



## **BIDDING DOCUMENT**

**International Competitive Bidding  
(ICB)**

**Procurement of Reinsurance Cover for Strike, Riot,  
Civil Commotion and Terrorism Fund for the  
Period from 01.07.2020 to 31.12.2021**

**NITF/REI/COM/SRCC/2019/125**



## NATIONAL INSURANCE TRUST FUND

### International Competitive Bidding (ICB)

#### Procurement of Reinsurance Cover for Strike, Riot, Civil Commotion and Terrorism Fund for the Period from 01.07.2020 to 31.12.2021

##### NITF/REI/COM/SRCC/2019/125

1. The Chairman, Standing Cabinet Appointed Procurement Committee, (hereinafter called SCAPC) Ministry of Finance, Economy and Policy Development on behalf of the National Insurance Trust Fund (hereinafter called NITF) invites bids from eligible International Reinsurers' / International Reinsurance Brokers for the procurement of Reinsurance cover on Strike, Riot, Civil Commotion and Terrorism Fund for the Period from 01.07.2020 to 31.12.2021
2. NITF was established by the National Insurance Trust Fund Board Act No. 28 of 2006. The functions coming under the purview of the Strike, Riot, Civil Commotion and Terrorism Fund have been absorbed by the National Insurance Trust Fund. NITF provides Insurance covers for Strike, Riot and Civil Commotion and Terrorism for those who obtain insurance covers for Strike, Riot, Civil Commotion and Terrorism risks from registered General Insurance Companies under the Gazette notification number 1542/11 dated 25<sup>th</sup> March 2008. Further, NITF is regulated under the Insurance Regulatory Commission of Sri Lanka Act No. 43 of 2000.
3. Interested parties may obtain a complete set of bidding documents from National Insurance Trust Fund, 4<sup>th</sup> Floor, No. 95, Chittampalam A Gardiner Mawatha, Colombo – 02, Sri Lanka from **09:00 hours to 15:00 hours** on working days till **27<sup>th</sup> April 2020** upon payment of a non refundable tender fee of **USD 273** or **LKR 50,000/-** by a bank draft drawn in favor of **National Insurance Trust Fund**, bank account below mentioned. Bidding documents can also be downloaded from the NITF website ([www.nitf.lk](http://www.nitf.lk)), Ministry of Finance, Economy and Policy Development web site ([www.treasury.gov.lk](http://www.treasury.gov.lk)) and Ministry of Foreign Affairs ([www.mfa.gov.lk](http://www.mfa.gov.lk)). The bank draft of non refundable deposit should be submitted along with the bid.

	<b>LKR Bank Account</b>	<b>USD Bank Account</b>
Name of the Bank	Peoples' Bank	Peoples' Bank
Branch	Union Place	Queens Branch
Account Name	National Insurance Trust Fund	National Insurance Trust Fund
Account Number	014-100127679733	033-4-022-3-2467951
Swift Code	PSBKLK LX	PSBKLK LX

4. Bids must be submitted in a sealed envelope, either delivered by hand or couriered to reach the Chairman, Standing Cabinet Appointed Procurement Committee, National Insurance Trust Fund, 4<sup>th</sup> Floor, No. 95, Chittampalam A Gardiner Mawatha, Colombo – 02, Sri Lanka, not later than **14:00 hours** Sri Lanka standard time on **28<sup>th</sup> April 2020** and be clearly marked “Bid for procurement of Reinsurance cover for Strike, Riot, Civil Commotion and Terrorism Fund for the Period from 01.07.2020 to 31.12.2021 - “NITF/REI/COM/SRCC/2019/125” at the top left corner of the envelope.
5. Bids shall be opened immediately after the closing of Bids at the Board Room of the NITF, 4<sup>th</sup> Floor, No. 95, Chittampalam A Gardiner Mawatha, Colombo – 02, Sri Lanka in the presence of International Reinsurers’ / International Reinsurance Brokers or their authorized representatives with official authorization letter. NITF will declare the names of bidders and quoted prices at the meeting.
6. The language of correspondence is English. However, if any of the above documents are in a language other than in English, such documents should be accompanied by a certified English translation. This translation will governed and be used for interpreting the information provided.
7. All bidders (International Reinsurers/ International Reinsurance Brokers) shall furnish Bid Security either obtained from any commercial bank approved by the Central Bank of Sri Lanka. The amount of the Bid Security value is **USD 13,661 or LKR 2,500,000/-** should be deposited in the NITF bank account above mentioned, valid period for 147 days (**22<sup>nd</sup> September 2020**) from the date of Bids opening and addressed to National Insurance Trust Fund, No.95, Chittampalam A Gardiner Mawatha, Colombo 02, Sri Lanka.
8. Interested parties may obtain further information from the following contact person.

Contact Person :       Assistant General Manager - Insurance  
Direct                    + 94 112026699  
Mobile:                 + 94 710920845  
Fax:                     +94 114700988  
E-mail:                 nimalip@nitf.lk

The Chairman  
Standing Cabinet Appointed Procurement Committee  
National Insurance Trust Fund  
No. 95,  
Chittampalam A Gardiner Mawatha,  
Colombo 02.  
Sri Lanka.

## Section I. Instructions to Bidders (ITB)

---

The Chairman, Standing Cabinet Appointed Procurement Committee (SCAPC), on behalf of the National Insurance Trust Fund invites sealed bids from International Reinsurer and International Reinsurance Brokers to provide a Reinsurance cover for Strike, Riot, Civil Commotion and Terrorism Fund for the Period from 01.07.2020 to 31.12.2021

### General

- 1. Scope of Bid**
  - 1.1 National Insurance Trust Fund hereinafter called NITF **indicated in the Bidding Data Sheet (BDS)**, issues these Bidding Documents for the supply of reinsurance services incidental thereto as specified in Section IV, Schedule of Requirements. The name and identification number of this International Competitive Bidding (ICB) procurement are **specified in the BDS**.
  - 1.2 Throughout these Bidding Documents:
    - (a) The term “in writing” means communicated in written form by mail or hand delivered with proof of receipt unless it is specified.
    - (b) If the context so requires, “singular” means “plural” and vice versa; and
    - (c) “Day” means calendar day.
- 2. Source of Funds**
  - 2.1 Payments under this contract will be financed by the source specified in the BDS.
- 3. Ethics, Fraud and Corruption**
  - 3.1 The attention of the bidders is drawn to the Procurement Guidelines of Sri Lanka:
    - a) Parties associated with Procurement Actions, namely, International Reinsurers or International Reinsurance Brokers and officials shall ensure that they maintain strict confidentiality throughout the process.
    - b) Officials shall refrain from receiving any personal gain from any Procurement Action. No gifts or inducement whatsoever financial and/or in kind shall be accepted. International Reinsurers or International Reinsurance Brokers are liable to be disqualified from the bidding process if found offering any gift or inducement whatsoever financial and/or in kind which may have an effect of influencing a decision or impairing the objectivity of an official.
  - 3.2 NITF requires the bidders to observe the highest standard of ethics during the procurement and execution of such contracts. In pursuit of this policy:
    - (a) “Corrupt practice” means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence

the action of a public official in the procurement process or in contract execution;

- (b) “Fraudulent practice” means a misrepresentation or omission of facts in order to influence a procurement process or the execution of a contract;
- (c) “Collusive practice” means a scheme or arrangement between two or more bidders, with or without the knowledge of NITF to establish bid prices at artificial, non-competitive levels; and
- (d) “Coercive practice” means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the procurement process or affect the execution of a contract.

3.3 If NITF found any unethical practices as stipulated under ITB Clause 3.2, NITF will reject the bid.

3.4 If any bidder has been involved in one of the following actions and or several such bidders and or agents on behalf of such bidders’ bid will be rejected as disqualified. If any bidder involves in such action would be considered material deviation and are major deviations. The below mentioned are considered material deviations.

