

OIL & GAS DEVELOPMENT COMPANY LIMITED



TENDER ENQUIRY # PROC-SERVICES/CB/FINANCE-4639/2020

**HIRING OF SERVICES OF A GROUP LIFE INSURANCE COMPANY FOR
LIFE INSURANCE COVERAGE OF OGDCL EMPLOYEES**

TERMS OF REFERENCE (TOR)**HIRING OF SERVICES OF A GROUP LIFE INSURANCE COMPANY FOR LIFE INSURANCE COVERAGE OF OGDCL EMPLOYEES****1. Preamble**

- 1.1. OGDCL is the largest E&P Company of Pakistan in Oil & Gas Sector. The company arranges life insurance policy for its employees in accordance with the following criteria;

Category of Employees	Basis of Sum Insured	Minimum Sum Insured (Rs.)	Maximum Sum Insured (Rs.)
In case of Natural Death			
Regular & Contractual Officer	48 x Basic Pay	3,000,000/-	10,000,000/-
Regular Staff	48 x Basic Pay	700,000/-	Open ended
In case of Accidental Death			
Regular & Contractual Officer	96 x Basic Pay	6,000,000/-	20,000,000/-
Regular Staff	48 x Basic Pay	700,000/-	Open ended

Description as on 30-11-2019	No. of Employees	Sum Insured (Rs.)
Regular Officers	2,042	13,347,379,424/-
Contractual Officers	271	970,912,640/-
Regular Staff	7,161	19,306,908,381/-
Total	9,474	33,625,200,445/-

- 1.2. The sum insured for the policy is revised on the changes in basic pay of employees from time to time, death, retirement and resignation of employees etc.

2. Scope of Services/Work

- 2.1. OGDCL intends to acquire services of a well reputed life insurance company to provide a most competitive and economical insurance package that covers its employees, and promptly settles claims in the event of death or disability of employees while in the service of the company, owing to any cause whatsoever and without any exclusion whether express or implied.
- 2.2. The employees shall be covered during their service with the company, from the commencement date of the policy or joining date of service (without any condition for completion of minimum period of service), whichever is later.

3. Documents/Information to be submitted by the Insurance Company

- 3.1. Insurance company must furnish the following documents/information along with its Technical Proposal.
- Brief Profile/History of the insurance company with date of commencement of business and a documentary evidence to this effect. The company with less than 10 years' experience in life insurance services will not be considered for Technical/Financial Evaluation.
 - List of clients of the insurance company.
 - Brief Profile/History of the reinsurers of the insurance company with date of commencement of business, interest reinsured with each, identification of lead reinsurer and the history of the reinsurance arrangement.
 - Insurance company's financial/credit rating by an international or SECP Licensed rating agency with valid documentary evidences, and rating scale used by the rating agency.

- Insurance company's reinsurers' financial/credit rating by an international rating agency with valid documentary evidences, and rating scale used by the rating agency.
- Insurance company's listing in Pakistan Stock Exchange (PSX) with valid documentary evidence. The Company without PSX listing will not be considered for Technical/Financial Evaluation. However, Government Owned Entities are exempt from PSX listing.
- Insurance company's audited accounts/reports for the last three years.
- Duly audited summary statement showing number and amount of claims lodged and claims settled during the last three years
- Specimen of the insurance policy wordings that the insurance company is to provide in the event of award of the contract/selection.
- An affidavit/certificate to the effect that the insurance company has not been fined/penalized/punished/condemned for major offence by any regulatory body e.g. SECP or a court.

4. Technical Evaluation Criteria

4.1 The bids which don't fully comply with Scope of Services/Work and Criteria mentioned in Preamble of this TOR will not be considered for Technical Evaluation and will be rejected straightaway.

