification of Registration/incorporation
5. Copies of NTN
6. Soft copies of Technical Proposal in USB Flash drive.
7. Evidence regarding registration with FBR

### General Overview of the Plan

1. The Bank of Khyber has its 170 Branches (conventional & Islamic) all over Pakistan which is expected to grow to in coming years. The Bank has currently 1,378 employees The employees of BOK have been distributed in 13 different cadres like.

S.No	Cadre Title	Cadre Abbreviation
1.	Senior Executive Vice President	SEVP
2.	Executive Vice President	EVP
3.	Senior Vice President	SVP
4.	Senior Vice President-1	SVP-1
5.	Vice President	VP
6.	Vice President-1	VP-1
7.	Assistant Vice President	AVP
8.	Assistant Vice President-1	AVP-1
9.	Officer Grade-I	OG-I
10	Officer Grade-II	OG-II
11.	Officer Grade-III	OG-III
12	Junior Officer	JO
13	Drivers/Qasids	Drivers/Qasids

2. The Bank of Khyber has presence in operation in both modes i.e. conventional Banking and Islamic Banking.
3. The Bank shall provide the data on request to all interested firm on email to [shahid.sultan@bok.com.pk](mailto:shahid.sultan@bok.com.pk) or [arif@bok.com.pk](mailto:arif@bok.com.pk) on the following format after provision of confidentiality agreement.

S.No	Cadre/Grade	No of employees	Average age of the staff	Average monthly Gross salaries (latest)
1.	Grade title	Employees present in this cadre	Average age of the staff present in this cadre	Average monthly gross salaries of the staff within this cadre

#### **4. Premium Calculation:**

The premium calculation shall contain all direct and indirect cost and there should not exclude any hidden or additional cost to the premium that would be claimed separately. Since, the selection shall be based on Least Cost Method; hence, the premium must reflect all cost of the premium. Premium shall be quoted annualized.

### **TERMS & CONDITIONS**

1. Plans for Pay Continuity are to be provided separately for conventional Banking staff and Islamic Banking staff in accordance to the principles of conventional and Islamic banking.
2. The number of lives/employees is subject to increase or decrease due to new hiring/separations.
3. Sealed proposals (separate Technical & Financial) are invited as per BOK advertisement and ToRs for Pay Continuity Plan of the employees of BOK, appeared on the BoK web site.
4. The benefits shall be for the 05 years period (60 months) from the date of death. Employee deceased on/before 20<sup>th</sup> of the month shall be paid the monthly gross salary from that month, up next 59 months.
5. The amount shall be the last drawn gross salary.
6. The amount to the legal heirs shall be paid in accordance to Bank's instruction.
7. The contract shall be awarded initially for 05 years and renewal for next terms on mutually agreed terms and conditions. Since the salaries of the employees are liable for annual increase as per performance appraisal rating and the net impact is around 8-10%.
8. 02 years guaranteed price is to be quoted. No annual price review shall be permitted in first 02 years as the rate shall be linked with salaries per rupees thousands. Premium shall be auto adjusted with the increase or decrease of the employee salaries.
9. The revision of price/rate after 02 years for next 02 years is subjected to Management approval and in accordance to prevailing rules and regulations.
10. No exclusion shall be made on the basis of the preexisting conditions and thus no medical fitness certificate requirement is to be made.
11. Maximum time for settlement of claims processing shall be 30 days subject to provision of required documents/information by the Bank. In case of any unjustified delay on the part of Insurance Company, it will be adjustable against performance guarantee.
12. There shall be no age restriction for the employees.
13. All kind of coverage's shall not be made conditional for settlement of endorsement premium dues.
14. Premium shall be paid in four equal quarterly payments in advance upon submission of invoice. Addition/Deletion shall be made at the end of policy year.
15. Addition/Deletion shall be made on prorata mechanism by taking actual days of the month into effect.
16. All kind of premium dues shall be settled on quarterly basis. The premium of 2<sup>nd</sup> quarter shall be paid once the claims of 1<sup>st</sup> quarter are fully paid, and so on.
17. Income tax or other applicable tax will be deducted at source as per rules.