(a) Any bidder or an agent, have defaulted execution of reinsurance recovery in full or partial and payment of the premium to the panel of reinsurers regard to NITF.

(b) Any bidder or an agent have acted fraudulently and willfully in such a manner as to disrupt the rights and interest of NITF by way of defaulting the reinsurance recovery, financial mishandling, operational negligence causing financial loss to NITF.

(c) Any bidder or an agent during the bidding period, contract period and post contract period submitting fault information altered distorted and or false documents to NITF and to the other stake holders which cause financial losses and or disreputation of NITF.

(d) Any act in writing or by action leading to violation of National Procurement Guideline.

(e) Any bidder or an agent individually and or combine attempted to gain undue advantage in tender procedures by way of perpetrating, unethical practice and baseless legal actions against the competitors/bidders. If any bidder or an agent have acted in such a manner to prevent healthy competition which would be disadvantage to NITF.

(f) If any bidder or an agent on behalf of the bidder has acted singly and or in combination to bring the financial losses and disreputation for NITF such violation and or violations stipulated above will be

considered major deviations and such bidder or an agent will be disqualified ab initio.

- 4. Eligible Bidders**
- 4.1 All bidders shall possess legal rights to supply reinsurance related services under this contract.
- 4.2 A Bidder shall not have a conflict of interest. All bidders found to have conflict of interest shall be disqualified. Bidders may be considered to have a conflict of interest with one or more parties in this bidding process, if they:
- (a) Are or have been associated in the past, with a firm or any of its affiliates which have been engaged by NITF to provide any form of consultancy services used for the procurement of the reinsurance services to be supplied under these Bidding Documents; or
- (b) A Bidder who is under a declaration of ineligibility by the Government of Sri Lanka (GOSL) and or NITF, at the date of submission of bids or at the date of contract award, shall be rejected.
- 4.3 A bidder who has been awarded to provide reinsurance services, such bidder found to have not delivered the services intended where the bidder has been in breach of the contractual obligations as service provider and as reason of that, such bidder has been blacklisted by NITF.
- 5 Eligible Reinsurance Services**
- 5.1 All reinsurance services under this contract shall be complied with applicable international standards, ethics and practices adopted by the International Reinsurance Industry / Regulatory Bodies of Reinsurance in country of domiciles.

### **Contents of Bidding Documents**

- 6 Sections of Bidding Documents**
- 6.1 The Bidding Documents consist of 1 Volume, which include all the sections indicated below, and should be read in conjunction with any addendum issued in accordance with ITB Clause 8.
- Invitation for Bid
- Section I– Instructions to Bidders (ITB)
- Section II – Bidding Data Sheet (BDS)
- Section III – Evaluation and Qualification Criteria
- Section IV – Schedule of Requirements
- Section V – Bidding Forms
- 6.2 The Bidder is expected to examine all instructions, forms, and terms in the Bidding Documents. Failure to furnish all information or documentation required by the Bidding Documents may result in the rejection of the bid. The Bidder should take the absolute responsibility to examining all instructions, filling of Forms and submission of the required documents.
- 7 Clarification of Bidding Documents**
- 7.1 A prospective Bidder requiring any clarification of the Bidding Documents including the restrictiveness of specification shall contact NITF in writing at the NITF’s address or by e mail **specified in the BDS**. NITF will respond in writing to any request for clarification. NITF will not respond to any clarification whatsoever raised by any bidder and or representative after the pre bid clarification meeting held on **02<sup>nd</sup> April 2020**. NITF shall forward copies of its response to all those who have purchased the Bidding Documents, including a description of the inquiry but without identifying its source. Should NITF deem it necessary to amend the Bidding Documents as a result of a clarification, it shall do so following the procedure under ITB Clause 8.
- 8 Amendment of Bidding Documents**
- 8.1 At any time prior to the deadline for submission of bids, NITF may amend the Bidding Documents by issuing an addendum.
- 8.2 Any addendum issued shall be part of the Bidding Documents and shall be communicated in writing to all who have purchased the Bidding Documents.
- 8.3 To give prospective Bidders reasonable time in which to take an addendum into account in preparing their bids, NITF may, at its discretion, extend the deadline for the submission of bids, pursuant to ITB Sub-Clause 23.2

## **Preparation of Bids**

- 9 Cost of Bidding** 9.1 The Bidder shall bear all costs associated with the preparation and submission of its bid, and NITF shall not be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.
- 10 Language of Bid** 10.1 The Bid, as well as all correspondence and documents relating to the Bid (including supporting documents and printed literature) exchanged by the Bidder and NITF, shall be written in English language. Further it is noted that if any other language is used in documentation other than English language where the English translation will stand as the final authorized document for consideration in respect of the bid submission.
- 11 Documents Comprising the Bid** 11.1 The Bid shall comprise the following:
- (a) Bid Submission Form and the applicable Price Schedules, in accordance with ITB Clauses 12,13,14,15 and 21;
  - (b) Bid Security or Bid-Securing Declaration, in accordance with ITB Clause 20;
  - (c) Documentary evidence in accordance with ITB Clauses 18 and 29, that the reinsurance Services conform to the Bidding Documents;
  - (d) Documentary evidence in accordance with ITB Clause 18 establishing the Bidder's qualifications to perform the contract if its bid is accepted; and
  - (e) Any other document required in the BDS.
- 12 Bid Submission Form and Price Schedule** 12.1 The Bidder shall submit the Bid Submission Form using the form furnished in Section V, Bidding Forms. This form must be completed without any alterations to its format, and no substitutes shall be accepted. All blank spaces shall be filled in with the information requested. Scanned copies of the bids shall not be considered.
- 13 Alternative Bids** 13.1 Alternative bids shall not be considered and the bids as per the price schedule will only be considered.
- 13.2 Submission of more than one bid in this bidding process by a single lead reinsurer and bids by multiple lead reinsurers in one bid will be rejected.
- 13.3 If any reinsurer intends to bid they are allowed to submit only one bid for the 100% reinsurance cover as required in the bidding documents.
- 14 Bid Pricing** 14.1 The Bidder shall indicate on the Price Schedule, the layers and total bid prices of the reinsurance services it proposes to supply under the Contract. Price of the reinstatement (free/the percentage of annual premium/ the amount) should be clearly indicated in the column named "terms of reinstatement" in the "Price Schedule".



- 14.2 Any discount offered shall be included in the price of the bid.
- 14.3 If so indicated in ITB Sub-Clause 1.1, bids are being invited for individual contract of reinsurance services indicated in the **BDS**, prices quoted shall correspond to 100% of the limits specified for each layer and to 100% of the reinsurance services supplied.
- 14.4 The Prices quoted by the Bidder shall be fixed during the Bidder's performance of the Contract and not subject to variation on any account. A bid submitted with an adjustable price quotation will be treated as non-responsive and rejected.
- 14.5 All layers must be listed and priced separately in the Price Schedule.
- 14.6 If there is a discrepancy in the amount in figures and in words, the amount in words will be considered as correct.
- 14.7 The bidder should clearly indicate the pricing for a period of Eighteen months at the beginning of the contract including the reinstatement percentage, an adjustment rates.
- 15 Currencies of Bid and Model of Payments**
- 15.1(i) Bid price should be in Sri Lankan Rupees (LKR) and it should be a flat premium for the period of cover.
- (ii) Premium will be remitted in USD at the current exchange rate equivalent to the LKR value in six equal installments in quarterly basis.
- (iii) Claims receivable may receive in USD by NITF on the conversion of the exact LKR value of the claim at the date of occurrence of loss.
- 16 Documents Establishing the Eligibility of the Bidder**
- 16.1 To establish their eligibility in accordance with ITB Clause 4, Bidders shall complete the Bid Submission Form, included in Section V, Bidding Forms.
- 17 Documents Establishing the Conformity of the reinsurance services**
- 17.1 To establish the conformity of the reinsurance services to the Bidding Documents, the Bidder shall furnish documentary evidence as a part of the Bid.
- 17.2 The documentary evidence may be in the form of technical literature, certificates or data, and shall consist of a detailed item by item description of the essential and performance characteristics of the reinsurance services, demonstrating substantial responsiveness of the reinsurance services to the technical specification of bidding.
- 18 Documents Establishing the Qualifications of the Bidder**
- 18.1 The documentary evidence of the Bidder's qualifications to perform the contract eligibility if its bid is accepted shall establish to the NITF's satisfaction:
- 18.2 Eligibility of Reinsurance Broker**
- a. Experience in handling/ placing Treaty Reinsurance Programmes of insurers operating in the International Reinsurance market for a

minimum period of three (3) years. (From the beginning of 2015 and fulfill the Form 6 of Section V – Bidding Forms)

