

NOTICE INVITING REQUEST FOR
PROPOSAL (RFP) FOR
Engagement of Concurrent Auditor

for
Concurrent Audit of Investment Functions of
Post Office Life Insurance Fund (POLIF)
and
Rural Post Office Life Insurance Fund (RPOLIF)

Last date and time for Bid Submission 16.06.2020 1500 hours

Venue for opening Technical Bid/Financial Bid:

Directorate of Postal Life Insurance
1st Floor, Chanakyapuri Post Office Complex
New Delhi - 110021

F. No. : 46-02/2020-LI Dated 15.05.2020

Directorate of Postal Life Insurance
Department of Posts
Ministry of Communications
Government of India

Government of India
Ministry of Communications
Department of Posts
(Directorate of Postal Life Insurance)
Chanakyapuri, New Delhi, India - 110021

F.No : 46-02/2020-LI

Dated 15.05.2020

To

M/s.....
.....
.....

Dear Madam/Sir

1. Directorate of Postal Life Insurance, Department of Posts, Ministry of Communications, Government of India (hereinafter called "Employer") proposes to engage the services of a Chartered Accountant Firm for conducting Concurrent Audit of investment functions of PLI fund and Rural PLI fund, in accordance with the scope detailed in the "Technical Guide on Internal/ Concurrent Audit of Investment Functions of Insurance Companies 2013" ("Technical Guide"), as amended by the Institute of Chartered Accountants of India in consultation with IRDA from time-to-time. The location of the concurrent audit work will be Investment Division, Mumbai GPO Annexe Building, Mumbai-400 001.
2. The RFP Document is being published on the Central Public Procurement (CPP) Portal (www.eprocure.gov.in) on 15th May, 2020.
3. Directorate of Postal Life Insurance, Department of Posts shall select a Concurrent Auditor as per procedure described in the RFP.

4. The schedule of proposal submission is as follows:

| | |
|---|---|
| Date of issue of RFP | 15.05.2020 |
| Last Date of submission of queries/ clarifications by Consultants, if any | 26 th May 2020 on e-mail id cgmplidte@gmail.com , imcplidte1@gmail.com |
| Issue of clarifications by DoP | 29 th May 2020 |
| Last Date and time of submission of Proposal | 16 th June.2020 (1500 hrs) Request for extension of last date and time of bid / proposal submission will not be entertained. |
| Date, time and venue of opening of Proposal | 17 th June 2020 (1500 hrs) Directorate of Postal Life Insurance 1 st Floor, Chanakyapuri Post Office Complex New Delhi - 110021 |

5. More Details on the scope of work, terms & conditions etc are provided in the RFP document.

Yours sincerely,

(Gurvinder Singh)
Dy. Divisional Manager-I
Directorate of Postal Life Insurance
Department of Posts
Chanakyapuri, New Delhi-110021.
Phone No: 011-24673958;
email: gurvinder@indiapost.gov.in

Schedule of Bidding

| SI No | Particular | Details |
|-------|---|--|
| 1 | Date of issue of RFP document | 15.05.2020 |
| 2 | Last date and time for submission of Queries by prospective Bidders | 26.05.2020 (1500 hrs) |
| 3 | Issue of Corrigendum/ Clarifications by Directorate of PLI, Dept of Posts | 29.05.2020 |
| 4 | Last date and time for submission of Bid | 16.06.2020 (1500hrs) |
| 5 | Date and time for opening of Technical Bids | 17.06.2020 (1500 hrs) |
| 6 | Date and time for opening of Financial Bids | To be intimated to the eligible bidder in due course |
| 7 | Issue of Letter of Intent (LOI) to the successful Bidder | Within one week of declaration of successful bidder |
| 8 | Submission of Performance Bank Guarantee (PBG) by the successful Bidder | Within 15 days of issue of LOI |
| 9 | Signing of Contract with the successful Bidder | Within one month of issue of LOI |

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1. Fact Sheet

| Clause Reference | Details |
|---|--|
| Section: 3.8.4 (Criteria for Evaluation) | The method of selection is: Combined Quality cum Cost Based Selection (CQCCBS) |
| Section – 3.4.2 (RFP Document Fee) | The interested bidders have to pay the non-refundable document Fee of Rs. 1000/- (Rupees One Thousand Only) by way of UCR or Demand Draft in favour of “Senior Postmaster, Sarojini Nagar HO” and payable at New Delhi from any of the scheduled commercial bank along with the proposal. |
| Section: 3.4.3 (EMD) | Earnest Money Deposit of amount Rs. 50,000/- (Rupees Fifty Thousand Only) by way of UCR or Demand Draft in favour of “Senior Postmaster, Sarojini Nagar HO” and payable at New Delhi from any of the scheduled commercial bank or Bank Guarantee. |
| Section: 3.6.1 (Language) | Proposal should be submitted in English. |
| Section:3.8.3.c (Taxes) | The bid price should be inclusive of all applicable taxes. |
| Section: 3.7.2 (Bid Validity) | Proposals must remain valid for 180 days from the date of opening of the technical bids. |
| Section: 3.4.4 (Mode of Submission of Bid) | The bidder shall submit their proposal online on the portal https://eprocure.gov.in . |
| Section:3.6.2 (Contact Address) | The contact person in PLI Directorate, Dept of Posts is: Sh. Gurvinder Singh, Deputy Divisional Manager Directorate of Postal Life Insurance 1 st Floor, Chanakyapuri Post Office Complex New Delhi - 110021 Tel: 011-24673958, 24673587 Mail: cgmplidte@gmail.com , imcplidte1@gmail.com |
| Section : 3.6.2 Last date of submission of Bid | Proposal must be submitted not later than the following date and time :16.06.2020 / 03:00 PM |