18. The Bank of Khyber has the right to reject all the tenders with or without assigning any reason, and may re-advertise.
19. The Proposal should be accompanied with earnest money @ 2% of the total quoted cost of the premium.
20. The firm shall submit only one financial proposal for PayCon. Multiple options with different premium amount shall not be acceptable.
21. The Bank seeks proposal for simple Paycon plan to monthly pay the last month gross salary to the deceased employee family for next five without seeking additional riders. However, those companies who provide riders without any additional impact would get score in technical evaluation. The Technical Proposal must mention details of the additional benefits/features/riders being allowed without additional payments.
22. Technical Proposals will be opened on the same day as per schedule provided, at the given address by the Concerned Committee in presence of the representation of the bidders.
23. The Company or firm is to be active tax payer and shall provide documentary proof.
24. Incomplete, late, conditional and non-responsive proposals shall not be considered.
25. The selected firm/company shall furnish Performance security @5% of the quoted gross premium after award of contract which shall be held with the Bank during the occupancy of the policy.

### **Evaluation Criteria**

The firms to be determined substantially responsive to the tender and offered bid according to the following criteria, will be considered to award of contract if not contrary to the tender terms and conditions.

<b>S#</b>	<b>Description</b>	<b>Marks</b>
<b><u>Technical Proposal</u></b>		Total weightage is 30%
01	PACRA/JCR Rating	20
02	No. of Life Insurance/Takaful or PayCon Clients	10
03	Availability of Web Portal/online access	05
04	List of exclusion/limitations	15
05	Company Profile / Last 3 Years Annual Reports	10
06	Availability of both Modes ( Insurance & Takaful)	10
07	Any additional Benefits/riders over and above pay continuity	30
	Total	100
<b><u>Financial Proposal ( Least cost Method)</u></b>		70%

## Eligibility Criteria for Participation

- (i) Minimum of “A+” (Aplus) financial rating on PACRA/ JCR-VIS.
- (ii) At least serving 03 Financial Institutions preferably Banks for Pay continuity schemes or Life Insurance.
- (iii) Having minimum of Rs.5.00 billion average turnover for the last 03 years.
- (iv) The company/firm preferably have both Insurance as well as dedicated Takaful window arrangement.
- (v) The Company must have a registered office in Pakistan and is to be registered with KPRA (Khyber Pakhtunkhwa Revenue Authority Peshawar) before submitting the Bid.
- (vi) The company/firm is not blacklisted or pending litigation or any other fact which prohibits participation.

## **Financial proposal**

Financial Proposal containing separate cost and benefits for each option. The financial proposal is to be given on the following format.

S.No	Cadre/Grade	No of employees	Average age of the staff	Average monthly Gross salaries	Total monthly Gross salaries	Rate per Rs.1000	Total Annual Premium
1.	SEVP/MD						
2.	EVP						
3.	SVP						
4.	SVP-1						
5.	VP						
6.	VP-1						
7.	AVP						
8.	AVP-1						
9.	OG-I						
10.	OG-II						
11.	OG-III						
12.	JO						
13.	Drivers/Qasids						
TOTAL			N/A	N/A		N/A	
2. Taxes							
3. Other cost if any							
4. Total Gross Premium							

### **Confidentiality Agreement**

The eligible firms/companies desire for participation, will provide valid confidentiality agreement on stamp paper declaring that the provided information (Financial & Non-Financial) shall not be disclosed to any third party in any shape or for any purpose. The provided information shall solely be used for financial proposal preparation. BoK reserve the right to claim damages for the breach of this confidentiality agreement.

### **Disqualification**

- Each firm shall submit only one proposal. A firm that submits or participates in more than one proposal shall cause all the proposals with the firm's participation to be disqualified.
- The firm has an obligation to disclose to BoK any situation of actual or potential conflict that impacts its capacity to serve BoK best interests. Failure to disclose such situations may lead to the disqualification of the firm or the termination of its Contract.

### **Other Terms & Conditions**

- The Bank may select two different companies one for Group Insurance and other for Family Takaful on merit keeping in view the combined cost of both companies if lesser than ( at least 15%) from the lowest bid of company offering services in both modes.
- Date of Submission of tender is **22-04-2019** at Procurement Division, The Bank of Khyber, 29-A The Mall, Peshawar Cantt at 10:30 Hours
- Technical proposals will be opened on same date at 11:00 Hours. Opening of financial proposals date shall be communicated after that.
- Earnest Money of 02% of the bid amount shall be submitted to the Bank of Khyber along with Bid Documents
- The Rate quoted shall be inclusive of all taxes

**The Bank of Khyber  
Procurement Division  
29-A, The Mall , Peshawar Cantt  
Tel: 091- 5275352**