- b. Profile of the company, names of the key technical staff (first three technical heads in hierarchical order of the said company), professional qualification, experience of each person and the contact details of the key technical officers in the company.
- c. If an International Reinsurance Broker intends to obtain services of local reinsurance Broker which has a current license by Insurance Regulatory Commission of Sri Lanka, that should be properly indicated in bidding document and the authorization letter should be issued. (All correspondence and representations will be considered as direct representation of the International Reinsurance Broker, If the local representative Broker is involved in procurement in such case the submission of bids should be purely from the International Reinsurance Broker's heads & not under the letter heads of the local representative Broker)
- d. If a local Insurance Broker is used as a representative by the International Reinsurance Broker where the following conditions must be fulfilled and non compliance of such conditions would be strictly considered as material deviations;
  - I. The International Reinsurance Broker should issue a letter confirming that the Local broker would represent them in the bidding process but the official bidder shall be the International Reinsurance Broker who will be solely responsible to submit the bids under their own letter heads.
  - II. Original Bidder should be the International Broker and any bids submitted under the letter heads of the local representative will be rejected as material deviation of bidding.
  - III. Quotations & Bids should be submitted under the heading of the said International Broker not under the local representative of the said International Broker.
- e. If a local Insurance Broker registered with the Insurance Regulatory Commission of Sri Lanka participate in the bidding process, such broker would be considered as an International Reinsurance Broker only if such Broker obtain quotations directly from the Reinsurers and not through any other intermediary.
- f. The International Reinsurance Broker should possess a valid professional indemnity cover for a limit of liability USD 10Million.
- g. Summary of audited financial details for last three years as per the Form 7 of Section V – Bidding Forms and certified copies of Financial Statements for the years 2016, 2017 and 2018.
- h. Certified copy of Registration in the country of domicile & copy of the current license to transact reinsurance business.

### 18.3 Eligibility of Reinsurers

- a. Experience in accepting Treaty Reinsurance Programmes of insurers operating in the International Reinsurance market for a minimum period of Three (3) years. (From the beginning of 2015 and fulfill the Form 8 of Section V – Bidding Forms)
- b. Lead Reinsurer’s rating must be S & P “A-”, AM Best “A-”, Moody’s “A3-”, Fitch “A-” or above. The minimum signed share should be 10/100 and maximum signed share should be 35/100 of the said Reinsurance Programme.
- c. The followers’ rating must be S &P “BBB”, AM Best “bbb”, Moody’s “Baa3”, Fitch “BBB” or above. Preference will be given for “A” rated followers.
- d. Summary of Audited Financial details of each reinsurer for the last three years as per Form 9 of Section V – Bidding Forms and certified copies of Financial Statements for the years 2016, 2017 and 2018.
- e. Details of Registration of lead reinsurer in the country of domicile.
- f. Original signed slip (full set of the Cover Note, Lead Share, Signing Page) by the lead reinsurer.
- g. If a Reinsurer is submitting a direct bid, it must cover 100% reinsurance cover of the said programme.
- h. The Procurement Entity, National Insurance Trust Fund has the right and will contact direct the lead Reinsurers, Reinsurers at any given time for clarification and or information. The International Reinsurance Broker should provide the contact person of lead Reinsurer/Reinsurers and designation, contact number & e mail address along with the bid.

### 19 Period of Validity of Bids

- 19.1 Bids shall remain valid until the date **specified in the BDS (119days from closing date of bid – 25<sup>th</sup> August 2020)**. A bid valid for a shorter period shall be rejected by NITF as non-responsive.
- 19.2 In exceptional circumstances, prior to the expiration of the bid validity date, NITF may request bidders to extend the period of validity of their bids. The request and the responses shall be made in writing. If a Bid Security is requested in accordance with ITB Clause 20, it shall also be extended for a corresponding period. A Bidder may refuse the request without forfeiting its Bid Security. A Bidder granting the request shall not be required or permitted to modify its bid.

### 20 Bid Security

- 20.1 The Bidder (International Reinsurers/ International Reinsurance Brokers) shall furnish as part of its bid, a Bid Security, as specified in the **BDS 20.2**.

20.2 The Bid Security shall be in the amount specified in the BDS and shall:

- a) Submit either unconditional Bid Security (Bond) or
- b) Bid Security in form of cash. The bidder should deposit the amount specified in the BDS to a bank account mentioned below, if the Bid Security is submitted in cash.

	<b>LKR Bank Account</b>	<b>USD Bank Account</b>
Name of the Bank	Peoples' Bank	Peoples' Bank
Branch	Union Place	Queens Branch
Account Name	National Insurance Trust Fund	National Insurance Trust Fund
Account Number	014-100127679733	033-4-022-3-2467951
Swift Code	PSBKLKLX	PSBKLKLX

c) If the bidder intends to submit Bid Security in form of Bid Bond the bidder should comply the following criteria:

- I. All bidders (International Reinsurers/International Reinsurance Brokers) shall furnish Bid Security obtained from any commercial bank approved by the Central Bank of Sri Lanka. The amount of the Bid Security value is **USD 13,661 or LKR 2,500,000/-** valid period for 147 days (**22<sup>nd</sup> September 2020**) from the date of Bids opening and addressed to National Insurance Trust Fund, No.95, Chittampalam A Gardiner Mawatha, Colombo 02, Sri Lanka.
- II. Be substantial in accordance with the forms included in Section V, Bidding Forms in bidding document;
- III. Be payable promptly upon written demand by NITF in case the conditions listed in ITB Clause 20.5 are invoked;
- IV. Be submitted in its original form; copies will not be accepted;
- V. Remain valid for the period specified in the BDS.

20.3 Any bid not accompanied by a substantially responsive Bid Security or Bid Securing Declaration in accordance with ITB Sub-Clause 20.1 and 20.2, shall be rejected by NITF as non-responsive.

- 20.4 The Bid Security of unsuccessful Bidders shall be returned as promptly as possible upon the completion of the bidding process.
- 20.5 The Bid Security may be forfeited or the Bid Securing Declaration executed:
- (a) If a Bidder withdraws its bid during the period of bid validity specified by the Bidder on the Bid Submission Form, except as provided in ITB Sub-Clause 19.2; or
  - (b) if a Bidder does not agree to correction of arithmetical errors in pursuant to ITB Sub-Clause 30.3
  - (c) if the successful Bidder fails to sign the Contract in accordance with ITB Clause 44;

**21 Format and  
Signing of Bid**

- 21.1 The Bidder shall prepare one original of the documents comprising the bid as described in ITB Clause 11 and clearly mark it as "ORIGINAL." In addition, the Bidder shall submit a copy of the bid and clearly mark it as "COPY." In the event of any discrepancy between the original and the copy, the original shall prevail.
- 21.2 The original and the Copy of the bid shall be typed or written in indelible ink and shall be signed by a person duly authorized to sign on behalf of the Bidder.
- 21.3 Any interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the person signing the Bid.
- 21.4 The following documents would be considered as the formal prerequisite of any bid to be considered as materially responsive in line with the bidding document.
- (a) Pricing details (Quotation Slip as per the Form 2 of Section V – Bidding Forms) should be properly authorized by the lead reinsurer by placing the official stamp of lead reinsurer and should be signed by the authorized person of the lead reinsurer.
  - (b) Signing Page should be properly signed and stamped by the lead reinsurer stating the percentage of lead share of each layer of the proposed cover.
  - (c) The Reinsurance Slip should be signed by the lead reinsurer and stamped (each and every page of the full set of the document shall be stamped, numbered and signed by an authorized person of lead reinsurer).
  - (d) A specimen copy of the Excess of Loss Reinsurance agreement.
  - (e) The Letter of Authorization should be signed and stamped by the lead reinsurer and by the authorized person of the lead reinsurer.