2. Background Information:

2.1 Basic Information

2.1.1 Department of Posts provides two types of insurance services, namely **Postal Life Insurance (PLI)** introduced in 1884 and **Rural Postal Life Insurance (RPLI)** introduced in 1995.

2.1.2 Postal Life Insurance (“PLI”) was started as a welfare measure for employees of the Postal Department in 1884 and was extended to employees of the Telegraph Department in 1888. In 1894, PLI extended insurance cover to female employees of P & T Department at a time when no other insurance company covered female lives. Till recently, PLI used to cater only to Government and Semi-Government employees, like employees of Central and State Governments, Local Bodies, Central and State PSUs, Universities, Government aided Educational Institutions, Nationalized Banks, Officers and staff of Defence Services and Para-Military Forces etc. Presently, the benefits of PLI have also been extended to professionals (like engineers, doctors, bankers, lawyers, architects etc.) and employees of companies listed with National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) working in private sector.

2.1.3 Rural Postal Life Insurance (“RPLI”) was started in 1995, following the recommendations of the R.N.Malhotra (former Governor, Reserve Bank of India) Committee on reforms in the insurance sector, in a bid to provide life insurance services to the rural public, with a focus on the women and weaker sections of the society. RPLI provides insurance cover to people residing outside the municipal limits of the city.

2.1.4 Products offered by PLI as well as RPLI include 6 types of traditional policies (Whole Life, Endowment, Convertible Whole Life, Anticipated Endowment, Joint Life and Children policies). Low Premium and High Bonus is the unique feature of these policies, which distinguishes it from other Life Insurance players in India. Apart from providing savings benefit and a life insurance cover, these policies also offer Loan facility to the customers. Maximum insurance limit (Sum Assured) offered is `50 Lakh for PLI policies and ₹10 Lakh for RPLI policies.

2.1.5 Procurement of PLI and RPLI policies is done by Departmental Employees, Retired Employees, Gramin Dak Sewaks and Direct Agents. Policies are sourced and serviced through 1.55 Lakh Post Offices spread across the country.

2.1.6 Presently, PLI is an exempted insurer under Section 118 (c) of the Insurance Act of 1938. It is also exempted under Section 44 (d) of Life Insurance Corporation (LIC) Act, 1956, thereby bringing the insurance schemes under the Post Office Life Insurance Fund (“POLIF”) of Department of Posts outside the purview of the insurance regulator IRDAI.

2.1.7 As on 31st March 2019, there were 63.37 lakhs PLI policies with a sum assured of Rs. 1.72 lakhs crores and there were 242.10 lakhs RPLI policies with a sum assured of Rs. 1.26 lakhs crores. The Asset under Management (AUM) as on 31st March 2019 was Rs 98,928 crores, with Rs 71,672 crores in **Post Office Life Insurance Fund (POLIF)** and Rs 27,256 crores in **Rural Post Office Life Insurance Fund (RPOLIF)**.

2.2 Investment of POLIF and RPOLIF

2.2.1 The investments in POLIF and RPOLIF are based on the investment policy of PLI (as amended from time to time). Currently, the investment policy of PLI is primarily guided by the norms/ pattern of investment specified for life insurance funds by IRDAI.

2.2.2 The corpus of POLIF (PLI Fund) and RPOLIF (Rural PLI Fund) as on 31 March 2019 is Rs. 71,671.77 Crores and Rs. 27,255.86 Crores respectively, thereby totalling to Rs. 98,927.63 Crores.

(Figures in Rs. Crores)

| Fund | Total corpus as on 31 March, 2018 | Net fresh accretion on account of contribution during FY 2018-19 | Interest/dividend received during FY 2018-19 | Maturity/sale proceeds during FY 2018-19 | Total investment made during FY 2018-19 | Total corpus as on 31 March, 2019 |
|--------|-----------------------------------|--|--|--|---|-----------------------------------|
| | (A) | (B) | (C) | (D) | (E=B+C+D) | (F=A+E) |
| POLIF | 63,362.88 | 3,016.23 | 3,495.70 | 1,796.96 | 8,308.89 | 71,671.77 |
| RPOLIF | 24,436.30 | 790.78 | 1,699.61 | 329.17 | 2,819.56 | 27,255.86 |

2.2.3 The investment of PLI/RPLI fund (POLIF / RPOLIF) is done by Investment Division of PLI Directorate with the assistance of Fund Managers in non-discretionary mode. Presently, SBI Fund Management Private Ltd. and UTI Asset Management Company Limited are the two Fund Managers making investment recommendations on daily basis. HDFC Bank is the custodian of PLI and RPLI securities. Investment of POLIF and RPOLIF is done in conformity with IRDA Investment Regulations, as amended from time to time. On an average, 45 to 50 sets of instructions (25 for each of the two fund managers) are issued on a monthly basis, which results in an average of 550 to 600 deals in a year involving approximately 15,000 vouchers / records in a year.