S #	Factor	Marks	How to award marks
1.	Experience in years	15	>=20: 15 marks; >=15<20: 10 marks; >=10<15: 5 marks; and <10: 0 marks
2.	Return on Investments in percentage (Average of last 3 years)	10	>=10%: 10 marks; >5%<10%: 5 marks, >3%<=5%, 3 marks and <=3%: 2 marks
3.	Equity to Total Assets ratio in percentage (among bidding companies) (Average of last 3 years)	10	Highest: 10; proportional on sliding scale for the rest
4.	Loss Ratio (among bidding companies) (Average of last 3 years)	15	Lowest: 15; proportional on sliding scale for the rest
5.	Claim Settlement Ratio in percentage (among bidding companies) (Average of last 3 years)	20	>=90%: 20 marks; >80%<90%: 15 marks, >70%<=80%, 10 marks and <=70%: 0 marks
6.	Current Ratio (Average of last 3 years)	10	>=2: 10 marks; >1.5<2: 5 marks; >1<=1.5: 3 marks and <=1: 1 marks
7.	Financial Rating by an International or SECP Licensed Rating Agency	10	AAA: 10 marks; AA+: 8 marks; AA: 7 marks; AA-: 6 marks; A+: 5 marks; A: 4 marks; A-: 2 marks; BBB+: 0 marks
8.	Financial Rating of Lead Reinsurer by an International Rating Agency	10	AAA: 10 marks; AA+: 8 marks; AA: 7 marks; AA-: 6 marks; A+: 5 marks; A: 4 marks; A-: 2 marks; BBB+: 0 marks
	Total Marks	100	
	Qualifying Marks	75	

5. Financial Evaluation Criteria

5.1. The technically qualified insurance company/bidder with the lowest "Grand Total Annual Premium Amount" will be selected for the award of the Contract. Discount(s) if any, must be clearly mentioned in the Financial Bid Format (Clause 7.1) otherwise will not be considered.

6. Terms of Service

- 6.1 The initial term of contract will be three years, extendable on mutual consent as per law of the land.
- 6.2 The insurance company is hereby bound to settle the insurance claim lodged within thirty days after provision of the requisite documentation by the insured.

7. Financial Bid Format

- 7.1 Financial bids should be prepared in the following format;

Category	Sum Insured (PKR) As on 30-11-2019* (A)	Annual Premium Rate (PKR) (B)	Annual Premium Amount (PKR)** (C = A X B)
Regular Officers	13,347,379,424/-		
Contractual Officers	970,912,640/-		
Regular Staff	19,306,908,381/-		
Grand Total (PKR)	33,625,200,445/-		

*The amount is subject to change due to change in basic pay of employees i.e. Annual Increment, Memorandum of Settlement (MOS) for Regular Staff and Revision of Pay Package for Officers etc.

**The amount is subject to change due to change in sum insured of the employees on annual basis.

8 Payment Terms:

- 8.1 The prices quoted by bidder in financial bid should be in Pak Rupees. The quoted price should be fixed/firm and are inclusive of all applicable taxes, duties and Levies etc. except Provincial Sales Tax/ICT Tax on Services.
- 8.2 The payments to the Insurance Company will be made annually through crossed cheque in Pak Rupees, at actual against verified invoices.

9. General Conditions

- 9.1 The bidding companies are hereby bound to ensure confidentiality of the data related to OGDCL's Employees and will have to provide undertaking in this regard.
- 9.2 The bidding/insurance companies may request, detailed data/information related to insured employees and group life insurance claim experience of past years or any other information related to their bid preparation, through written request on bidding/insurance company's official letterhead or through their registered email address at the mailing address or email address mentioned in the bidding document.

10 Bid Bond:

- 10.1 Bid Bond/Bid Security amounting to PKR: 10,400,000/- (Pak Rupees Ten Million Four Hundred Thousand Only) is to be attached/provided with Technical bid.
- 10.2 Please see Master Set of Tender Document for further details.

11 Bidding Method:

Bids against this tender are invited on "Single Stage Two Envelope Bidding Procedure" through press tendering, therefore, the bidders shall submit original and copy of their Technical and one original financial bid along with soft copies sealed in their respective envelopes.

Note: The Master Set of Tender Documents for Services uploaded on OGDCL's website (www.ogdcl.com) is the integral part of this TOR.