### **Submission and Opening of Bids**

#### **22 Submission, Sealing and Marking of Bids**

- 22.1 Bidders shall always submit their bids by post/courier or by hand.  
(a) Bidders submitting bids shall enclose the original and the copy of the Bid in separate sealed envelopes, duly marking the envelopes as “ORIGINAL” and “COPY.” These envelopes containing the original and the copy shall then be enclosed in one single envelope.
- 22.2 The inner and outer envelopes shall:
- (a) bear the name and address of the Bidder;
  - (b) be addressed to NITF in accordance with ITB Sub-Clause 23.1;
  - (c) bear the specific identification number of this bidding process as indicated in the BDS; and
  - (d) bear a warning not to open before the time and date for bid opening, in accordance with ITB Sub-Clause 26.1.

If all envelopes are not sealed and marked as required, NITF will assume no responsibility for the misplacement or premature opening of the Bid.

#### **23 Deadline for Submission of Bids**

- 23.1 Bids must be received by NITF at the address and not later than the date and time **specified in the BDS.**
- 23.2 NITF may, at its discretion, extend the deadline for the submission of bids by amending the Bidding Documents in accordance with ITB Clause 8, in which case all rights and obligations of NITF and Bidders previously subject to the deadline shall thereafter be subject to the deadline as extended.

#### **24 Late Bids**

- 24.1 NITF shall not consider any bid that arrives after the deadline for submission of bids, in accordance with ITB Clause 23. Any bid received by NITF after the deadline for submission of bids shall be declared late, rejected, and returned unopened.

#### **25 Withdrawal, Modification of Bids**

- 25.1 A Bidder may withdraw, or modify its Bid after it has been submitted by sending a written notice in accordance with ITB Clause 22, duly signed by an authorized representative, and Shall include a copy of the authorization in accordance with ITB Sub-Clause 21.2, (except that no copies of the withdrawal notice are required). The corresponding substitution or modification of

the bid must accompany the respective written notice. All notices must be:

- (a) Submitted in accordance with ITB Clauses 21 and 22 (except that withdrawal notices do not require copies), and in addition, the respective envelopes shall be clearly marked “Withdrawal,” or “Modification;” and
- (b) Received by NITF prior to the deadline prescribed for submission of bids, in accordance with ITB Clause 23.
- (c) If a bid is withdrawn by a written communication such bidder shall be not allowed to be present in the bid opening meeting and they would not be considered as bidders.

25.2 Bids requested to be withdrawn in accordance with ITB Sub- Clause 25.1 shall be returned to the Bidders only upon notification of contract award to the successful bidder in accordance with sub clause 42.1.

25.3 No bid may be withdrawn, substituted, or modified after the deadline for submission of bids.

## 26 Bid Opening

26.1 NITF shall conduct the bid opening in the presence of bidders or their authorized representatives at the address, date and time **specified in the BDS**.

26.2 First, envelopes marked “WITHDRAWAL” shall be opened and read out and the envelope with the corresponding bid may be opened at the discretion of NITF. No bid withdrawal shall be permitted unless the corresponding withdrawal notice contains a valid authorization to request the withdrawal and is read out at bid opening. Envelopes marked “MODIFICATION” shall be opened and read out with the corresponding Bid. No Bid modification shall be permitted unless the corresponding modification notice contains a valid authorization to request the modification and is read out at the Bid opening. Only envelopes that are opened and read out at the Bid opening shall be considered.

26.3 All other envelopes shall be opened one at a time, reading out: the name of the Bidder and whether there is a modification; the Bid Prices and alternative offers; the presence of a Bid Security or Bid-Securing Declaration, if required; and any other details as NITF may consider appropriate. The original bidding price indicated in the price schedule of the bidding documents and the discounts are read out at Bid opening shall be considered for evaluation. No Bid shall be rejected at Bid opening except for late bids, in accordance with ITB Sub-Clause 24.1.

26.4 NITF shall prepare a record of the Bid opening that shall include, as a minimum: the name of the Bidder and whether there is a withdrawal, or modification; the Bid Price, per layer if applicable, and the presence or absence of a Bid Security or Bid-Securing Declaration. The bids that are opened shall

be resealed in separate envelopes, promptly after the bid opening. The Bidders' representatives who are present shall be requested to sign the attendance sheet.

### **Evaluation and Comparison of Bids**

- 27 Confidentiality**
- 27.1 Information relating to the examination, evaluation, comparison of bids, and recommendation of contract award, shall not be disclosed to bidders or any other parties.
- 27.2 The bidders, interested parties or any third party will not be disclosed any information leading to have undue advantage for further tendering / bidding when the tender process is going on and or after the closure of bidding process.
- 27.3 Any effort by a Bidder to influence NITF in the examination, evaluation, comparison of the bids or contract award decisions may result in the rejection of its Bid.
- 27.4 Notwithstanding ITB Sub-Clause 27.2, if any Bidder wishes to contact NITF on any matter related to the bidding process, from the time of bid opening to the time of Contract Award, it should do so in writing.
- 28 Clarification of Bids**
- 28.1 To assist in the examination, evaluation, comparison of the bids, NITF may, at its discretion, request any Bidder for a clarification of its Bid. Any clarification submitted by a Bidder in respect to its Bid and that is not in response to a request by NITF shall not be considered for purpose of evaluation. NITF's request for clarification and the response shall be in writing. No change in the prices or substance of the Bid shall be sought, offered, or permitted, except to confirm the correction of arithmetic errors discovered by NITF in the Evaluation of the bids, in accordance with ITB Clause 30. Clarification sought by NITF for the purpose of evaluation of bids will whatsoever not constitute for the confirmation and or offer to a respective bidder.
- 29 Responsiveness of Bids**
- 29.1 NITF's determination of a bid's responsiveness is to be based on the contents of the bid itself.
- 29.2 A substantially responsive Bid is one that conforms to all the terms, conditions, and specifications of the Bidding Documents without material deviation, reservation, or omission. A material deviation, reservation or omission is one that:
- (a) Affects in any substantial way the scope, quality, or performance of the Reinsurance Services specified in the Contract; or
  - (b) Limits in any substantial way, inconsistent with the Bidding Documents, NITF's rights or the Bidder's obligations under the Contract; or



- (c) If rectified would unfairly affect the competitive position of other bidders presenting substantially responsive bids.

29.3 If a bid is not substantially responsive to the Bidding Documents, it shall be rejected by NITF and may not subsequently be made responsive by the Bidder by correction of the material deviation, reservation or omission.

### **30 Nonconformities, Errors, and Omissions**

30.1 Provided that a Bid is substantially responsive, NITF may waive any non-conformities or omissions in the Bid that do not constitute a material deviation.

30.2 Provided that a bid is substantially responsive, NITF may request that the Bidder to submit the necessary information or documentation, within a reasonable period of time, to rectify nonmaterial nonconformities or omissions in the bid related to documentation requirements. Such omission shall not be related to any aspect of the price of the Bid. Failure of the Bidder to comply with the request may result in the rejection of its Bid.

30.3 Provided that the Bid is substantially responsive, NITF shall correct arithmetical errors on the following basis:

(a) If there is a discrepancy between the layer price and the total, the layer price shall prevail and the total shall be corrected, unless in the opinion of NITF there is an obvious misplacement of the decimal point in the layer price, in which case the line item total as quoted shall govern and the layer price shall be corrected;

(b) if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) above.