2.2.4 The RFP proposes to engage the services of a Chartered Accountant Firm for conducting Concurrent Audit of investment functions of PLI fund and Rural PLI fund, in accordance with the scope detailed in the “Technical Guide on Internal/ Concurrent Audit of Investment Functions of Insurance Companies 2013” (“Technical Guide”), as amended by the Institute of Chartered Accountants of India in consultation with IRDA from time-to-time. The location of the concurrent audit work will be Investment Division, Mumbai GPO Annexe Building, Mumbai-400 001.

3. Instructions to Bidders

3.1 General

- a. While every effort has been made to provide comprehensive and accurate background information and requirements and specifications, Bidders must form their own conclusions about the legal support required.
- b. All information supplied by Bidders may be treated as contractually binding on them, on successful award of the assignment by Directorate of Postal Life Insurance, Department of Posts on the basis of this RFP.
- c. No commitment of any kind, contractual or otherwise shall exist unless and until a formal written contract has been executed by or on behalf of Directorate of Postal Life Insurance, Department of Posts. The Department may cancel this RFP at any time prior to a formal written contract being executed by or on behalf of Directorate of Postal Life Insurance, Department of Posts.

3.2 Compliant Proposals / Completeness of Response:

- a. Bidders are advised to study all instructions, forms, requirements, appendices and other information in the RFP documents carefully. Submission of the bid / proposal shall be deemed to have been done after careful study and examination of the RFP document with full understanding of its implications.
- b. Failure to comply with the requirements of this paragraph may render the Proposal non-compliant and the Proposal may be rejected. Bidders must:
 - i. Comply with all requirements as set out in this RFP
 - ii. Submit the forms as specified in this RFP and respond to each element as set out in this RFP.
 - iii. Include all supporting documentation specified in this RFP.

3.3 Clarifications on RFP:

3.3.1 Bidder's Queries:

- a. The Bidders will submit their queries on RFP to Directorate of Postal Life Insurance, Department of Posts by email @ cgmplidte@gmail.com, imeplidte1@gmail.com on or before **26.05.2020; 03:00 PM**.
- b. The queries should necessarily be submitted in the following format:

| Sl No | RFP Document Reference(s) (Section & Page Number(s)) | Content of RFP requiring Clarification(s) | Points for Clarification |
|-------|--|---|--------------------------|
| 1 | | | |
| 2 | | | |

- c. Directorate of Postal Life Insurance, Department of Posts shall not be responsible for ensuring that the bidders' queries have been received by them. Any requests for clarifications after the indicated date and time shall not be entertained.

3.3.2 Responses to Bidder Queries and Issue of Corrigendum

- a. Directorate of Postal Life Insurance, Department of Posts makes no representation or warranty as to the completeness or accuracy of any response made in good faith, nor does Directorate of Postal Life Insurance, Department of Posts undertake to answer all the queries that have been posed by the bidders.
- b. At any time prior to the last date for receipt of bids, Directorate of Postal Life Insurance, Department of Posts may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Bidder, modify the RFP Document by a corrigendum.
- c. The Corrigendum (if any) & clarifications to the queries from all bidders will be emailed to all participants who have submitted their queries.
- d. Any such corrigendum shall be deemed to be incorporated in this RFP.
- e. In order to provide prospective Bidders reasonable time for taking the corrigendum into account, Directorate of Postal Life Insurance, Department of Posts may, at its sole discretion, extend the last date for the receipt of Proposals.

3.4 Key Requirements of the Bid:

3.4.1 Right to Terminate the Process

- a. Directorate of Postal Life Insurance, Department of Posts may terminate the RFP process at any time and without assigning any reason. Directorate of Postal Life Insurance makes no commitments, express or implied, that this process will result in a business transaction with anyone.
- b. This RFP does not constitute an offer by Directorate of Postal Life Insurance, Department of Posts. The bidder's participation in this process may result in Department of Posts selecting the bidder to engage towards execution of the contract.

3.4.2 RFP Document Fees

The Interested Chartered Accountant Firms have to pay the **non-refundable document Fee of Rs. 1000/- (Rupees One Thousand Only)** by UCR or by Demand Draft in favour of “Senior Postmaster, Sarojini Nagar HO” and payable at New Delhi from any of the scheduled commercial bank along with the proposal.

3.4.3 Earnest Money Deposit (EMD)

- a. Bidders shall submit, along with their Bids, **EMD of Rs. 50,000/- (Rupees Fifty Thousand Only)**, in the form of a UCR or a Demand Draft or Bank Guarantee (in the format specified in Appendix 1: Form 3) issued by any nationalized bank in favour of “Senior Postmaster, Sarojini Nagar HO” payable at New Delhi, and should be valid for at least six months from the due date of the RFP.
- b. EMD of all unsuccessful bidders would be refunded by Directorate of Postal Life Insurance, Department of Posts within thirty working days of the bidder being notified as being unsuccessful. The EMD, for the amount mentioned above, of successful bidder would be returned upon submission of Performance Bank Guarantee as per the format provided in Appendix 3.
- c. The EMD amount is interest free and will be refundable to the unsuccessful bidders without interest.
- d. The bid / proposal submitted without EMD mentioned above will be summarily rejected.
- e. The EMD may be forfeited:
 - If a bidder withdraws its bid during the period of bid validity.
 - In case of a successful bidder, if the bidder fails to sign the contract in accordance with this RFP.
 - In case of a successful bidder, if the bidder fails to submit the performance guarantee in time in accordance with this RFP.

3.4.4 Submission of Proposals:

- (a) The tender document, along with terms and conditions, has been uploaded on www.eprocure.gov.in. The bidders can log on to the website and see the tender document.
- (b) The bidders shall submit their technical bids/proposals in the standard formats prescribed in the technical documents, displayed at www.eprocure.gov.in. The bidders should upload the scanned copies of all relevant certificates, documents etc. in www.eprocure.gov.in in support of their technical bids. The bidder should sign on all statements, documents, etc. uploaded by him, owning responsibility for their correctness/authenticity. Along with the technical bid the bidder has to submit an Integrity Pact as prescribed by the Government of India (Appendix -IV). Bid submitted without Integrity Pact shall not be considered.
- (c) As per the directives of Department of Expenditure, Ministry of Finance, Government of India, this tender document has been published on Central Public Procurement Portal (URL: <http://eprocure.gov.in>). The bidders are required to submit soft copies of their bids electronically on the CPP portal, using valid digital signature certificates. More information useful for submitting online bids on the CPP portal may be obtained at <http://eprocure.gov.in/eprocure/app>.
- (d) Bidders are required to enrol on the e-procurement module of the CPP portal (URL: <http://eprocure.gov.in/eprocure/app>) by clicking on the link “Click here to Enrol”. Enrolment on the CPP portal is free of charge.
- (e) As part of the enrolment process, the bidders will be required to choose a unique username and assign a password for their accounts.
- (f) Bidders are advised to register their valid email address and mobile numbers as part of the registration process. These would be used for any communication from the CPP portal.

(g) Upon enrolment, the bidders will be required to register their valid Digital Signature Certificate (Class II or Class III Certificates with signing key usage) issued by any Certifying Authority recognized by CCA India, with their profile.

(h) Only one valid DSC should be registered by a bidder. Please note that the bidders are responsible to ensure that they do not lend their DSCs to others which may lead to misuse.

(i) Bidder will then log in to the site through the secured log-in by entering their user ID/password and the password of the DSC/e-Token.

(j) For any clarifications, the bidder may contact Help Desk of the e-Procurement portal at 0120-4200 462, 0120-4001 002, 0120- 4001 005 and email: support-eproc@nic.in.

3.5 Authentication of Bids

Proposal should be accompanied by a power-of-attorney in the name of the signatory of the Proposal. The original bid shall be prepared in indelible ink and shall contain no interlineations or overwriting. All pages of the bid shall be signed and stamped by the authorised representative of the bidder.

3.6 Preparation and submission of Proposal

3.6.1 Language

The Proposal should be filled by the bidders in English language only.

3.6.2 Venue & Deadline for Submission of Proposals

Proposals, in its complete form in all respects as specified in the RFP, must be submitted to Directorate of Postal Life Insurance, Department of Posts at the address specified below:

Sh. Gurvinder Singh
Deputy Divisional Manager – I
Directorate of Postal Life Insurance,
1st Floor, Chanakyapuri PO Complex,
New Delhi 110021

The proposals complete in all respects, must reach Directorate of Postal Life Insurance before 03:00 PM, 16.06.2020.

3.6.3 Late Bids

- a. Bids received after the due date and the specified time (including the extended period if any) for any reason whatsoever, shall not be entertained and shall be returned unopened.
- b. The bids submitted by fax/e-mail etc. shall not be considered. No correspondence will be entertained on this matter.
- c. Directorate of Postal Life Insurance, Department of Posts shall not be responsible for any postal delay or non-receipt/ non-delivery of the documents. No further correspondence on the subject will be entertained.

3.7 Evaluation of Bids

- a. Directorate of Postal Life Insurance, Department of Posts will constitute a Tender Evaluation Committee to evaluate the responses of the bidders.
- b. The Tender Evaluation Committee constituted by Directorate of Postal Life Insurance, Department of Posts shall evaluate the responses to the RFP and all supporting documents / documentary evidence.
- c. The decision of the Tender Evaluation Committee in the evaluation of responses to the RFP shall be final. No correspondence will be entertained outside the process of evaluation with the Committee.
- d. The Tender Evaluation Committee may fix meetings with the Bidders to seek clarifications on their proposals.
- e. The Tender Evaluation Committee reserves the right to reject any or all proposals on the basis of any deviations.
- f. Each of the responses shall be evaluated as per the criteria and requirements specified in this RFP.