30.4 If the Bidder that submitted the lowest evaluated Bid does not accept the correction of errors, its Bid shall be disqualified and its Bid Security shall be forfeited or its Bid-Securing Declaration shall be executed.

### **31 Preliminary Examination of Bids**

31.1 NITF shall examine the bids to confirm that all documents and technical documentation requested in ITB Clause 11 have been provided, and to determine the completeness of each document submitted.

31.2 NITF shall confirm that the following documents and information have been provided in the Bid. If any of these documents or information is missing, the Bid shall be rejected.

(a) Bid Submission Form, in accordance with ITB Sub-Clause 12.1;

(b) Price Schedules, in accordance with ITB Sub-Clause 12 and 21;

(c) Bid Security or Bid Securing Declaration, in accordance with ITB Clause 20.

- 32 Examination of Technical Evaluation**
- 32.1 NITF shall evaluate the technical aspects of the Bid submitted in accordance with ITB Clause 17, to confirm that all requirements specified in Section IV, Schedule of Requirements of the Bidding Documents have been met without any material deviation or reservation.
- 32.2 If, after the examination of the terms and conditions and the technical evaluation, NITF determines that the Bid is not substantially responsive in accordance with ITB Clause 29, NITF shall reject the Bid.
- 33 Conversion to Single Currency**
- 33.1 The bidders are not allowed to quote in foreign currencies in accordance with sub clause 15.1, for evaluation and comparison purposes, NITF shall consider all bid prices expressed in Sri Lankan Rupees only.
- 34 Domestic Preference**
- 34.1 Domestic preference shall not be a factor in bid evaluation as there is no any positive contribution of any margin of preference due to the nature of international reinsurance procurement.
- 34.2 In the event of local representative Insurance Broker is available with the International Reinsurance Broker, the qualification of the International Reinsurance Broker will be the sole consideration and the supplier, eligible Reinsurance Broker and such Reinsurance Broker would be specified and the letter of award, BOR will be issued in the name of the International Reinsurance Broker instead of the local representation of such International Reinsurance Broker. The formal broker on record will be absolutely the International Reinsurance Broker only. The local representative Insurance Broker will have only the representative status of the International Reinsurance Broker.
- 35 Evaluation of Bids**
- 35.1 NITF shall evaluate each bid that has been determined, up to this stage of the evaluation, to be substantially responsive.
- 35.2 To evaluate a Bid, NITF shall only use all the factors, methodologies and criteria defined in this ITB Clause 35.
- 35.3 To evaluate a Bid, NITF shall consider the following:
- (a) the Bid Price as quoted in accordance with clause 14
  - (b) price adjustment for correction of arithmetic errors in accordance with ITB Sub-Clause 30.3
  - (c) adjustments due to the application of the evaluation criteria specified in the BDS from amongst those set out in Section III, Evaluation and Qualification Criteria.
- 35.4 NITF's evaluation of a bid may require the consideration of other factors, in addition to the factors listed in ITB Sub-Clause 35.3, if specified in BDS. These factors may be related to the

characteristics, performance, and terms and conditions of purchase Reinsurance Services.

- 36 Comparison of Bids** 36.1 NITF shall compare all substantially responsive bids to determine the lowest evaluated bid, in accordance with ITB Clause 35.
- 37 Post qualification of the Bidder** 37.1 NITF shall determine to its satisfaction whether the Bidder that is selected as having submitted the lowest evaluated and substantially responsive bid is qualified to perform the Contract satisfactorily.
- 37.2 The determination shall be based upon an examination of the documentary evidence of the Bidder's qualifications submitted by the Bidder, pursuant to ITB Clause 18.
- 37.3 An affirmative determination shall be a prerequisite for award of the Contract to the Bidder. A negative determination shall result in disqualification of the bid, in which event NITF shall proceed to the next lowest evaluated bid to make a similar determination of that Bidder's capabilities to perform satisfactorily.
- 38 NITF's Right to Accept Any and to Reject Any or All Bids** 38.1 NITF reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids at any time prior to **Bid**, contract award, without thereby incurring any liability to Bidders.
- 39 Contractual Obligations and delivery of the Services by International Reinsurance Brokers and the Reinsurance Providers** 39.1 If the service delivery as per the contractual obligation has been dissatisfactory by any International Reinsurance Broker, local representative of any International Reinsurance Broker and or reinsurance providers within the agreed / attached reinsurance contract has been dissatisfied and not up to the expected service delivery in both obtaining proper reinsurance coverage, price and or claims recovery in time with due diligence and good governance / transparency would be considered disqualified / rejected.
- If such deviations, delays in claim recovery including any such dishonest act committed and or perpetrated to have committed and caused impediments in execution of the contractual obligating by such incumbent, International Reinsurance Brokers, their local representatives and reinsurance providers will be disqualified and rejected as not eligible to provide services intended in this bidding and which is as a whole considered a material deviation.

#### **Award of Contract**

- 40 Award Criteria** 40.1 NITF shall award the Contract to the Bidder whose offer has been determined to be the lowest evaluated bid and is substantially responsive to the Bidding Documents, provided further that the Bidder is determined to be qualified to perform the Contract satisfactorily.
- 41 NITF's Right to Vary Coverage at** 41.1 At the time the Contract is awarded, NITF reserves the right to increase or decrease the level of Reinsurance Services originally

<b>Time of Award</b>		specified in Section IV, Schedule of Requirements, provided this does not exceed fifteen percent (15%) of the total cover subject to ratable premium change in the price without any sort of changes to the terms and conditions of the bid and the bidding documents.
<b>42 Notification of Award</b>	42.1	Prior to the expiration of the period of bid validity, NITF shall notify the successful Bidder of intention to award the contract in writing, that its Bid has been accepted subject to appeal process.
	42.2	Until a formal Contract is prepared and executed, the notification of award shall not constitute a binding Contract.
	42.3	Upon the successful Bidder's furnishing of the signed Treaty Agreement and NITF will promptly notify each unsuccessful Bidder and will discharge its bid security, pursuant to ITB Clause 20.4.
<b>43 Appeals against Contract Awards recommended by the Procurement Committee</b>	43.1	As per the section 8.5 of the Government Procurement Guidelines 2006, unsuccessful bidder who is aggrieved by a recommendation of a SCAPC, is given an opportunity to make his/her representation (if any) in writing against the said recommendation to the Procurement Appeal Board (PAB) within 7 days.
<b>44 Signing of Contract</b>	44.1	Within Seven (7) days after notification, NITF shall complete the Agreement, and inform the successful Bidder to sign it
	44.2	Within Seven (7) days of receipt of such information, the successful Bidder shall sign the Agreement.
	44.3	Having been substantially responsive lowest bidder who would be the successful bidder should sign the final agreement of reinsurance contract with NITF without incorporating any additional condition, modification and or deletion to the cover originally submitted at the time of the bidding. If the successful bidder has included any additional conditions, modifications and or deletions to the original reinsurance cover proposed in the form of slip would constitute to the rejection and the successful bidder would be immediately disqualify and in such case the next lowest substantially responsive lowest bidder would be issued the Broker on Record to complete the bidding process.

## Section II. Bidding Data Sheet (BDS)

The following specific data for the reinsurance services to be procured shall complement, supplement, or amend the provisions in the Instructions to Bidders (ITB). Whenever there is a conflict, the provisions herein shall prevail over those in ITB.