3.7.1 Tender Opening

The Proposals will be opened at **03:00 P.M. on 17.06.2020** by an officer authorized by Directorate of Postal Life Insurance, Department of Posts, in the presence of such of those Bidders or their representatives who may be present at the time of opening.

The representatives of the bidders should be advised to carry the identity card or a letter of authority from the tendering firms to identify their bonfire for attending the opening of the proposal.

3.7.2 Tender Validity

The offer submitted by the Bidders should be valid for minimum period of 180 days from the date of opening of the technical bids.

3.7.3 Tender Evaluation

- a. Initial Bid scrutiny will be held and incomplete details as given below will be treated as non-responsive, if Proposals;
 - Are not submitted in formats as specified in the RFP document
 - Received without the Letter of Authorization (Power of Attorney)
 - Are found with suppression of details
 - With incomplete information, subjective, conditional offers and partial offers submitted
 - Submitted without the documents requested in the checklist
 - Have non-compliance of any of the clauses stipulated in the RFP
 - With lesser validity period

- b. All responsive Bids will be considered for further processing as below. Directorate of Postal Life Insurance, Department of Posts will prepare a list of responsive bidders, who comply with the Terms and Conditions of the RFP. All eligible bids will be considered for further evaluation by a Committee according to the Evaluation process defined in this RFP document. The decision of the Committee will be final in this regard.

3.7.4 Consortiums

For the purposes of this RFP, consortiums are not allowed. The bidders also shall not sub-contract part or whole of the work.

3.8 **Criteria for Evaluation:**

3.8.1 **Pre-Qualification Criteria:**

| Sl No | Basic Requirements | Specific Requirements | Documents Required |
|--------------|--|--|---|
| 1 | Appropriate entity | The bidder should be a reputed Chartered Accountant Firm registered with Institute of Chartered Accountants of India (ICAI). The Chartered Accountant Firm should have pan India presence with an office based in Mumbai. | Copy of Certificate of Incorporation or other equivalent document. |
| 2 | Empanelment | Audit firm should be either empanelled with CAG or it should be a Category-1 firm, as per the latest categorization of ICAI. | Empanelment Number of CAG with letter issued by CAG in this regard or declaration about firms Category. |
| 3 | Consortiums | Bidder should be an individual entity/organisation. Consortiums are not allowed to bid. | |
| 4 | Financial Eligibility | The Chartered Accountant Firm should have minimum annual average turnover of Rs. 1 Crore during last 3 (three) financial years (FY2016-17, 2017-18, 2018-19). | Audited Balance Sheet/Profit-Loss Statement or Certificate from Statutory Auditor. |
| 5. | Experience | The Audit firm should have experience of at least four years, as on March 2020, in conducting concurrent audit of insurance firms / investment inspection of insurance companies. | Details of assignments handled (name of the clients serviced, nature of the assignment, period of assignment etc.). |
| 6. | Blacklisting | The bidder should not have been blacklisted by Government of India or any State Government in India or any Statutory Corporation/Authority/PSU of Central / State Government or by regulator such as IRDA, RBI, SEBI and ICAI. | A self-certified letter. |
| 7 | Conflict of Interest | Disclosures and declarations of no conflict of interest occurring to the firm from taking up the present assignment. | Self-Certified Declaration of no conflict of interest occurring to the firm from taking up the present assignment. |
| 8. | Experience of conducting internal / concurrent audit of POLIF and RPOLIF | The bidder shall not be eligible for appointment, if it has performed internal/ concurrent audit of POLIF and RPOLIF during the last three consecutive years or three years during the preceding five years on the date of submission of bids. | Self-Certified Declaration |

3.8.2 Technical Qualification Criteria

Bidders who meet the pre-qualifications/eligibility requirements would be considered as qualified to move to the next stage of Technical evaluation.

| Sl No | Criteria | Requirements | Max Marks | Supporting Documents |
|-------|---|---|-----------|--|
| | Profile of Chartered Accountant Firm | | 30 | |
| 1 | Average turnover of the Chartered Accountant Firm in last 3 financial years (average of last three financial years FY 2016-17, FY 2017-18 and FY 2018-19) | More than Rs. 5 Crores :20 marks More than Rs. 3 Crores to Rs. 5 Crores : 18 marks More than Rs. 1 Crore to Rs. 3 Crores : 15 marks Minimum 1 Crore : 10 marks | 20 | Extracts from the audited Balance sheet and Profit & Loss; OR Certificate from the statutory auditor. |
| 2 | Full Time Partners and CAs associated with the firm. | More than 5 : 6 marks Between 2 to 5: 2 marks Less than 2: 0 marks | 6 | Self-certification from authorized signatory |
| 3 | Geographical Presence of the Chartered Accountant firm | More than 3 offices- 4 marks Between 2 to 3 offices – 2 marks Less than 1(one) or 1 (one) office – 0 marks (Having one office in Mumbai is mandatory) | 4 | Self-certification from authorized signatory |
| | Relevant Past Experience | | 40 | |
| 4 | Experience of conducting Concurrent Audit of life insurance companies as on March, 2020. | More than 5cases:40 marks 3 cases to 5cases:30 marks Up to 2 cases:20 marks (please attach separate sheet for each engagement) | 40 | i. Work Order from Client ii. Completion Certificate from the client iii. Self-certification of completion |

| | | | | |
|---|---|---|-----------|--|
| | | | | certified by statutory auditor iv. Phase completion certificate for on-going engagement from the client or statutory auditor. |
| | Resource Profile | | 30 | |
| 5 | Number of professionals proposed for concurrent assignment. | 3 to 4 professionals: 30 marks 1 to 2 professionals:20 marks | 30 | Self-certification Resume/ CVs attested by authorized signatory |
| | | | | |

Bidders, whose bids are responsive, based on minimum qualification criteria as in Pre-Qualification Criteria and score **at least 65 marks** from the technical evaluation criteria would be considered technically qualified.

3.8.3 Financial Bid Evaluation

- a. The Financial Bids of technically qualified bidders will be opened on the prescribed date in the presence of bidder representatives.
- b. The bidder with the lowest financial bid (L1) will be awarded 100 % score. Financial Scores for other than L1 bidders will be evaluated using the following formula:

Financial Score of a Bidder (Fn) =

$\{(Financial\ Bid\ of\ L1 / Financial\ bid\ of\ the\ Bidder) \times 100\}\%$
(Adjusted to two decimal places)

- c. The bid price will include all taxes and levies and shall be in Indian Rupees.
- d. The bid price quoted by the bidder in the Covering Letter (Form 1) of the Financial Bid (in words and figures) shall be treated as the final price.
- e. Any conditional bid would be rejected.
- f. Errors & Rectification: Arithmetical errors will be rectified on the following basis: "If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected. If there is a discrepancy between words and figures, the amount in words will prevail".
- g. The bid price is inclusive of all applicable taxes and out-of-pocket expenses. The bidder is required to make a reasonable estimate of the same and factor in the bid price. Any change in rates of taxation shall not be made good by Directorate of Postal Life Insurance, Department of Posts and will have to borne in full by the successful bidder.

3.8.4 Combined and Final Evaluation:

- a. The technical and financial scores secured by each bidder will be added using weightage of 70% and 30 % respectively to arrive at a Composite Bid Score.
- b. The bidder securing the highest Composite Bid Score will be adjudicated as the most responsive Bidder for award of the Project. The overall score will be calculated (to two decimal points) as follows: -

$$B_n = 0.70 * T_n + 0.30 * F_n$$

Where

B_n = overall score of the bidder

T_n = Technical score of the bidder (out of maximum of 100 marks)

F_n = Normalised financial score of the bidder as calculated in 3.8.3(b) above.

- c. In the event composite bid scores are 'tied', the bidder securing the highest technical score will be adjudicated as the Best Value Bidder for award of the project.

3.9 Appointment of Concurrent Auditor:

3.9.1 Award Criteria

Directorate of Postal Life Insurance, Department of Posts will award the Contract to the successful bidder whose proposal has been determined to be responsive and has been determined as the most responsive bids as per the process outlined above.

3.9.2 Right to Accept Any Proposal and To Reject Any or All Proposal(s)

Directorate of Postal Life Insurance, Department of Posts reserves the right to accept or reject any proposal, and to annul the tendering process and reject all proposals at any time prior to award of contract, without thereby incurring any liability to the affected bidder or bidders or any obligation to inform the affected bidder or bidders of the grounds for such action.

3.9.3 Notification of Award

Directorate of Postal Life Insurance, Department of Posts will notify the successful bidder in writing that it has been declared as the successful bidder and its proposal has been accepted (Letter of Intent).

In case the tendering process is not completed within the stipulated period, Directorate of Postal Life Insurance, Department of Posts shall request the bidders to extend the validity period of the bid.

Upon the successful bidder's furnishing of Performance Bank Guarantee, Directorate of Postal Life Insurance, Department of Posts will enter into contract with the successful bidder.

Directorate of Postal Life Insurance, Dept of Posts shall notify each unsuccessful bidder and return their EMD.

3.9.4 Performance Bank Guarantee

Directorate of Postal Life Insurance, Department of Posts will require the selected bidder to provide a Performance Bank Guarantee, within 15 days from the Notification of award, for a value equivalent to 10% of the total cost of the contract.

The Performance Guarantee should be valid for a period of at least six months after the expiry of the contract period.

The selected bidder shall be responsible for extending the validity date and claim period of the Performance Guarantee as and when it is due on account of non-completion of the project.