<b>ITB Clause Reference</b>	<b>A. General</b>
<b>ITB 1.1</b>	The Purchaser is: <b>National Insurance Trust Fund</b>
<b>ITB 1.1</b>	The name and identification number of the Contract are:  <b>Procurement of Reinsurance Cover for Strike, Riot, Civil Commotion and Terrorism Fund for the Period from 01.07.2020 to 31.12.2021</b>  Contract Number: <b>NITF/REI/COM/SRCC/2019/125</b>  <b>To qualify for evaluation, Bidders are required to bid for the total solution. Partial bids shall be treated as non-responsive and shall be rejected.</b>
<b>ITB 2.1</b>	The source of funding is: By National Insurance Trust Fund
	<b>B. Contents of Bidding Documents</b>
<b>ITB 7.1</b>	For <u>Clarification of bid purposes</u> only, NITF's address is:  Attention: Assistant General Manager - Insurance Address: National Insurance Trust Fund, No.95 , Chittampalam A Gardiner Mawatha, Colombo 02, Sri Lanka. Telephone : +94112026699 Facsimile : +94 114700988 e-mail : nimalip@nitf.lk  <b>A Pre-bid meeting will be held: Yes</b>  <b>Date : 02<sup>nd</sup> April 2020</b>  <b>Time: 11:00 hrs.</b>  Venue : National Insurance Trust Fund, 4 <sup>th</sup> floor, No.95, Chittampalam A Gardiner Mawatha, Colombo 02, Sri Lanka.

<b>C. Preparation of Bids</b>													
<b>ITB 13.1</b>	The bidders are not allowed to submit Alternative bids, and such bids will not be considered for evaluation. The bidders should strictly submit the bids for the Options indicated in the 13.1 of ITB. The other alternative bids submitted by bidders shall be treated as non-responsive and shall be rejected considering a major deviation.												
<b>ITB 14.3</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Layer</th> <th style="text-align: center;">Annual Premium</th> <th style="text-align: center;">Terms of Reinstatement</th> </tr> </thead> <tbody> <tr> <td>LKR 1,000 Mn Xs LKR 1,000 Mn</td> <td></td> <td>One Reinstatement</td> </tr> <tr> <td>LKR 3,000 Mn Xs LKR 2,000 Mn</td> <td></td> <td>One Reinstatement</td> </tr> <tr> <td>LKR 5,000 Mn Xs LKR 5,000 Mn</td> <td></td> <td>One Reinstatement</td> </tr> </tbody> </table>	Layer	Annual Premium	Terms of Reinstatement	LKR 1,000 Mn Xs LKR 1,000 Mn		One Reinstatement	LKR 3,000 Mn Xs LKR 2,000 Mn		One Reinstatement	LKR 5,000 Mn Xs LKR 5,000 Mn		One Reinstatement
Layer	Annual Premium	Terms of Reinstatement											
LKR 1,000 Mn Xs LKR 1,000 Mn		One Reinstatement											
LKR 3,000 Mn Xs LKR 2,000 Mn		One Reinstatement											
LKR 5,000 Mn Xs LKR 5,000 Mn		One Reinstatement											
<b>ITB 15.1</b>	The bidder shall quote in Sri Lankan Rupees.												
<b>ITB 19.1</b>	The bid validity period shall be 119 days from the date of bid closure; accordingly the bid shall be valid until <b>25<sup>th</sup> August 2020</b> .												
<b>ITB 20.1</b>	All bids shall be accompanied by a Bid Security obtained <b>from any commercial bank approved by the Central Bank of Sri Lanka</b> in the format prescribed in Section V “Bidding Forms – Bid Guarantee”												
<b>ITB 20.2</b>	<p>The amount of the Bid Security shall be as follows;</p> <p><b>USD 13,661 or LKR 2,500,000/-</b></p> <p>Bid Security shall be issued in favor of;</p> <p>Chief Executive Officer National Insurance Trust Fund, 4<sup>th</sup> Floor, No.95 , Chittampalam A Gardiner Mawatha, Colombo 02. Sri Lanka.</p> <p>Bid Security shall be valid for a period of <b>147 days</b> up to <b>22<sup>nd</sup> September 2020. (From the date of the bid opening)</b></p>												

<b>D. Submission and Opening of Bids</b>	
<b>ITB 22.2</b>	<p>The inner and outer envelopes shall bear the following identification marks:</p> <p><b>Procurement of Reinsurance Cover for Strike, Riot, Civil Commotion and Terrorism Fund for the Period from 01.07.2020 to 31.12.2021</b></p> <p>Contract Number: NITF/REI/COM/SRCC/2019/125</p>
<b>ITB 23.1</b>	<p><b>For bid submission purposes, the NITF's address is:</b></p> <p>Attention: The Chairman, Standing Cabinet Appointed Procurement Committee</p> <p>Address: National Insurance Trust Fund, 4<sup>th</sup> Floor, No.95 , Chittampalam A Gardiner Mawatha , Colombo 02, Sri Lanka.</p> <p><b>The deadline for the submission of bids is:</b></p> <p><b>Date: 28<sup>th</sup> April 2020</b></p> <p><b>Time: 14:00 hrs</b></p>
<b>ITB 26.1</b>	<p><b>The bid opening shall take place at:</b></p> <p><b>Address: National Insurance Trust Fund, 4<sup>th</sup> floor, No.95, Chittampalam A Gardiner Mawatha , Colombo 02, Sri Lanka.</b></p> <p><b>Date: 28<sup>th</sup> April 2020</b></p> <p><b>Time: 14:00 hrs (immediately after deadline for bid submission)</b></p>
<b>E. Evaluation and Comparison of Bids</b>	
<b>ITB 34.1</b>	Domestic preference shall not be a bid evaluation factor.
<b>ITB 35.3</b>	There will be no price adjustments; the selection is based on the substantially responsive lowest evaluated bid price.
<b>ITB 35.4</b>	<p>The following factors and methodology will be used for evaluation:</p> <ol style="list-style-type: none"> <li>a. Technical Compliance.</li> <li>b. Vender Competency &amp; Reputation, reinsurance service Market Share and reinsurance service Reputation, Quality and Reliability.</li> <li>c. Price</li> </ol>

# Section III.

## Evaluation and Qualification Criteria

### Contents

1. Evaluation Criteria - ITB 35.3 (d)

NITF's evaluation of a bid will be based on Evaluated Bid Price.

2. Evaluation of received bids will be done at two stages. (ITB 37.2)

- (i) Preliminary Examination
- (ii) Detailed evaluation

**2.1 Preliminary Examination**

The bids received will be examined to determine;

- i. Whether all documents requested available.
- ii. Whether bidders are eligible Reinsurance Brokers (Please refer ITB Clause 18.2).
- iii. Whether bidders are eligible Reinsurers (Please refer ITB Clause 18.3)
- iv. Whether the Bid Form (Form 1 of Section V – Bidding Forms) is duly signed by an authorized officer and stamped.
- v. Whether the original lead signed/stamped slip is available from the lead reinsurer.
- vi. Whether the original Pricing Schedule (Form 2 of Section V – Bidding Forms) signed/stamped by the lead Reinsurer.
- vii. Whether the original Signing Page has been properly signed by the lead Reinsurer with stamp and the lead share as well as all layers are protected by the lead share percentage.
- viii. Whether a specimen copy of the Excess of Loss Reinsurance agreement is attached.

**2.2 Detailed Evaluation**

The Bids will be analyzed and evaluated in depth by giving substantial weightage on the following aspects along with the Pricing Details in Form 2 of Section V – Bidding Forms.

Description	Lead Reinsurer	Reinsurance Broker
Scope of Cover	Yes / No	Yes / No
Period of Cover	Yes / No	Yes / No
Territorial Scope	Yes / No	Yes / No



Layering	Yes / No	Yes / No
Loss Occurrence Clause	Yes / No	Yes / No
Reinstatements	Yes / No	Yes / No
Premium	Yes / No	Yes / No
Reinsurer's Security/Rating	Yes / No	Yes / No
Reinsurer's Share	Yes / No	Yes / No
Arbitration/Jurisdictions	Yes / No	Yes / No
Declared ineligible by the government of Sri Lanka / NITF	Yes / No	Yes / No
Black listed by NITF	Yes / No	Yes / No
Validity of the bid (119 days from the claiming date)	Yes / No	Yes / No

- ❖ **If any of above information not provided, the bid shall be rejected.**
- ❖ **If the details are submitted, other than the detail required will be rejected.**

## Section IV. Schedule of Requirements

### National Insurance Trust Fund

#### **PROCUREMENT OF REINSURANCE COVER FOR STRIKE, RIOT, CIVIL COMMOTION AND TERRORISM FUND FOR THE PERIOD FROM 01.07.2020 TO 31.12.2021**

#### **Information and Special Conditions**

##### **1. Introduction**

It is mandatory for all Insurance companies transacting General Insurance business in Sri Lanka to cede liability up to the limits prescribed by the NITF for Strike, Riot, Civil Commotion and Terrorism covers to NITF. NITF has decided to obtain a reinsurance cover to protect its possible liabilities arising from the above.

##### **2. Scope of cover**

Whole Account Excess of Loss reinsurance programme to protect the NITF liabilities arising from Strike, Riot, Civil Commotion and Terrorism covers of the General Insurance Businesses of each Insurance company transacting in all General Insurance classes of business.

Any Strike, Riot, Civil Commotion and Terrorism covers granted under rates prescribed by the NITF inclusive of the same in any of the treaty / facultative basis with regard to the 30% compulsory reinsurance should be covered by the reinsurance programme proposed on Strike, Riot, Civil Commotion and Terrorism. (Special acceptance under fronting policies / 100% reinsurance policies)

##### **2.1 Period**

01.07.2020 to 31.12.2021

##### **2.2 Territorial Scope**

Sri Lanka only for all classes other than Marine Hull, Marine Cargo and Personal Accident.

Worldwide for Personal Accident, Marine Cargo.

Worldwide for Marine Hull business written in Sri Lanka.

Subject to based on Limits and rate schedule as attached.

##### **2.3 Layering**

LKR 1,000 Mn Xs LKR 1,000 Mn	} LKR Amount of each and every risk, each and every loss occurrence, each & every loss and / or series of losses arising out of one event
LKR 3,000 Mn Xs LKR 2,000 Mn	
LKR 5,000 Mn Xs LKR 5,000 Mn	

##### **2.4 Reinstatements**

Bids must comprise with one reinstatement for each layer as per item no.2.3

## **2.5 Premium**

Flat Premium is payable in six equal installments in quarterly basis.

## **2.6 Reinsurer's Security/ Rating**

- a. Lead Reinsurer's rating must be S &P "A-", AM Best "A-", Moody's "A3-", Fitch "A-" or above. The minimum signed share should be 10/100 and maximum signed share should be 35/100 of the said Reinsurance Programme.
- b. The follow reinsurers' rating must be S & P "BBB", AM Best "bbb", Moody's "Baa3", Fitch "BBB" or above. Preference will be given for "A" rated followers.
- c. If a Reinsurer is submitting a direct bid, it must cover 100% reinsurance cover of the said programme.

## **2.7 Multiple bids and multiple lead reinsurers**

Submission of more than one bid in this bidding process by a single lead reinsurer and bids by multiple lead reinsurers in one bid will be rejected.(As per ITB 13)

## **2.8 Submission of multiple bids by a single International Reinsurance Broker**

If any International Reinsurance Broker intends to submit more than one lead terms where such submission of lead terms should be tendered as separate bids following the tender procedure.(As per ITB 13)

## **3 Contractual Obligations for the Successful Bidder**

Bidder should comply with the following requirements;

- a. The successful Bidder should actively participate in the claims handling process.
- b. Upon receipt of the Broker on Record the following time line should be met.
  - I. Original contract document should be submitted within seven days.
  - II. Follow market should be completed within two weeks time.
  - III. Reinsurance contract agreement should be submitted in triplicate. (one is sealed)
  - IV. Confirm official receipts of the receipt of the portion of the premium by each panel member of the reinsurers should be submitted within two weeks time upon the payment of the quarterly premium & E mail confirmation not accepted, original should be received.

## **4 Laws: Arbitration/Jurisdictions**

Sri Lanka Law.

## **5 Gross Net Premium Income**

Gross Net Premium Income is defined as Gross Premiums less Commission, Brokerage, Policy Taxes and Profit Commission, Cancellation and Return Premium and after deduction of Premium in respect of business excluded from the protection of this Reinsurance.

	<u>LKR Mn</u>
01/01/2015 to 31/12/2015 (Actual)	2,550
01/01/2016 to 31/12/2016 (Actual)	2,980
01/01/2017 to 31/12/2017 (Actual)	3,405
01/01/2018 to 31/12/2018 (Actual)	3,864
01/01/2019 to 31/12/2019 (Actual)	6,334
01/01/2020 to 30/06/2020 (Estimated)	3,770
01/07/2020 to 31/12/2020 (Estimated)	2,794
01/01/2021 to 31/12/2021 (Estimated)	6,892

## **6 Validity of the bid:**

**119 days** from the closing date of the bids.

## **7 Eligibility/ Financial Information**

The following documents should be submitted along with the bid to prove eligibility of Reinsurer.

- a. Lead Reinsurer's rating must be S & P "A-", AM Best "A-", Moody's "A3-", Fitch "A-" or above. The minimum signed share should be 10/100 and maximum signed share should be 35/100 of the said Reinsurance Programme.
- b. The followers' rating must be S & P "BBB", AM Best "bbb", Moody's "Baa3", Fitch "BBB" or above.
- c. Audited Final Accounts/ Annual Reports of each reinsurer for the last three years.
- d. Details of Registration of each reinsurer in the country of domicile.
- e. If a Reinsurer is submitting a direct bid, it must cover 100% reinsurance cover of the said programme.

## **8 Reinsurance completion of the panel of reinsurance follow market**

The bidder should agree that completion of the panel of reinsurance for 100% of risk with the prior approval of NITF.

## **9 General**

- (i) Bidders must acquaint themselves fully with conditions of the bid.
- (ii) The bid and any contract resulting there from shall be governed by and construed according to the laws of Sri Lanka.
- (iii) No bid shall be considered for evaluation or award unless all the conditions laid down in the document have been strictly fulfilled.
- (iv) The language of correspondence is English. However, if any of the above documents are in a language other than in English, such documents should be accompanied by a certified English translation. This translation will govern and be used for interpreting the information provided.
- (v) The attachment of the risk should be forthwith executed and the cover should be effective upon the BOR is issued. The broker should hold the responsibility onward with immediate effect irrespective of the terms and conditions formally laid down in the

quotation and or in any other documents submitted as part of the formal bid. In case of reinsurer has quoted direct where such reinsurer should forthwith attach the risk as per the terms and conditions of the Bidding Document.

(vi) Bidders will be disqualified from the bidding process if found offering any gift or inducement which may have an effect of influencing a decision or impairing the objectivity of an official.

## **10 Arbitration**

All disputes arising out of contract agreement should be dealt in accordance with the provisions of Arbitration Act No. 11 of 1995 and amendments thereto. The place of Arbitration shall be Colombo, Sri Lanka only and the language of communication shall be English only.

Chairman,  
Standing Cabinet Appointed Procurement Committee  
National Insurance Trust Fund,  
No. 95,  
Chittampalam A Gardiner Mawatha,  
Colombo 02,  
Sri Lanka.