In case the selected bidder fails to submit performance guarantee within the time stipulated, Directorate of Postal Life Insurance, Department of Posts at its discretion may cancel the order placed on the selected bidder and will forfeit the EMD submitted without giving any notice.

Directorate of Postal Life Insurance, Department of Posts shall invoke the performance guarantee in case the selected Vendor fails to discharge their contractual obligations during the period or Directorate of Postal Life Insurance, Department of Posts incurs any loss due to negligence of the selected bidder in carrying out the project implementation as per the agreed terms & conditions.

3.9.5 Signing of Contract

Post submission of Performance Guarantee by the successful bidder, Directorate of Postal Life Insurance, Department of Posts shall enter into a contract with the successful bidder, incorporating all clauses, pre-bid clarifications and the proposal of the bidder.

Directorate of Postal Life Insurance, Department of Posts reserves the right to terminate the services of the successful bidder at any stage of the work for reasons of unsatisfactory performance or for any reasons not in control of Directorate of Postal Life Insurance, Department of Posts (for example, non-response of the applicants at any stage of the process). Directorate of Postal Life Insurance, Department of Posts shall provide a notice of a minimum of 15 calendar days (in writing) for such termination, clearly citing the reasons for the same.

3.9.5 Validity of the Contract

The contract with the successful bidder will be valid for a period of two year. The contract may be extended for a further period of one year on the same terms and conditions, depending on satisfactory performance by the bidder.

3.9.6 Arbitration

In the event of any dispute or difference between the parties hereto, such disputes or differences shall be resolved amicably by mutual consultation. If such resolution is not possible, then the unresolved dispute or difference shall be referred to arbitration of the sole arbitrator to be appointed by the Secretary, Ministry of Communications on the recommendation of the Secretary, Department of Legal Affairs (“Law

Secretary”), Government of India. The provision of Arbitration and Conciliation Act 1996 (No. 26 of 1996) shall be applicable to the arbitration. The venue of such arbitration shall be at Delhi or any other place, as may be decided by the arbitrator. The language of arbitration proceedings shall be English. The arbitrator shall make a reasoned award (the “Award”), which shall be final and binding on the parties. The cost of arbitration shall be shared equally by the parties to the agreement. However, expenses incurred by each party in connection with the preparation, presentation etc. shall be borne by the party itself. Pending the submission of and/or decision on dispute, difference or claim or until the arbitral award is published; the parties shall continue to perform all their obligations under this Agreement without prejudice to a final adjustment in accordance with such award. Dispute, if any, shall be subjected to jurisdiction of court in New Delhi only.

3.9.7 Payment schedule

The fee/charges payable to the Chartered Accountant Firm would be settled on a quarterly basis.

3.9.8 Penalty

In cases, where PLI Directorate, Department of Posts has to incur monetary loss for any established negligence on part of the appointed Chartered Accountant Firm, the loss shall be made good by the Chartered Accountant Firm. PLI Directorate shall realize the amount from the Chartered Accountant Firm from its pending bills or from Security Deposit or by raising claims, as the case may be. The Bidder will be obliged to submit the quarterly audit report within one month of completion of the quarter. Any delay will invite penalty of Rs 1000/- per day.

3.9.9 Indemnity

The appointed Chartered Accountant Firm will indemnify PLI Directorate of all legal/other obligations of its professionals deployed for PLI related work.

3.9.10 Conflict of Interest

The appointed Chartered Accountant Firm shall provide professional services and impartial advice and at all times, hold the interest of PLI Directorate paramount, strictly avoid conflicts with other assignments or their own corporate interests and act without any consideration for future work.

4. Scope of Work - Duties & Responsibilities of the Chartered Accountant Firm

The appointed Chartered Accountant Firm shall perform the following functions:

(i) Review of Standard Operating Procedures & Systems supporting the investment process.

(ii) The Concurrent Auditor will ensure that the Investment Policy and SOPs of the insurer are in compliance with the minimum requirements of IRDA, as far as possible in a government set-up.

(iii) Concurrent audit of investment related transactions & operations.

(iv) The Audit shall cover all the relevant guidelines pertaining to concurrent audit responsibilities, as issued by IRDA from time to time.

(v) **Audit Report & Certification:** The Audit Report shall mandatorily be reported in the manner and format defined in the “Technical Guide on Internal/ Concurrent Audit of Investment Functions of Insurance Companies 2013” as amended by ICAI from time-to-time.

(vi) PLI Directorate, Department of Posts may require the Firm to present / discuss its Report to the Investment Board or its Committees. In such an event, the Partner of the Firm shall make himself/ herself available for the presentation / discussion with the Board/ Committees.

(vii) The Concurrent audit term shall be for the financial year and where the appointment is made during the course of the financial year, it shall be up to the end of that financial year.