## **Section V Bidding Forms**

### **Table of Forms**

- 1. Bid Submission Form**
- 2. Price Schedule (With specimen copy of the Excess of Loss Reinsurance agreement)**
- 3. Bid Guarantee**
- 4. Letter of Authorization**
- 5. Details of the members of the board of Directors of Bidder**
- 6. General Information and Experience of International Reinsurance Broker**
- 7. Financial Capabilities of International Reinsurance Broker**
- 8. General Information and Experience of Lead Reinsurer**
- 9. Financial Capabilities of Lead Reinsurer**

**Bid Submission Form**

**[The Bidder shall fill in this Form in accordance with the instructions indicated in Section I alterations to its format shall be permitted and no substitutions shall be accepted.]**

Date: *[insert date (as day, month and year) of Bid Submission]*

No.: NITF/REI/COM/SRCC/2019/125

To: **National Insurance Trust Fund**

We, the undersigned, declare that:

- (a) We have examined and have no reservations to the Bidding Documents, including Addenda No.: *[insert the number and issuing date of each Addenda]*;
- (b) We offer to supply in conformity with the Bidding Documents for the following Reinsurance Services .....  
*[\* insert a brief description of the reinsurance Services]*;
- (c) The total net price of our Bid, after any discounts offered is:  
.....  
..... *[insert the total bid price in words and figures]*;
- (d) Our bid shall be valid for the period of time specified in ITB Sub-Clause 19.1, from the date fixed for the bid submission deadline in accordance with ITB Sub-Clause 23.1, and it shall remain binding upon us and may be accepted at any time before the expiration of that period;
- (e) We have no conflict of interest in accordance with ITB Sub-Clause 4.2;
- (f) Our firm, its affiliates or subsidiaries—including any subcontractors or suppliers for any part of the contract, or any individual Director or Directors have not been declared blacklisted by the National Procurement Agency;
- (g) We understand that this bid, together with your written acceptance thereof included in your notification of award, shall constitute a binding contract between us, until the reinsurance contract is signed. The formal contract and the written acceptance of your bid (BOR) will constitute the permanent contract between the bidder / reinsurance panel and NITF.
- (h) We understand that you are not bound to accept the lowest evaluated bid or any other bid that you may receive.

Signed: .....*[insert signature of person whose name and capacity are shown]*

In the capacity of .....*[insert legal capacity of person signing the Bid Submission Form]*

Name: .....*[insert complete name of person signing the Bid Submission Form]*

Duly authorized to sign the bid for and on behalf of:.....

*[insert complete name of Bidder]*

Dated on \_\_\_\_\_ day of \_\_\_\_\_  
\_\_\_\_\_ *[insert date of signing]*

**PRICE SCHEDULE FOR THE PERIOD FROM 01.07.2020 to 31.12.2021**

Layer	Annual Premium	Terms for Reinstatement
LKR 1,000 Mn Xs LKR 1,000 Mn		One Reinstatement
LKR 3,000 Mn Xs LKR 2,000 Mn		One Reinstatement
LKR 5,000 Mn Xs LKR 5,000 Mn		One Reinstatement

- **The format of the price schedule should be strictly adhered.**
- **Alternative price schedules and or altered price schedules in submission of the price shall be treated as non responsive and shall be rejected.**

Signature : .....

Name of the Authorized Officer : .....

Official frank : .....



**Bid Guarantee**

----- *[insert issuing agency's name, and address of issuing branch or office]* -----

**\*Beneficiary:** National Insurance Trust Fund. No.95, Chittampalam A Gardiner Mawatha, Colombo 02, Sri Lanka.

**Date:** ----- *[insert (by issuing agency) date]*

**Bid Guarantee No.:** ----- *[insert (by issuing agency) number]*

We have been informed that ----- *[insert (by issuing agency) name of the Bidder; if a joint venture, list complete legal names of partners]* (hereinafter called "the Bidder") has submitted to you its bid dated ----- *[insert (by issuing agency) date]* (hereinafter called "the Bid") for the supply of *[insert name of Supplier]* under Invitation for Bids No. ----- *[insert IFB number]* ("the IFB").

Furthermore, we understand that, according to your conditions, Bids must be supported by a Bid Guarantee.

At the request of the Bidder, we ----- *[insert name of issuing agency]* hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of ----- *[insert amount in figures]* ----- *[insert amount in words]*) upon receipt by us of your first demand in writing accompanied by a written statement stating that the Bidder is in breach of its obligation(s) under the bid conditions, because the Bidder:

- (a) has withdrawn its Bid during the period of bid validity specified; or
- (b) does not accept the correction of errors in accordance with the Instructions to Bidders (hereinafter "the ITB"); or
- (c) having been notified of the acceptance of its Bid by NITF during the period of bid validity, (i) fails or refuses to execute the Contract Form.

This Guarantee shall expire: (a) if the Bidder is the successful bidder, upon our receipt of copies of the Contract signed by the Bidder or (b) if the Bidder is not the successful bidder, upon the earlier of (i) our receipt of a copy of your notification to the Bidder that the Bidder was unsuccessful.

Consequently, any demand for payment under this Guarantee must be received by us at the office on or before that date. \_\_\_\_\_

*[signature(s) of authorized representative(s) ]*

**Letter of Authorization**

4.1 The bidding Broker should submit the letter of authorization using the following format and endorsed by the lead reinsurer in agreement to communicate direct with the lead reinsurer as and when required.

**Format of the Letter of Authorization**

Date:

The Chairman  
Standing Cabinet Appointed Procurement Committee  
National Insurance Trust Fund  
No. 95,  
Chittampalam A Gardiner Mawatha,  
Colombo 02.  
Sri Lanka.

We,(name \_\_\_\_\_ of bidder).....

hereby declare and agree that the reinsured namely – NITF will have the full authority to access the lead reinsurer and reinsurers in the panel of this programme without the consent of us (incumbent broker) and or their representative. We herewith authorized to do so. Further we herewith accept that the reinsurance contract will prevail in between the reinsured (NITF) and the Lead reinsurer and the panel of reinsurers.

.....  
Signature of authorized signatory of bidder

Lead Reinsurer:

Stamp:

Authorized Signatory:

Date:

**Details of the members of the Board of Directors of Bidder**

Declaration of the names and contact numbers of the Reinsurance Brokers.

Name	Date of appointment	Correspondence Address	NIC/ Passport No: or any Personal Identification No: of country of domicile	Nationality

Signature : .....

Name of the Authorized Officer : .....

Official frank : .....

**General Information and Experience of International Reinsurance Broker**

1. Name of Company:

2. Address:

3. Telephone:

4. Facsimile/e-mail:

5. Place and year of Incorporation/Registration:

6. Name of the contact person: Contact No: E-Mail:

7. Main lines of Business:

1.	Since:	
2.	Since:	
3.	Since:	
4.	Since:	
5.	Since:	

8. Previous Experience in Providing Reinsurance Services/Retrocession Programmes.

Country	Name of Client	Address of Client	Contact Person, Phone, Fax, email	Type of Reinsurance Cover	Value of Reinsurance Cover	Year

Authorized Officer : .....

Signature : .....

Official frank : .....

**Financial Capabilities of International Reinsurance Broker**

Name of Company:

**Summarized Actual Assets and Liabilities based on the audited Financial Statements for the previous three (3) years (copies attached)**

<b>Financial Information</b>	<b>2016 US\$</b>	<b>2017 US\$</b>	<b>2018 US\$</b>
1. Total Assets			
2. Current Assets			
3. Total Liabilities			
4. Current Liabilities			
5. Shareholders Fund			
6. EBITDA*			
7. Annual Turnover			
8. Net Profit			

\*Earnings before interest, tax, depreciation and amortization.

Name of authorized officer : .....

Signature : .....

Official frank : .....



**Financial Capabilities of Lead Reinsurer**

Name of Company:

**Summarized Actual Assets and Liabilities based on the audited Financial Statements for the previous three (3) years (copies attached)**

<b>Financial Information</b>	<b>2016 US\$</b>	<b>2017 US\$</b>	<b>2018 US\$</b>
1. Total Assets			
2. Current Assets			
3. Total Liabilities			
4. Current Liabilities			
5. Shareholders Fund			
6. EBITDA*			
7. Annual Turnover			
8. Net Profit			

\*Earnings before interest, tax, depreciation and amortization.

Name of authorized officer :.....

Signature :.....

Official frank :.....