(viii) The Concurrent Auditor shall, inter-alia, check / inspects the following list of registers and such other record maintained at Investment Division, Mumbai in connection with the concurrent audit functions:

- Net Accretion Register
- Interest Register
- Dividend Received Register
- Debt Cash Flow Register
- Equity Cash Flow Register
- FD Cash Flow Register
- MIS & Bank Reconciliation Register
- SOP File
- Investment Management Policy Manual for POLIF & RPOLIF
- Holding Statements of POLIF / RPLOIF

- Bank Statements
- NEFT Register
- Statements of Net Accretion of both POLIF and RPOLIF issued daily by PLI Directorate to Investment Division, Mumbai.
- File containing sanction letters issued date-wise by PLI & RPLI instructing the Custodian to allocate funds in respective 4 accounts of Fund Managers (i.e. POLIF & RPOLIF accounts of two Fund Managers).
- File Containing Daily recommendations by Fund Managers w.r.t. investments to be made.
- File containing copy of emails daily forwarded by Investment Division, Mumbai division to respective Fund Managers w.r.t. the investments to be made in various instruments.
- File sent by Fund Managers at the end of the day detailing the deals executed and investments made.
- Any other such record / register required and maintained for investment of POLIF / RPOLIF.

Appendix I: Pre-Qualification & Technical Bid Templates

Pre-Qualification Bid & Technical Proposal shall comprise of following forms:

Form 1: Compliance Sheet for Pre-qualification Proposal

Form 2: Particulars of the Bidder

Form 3: Bank Guarantee for Earnest Money Deposit (EMD)

Form 4: Compliance Sheet for Technical Proposal

Form 5: Covering Letter of Technical Proposal

Form 6: Team Composition and their Availability

Form 7: Curriculum Vitae (CV) of Key Personnel

Form 1: Compliance Sheet for Pre-qualification Proposal

(The pre-qualification proposal should comprise of the following basic requirements. The documents mentioned in this compliance sheet along with this form, needs to be a part of the Pre-Qualification proposal)

| Sl No | Basic Requirement | Required | Provided | Reference & Page Number |
|-------|--|---|--|-------------------------|
| 1 | Document Fee | UCR/Demand Draft | Yes / No | |
| 2 | Power of Attorney | Copy of Power of Attorney in the name of the Authorized signatory | Yes / No | |
| 3 | Particulars of the Bidder | As per Form 2 | Yes / No | |
| 4 | Earnest Money Deposit | UCR/Demand Draft / Bank Guarantee (Form 3) | Yes / No | |
| 5 | Consortiums | No Consortiums | Confirmation that the bidder is bidding as a single entity | |
| 6 | Appropriate Legal Entity | Copy of Certificate of Incorporation; and Copy of PAN/ GST Registration Certificate | Yes / No | |
| 7 | Blacklisting | A self-certified letter | Yes / No | |
| 8 | Average annual turnover during last 3 financial year (FY 2016-17, FY 2017-18 and FY 2018-19) | Audited Balance Sheet/Profit-Loss Statement/Certificate from Statutory Auditor. | Yes / No | |
| 9 | Experience | Details of assignments handled (name of the clients serviced, nature of the assignment, period of assignment etc.). | Yes / No | |
| 10 | Empanelment | Empanelment Number of CAG with letter issued by CAG in this regard or declaration about firms Category. | Yes / No | |
| 11 | Conflict of Interest | Self-certification from authorized signatory | Yes / No | |
| 12 | Experience of conducting internal/ concurrent audit of POLIF and RPOLIF | Self-certification from authorized signatory | Yes / No | |

Form 2: Particulars of the Bidder

| SI No. | Information Sought | Details to be Furnished |
|---------------|---|--------------------------------|
| A | Name and address of the bidding entity | |
| B | Incorporation status of the firm (public limited / private limited/partnership/LLP) | |
| C | Year of Establishment | |
| D | Date of registration | |
| E | Details of registration with appropriate authorities for tax(PAN/GST) | |
| F | Name, Address, email, Phone nos. and Mobile Number of authorized Contact Person | |

Form 3: Bank Guarantee for Earnest Money Deposit (EMD)

<Location, Date>

To,

Senior Postmaster
Sarojini Nagar HO
Sarojini Nagar
New Delhi 110023

Whereas <<name of the bidder>> (hereinafter called 'the Bidder') has submitted the bid for Submission of RFP # <<RFP Number>> dated <<insert date>> for <<name of the assignment>> (hereinafter called "the Bid") to <Directorate of Postal Life Insurance, Department of Posts>

Know all Men by these presents that we <<>> having our office at <<Address>> (hereinafter called "the Bank") are bound unto the <Directorate of Postal Life Insurance, Department of Posts> (hereinafter called "the Purchaser") in the sum of Rs. <<Amount in figures>> (Rupees <<Amount in words>> only) for which payment well and truly to be made to the said Purchaser, the Bank binds itself, its successors and assigns by these presents. Sealed with the Common Seal of the said Bank this <<insert date>>

The conditions of this obligation are:

1. If the Bidder having its bid withdrawn during the period of bid validity specified by the Bidder on the Bid Form; or
2. If the Bidder, having been notified of the acceptance of its bid by the Purchaser during the period of validity of bid
 - (a) Withdraws his participation from the bid during the period of validity of bid document; or
 - (b) Fails or refuses to participate for failure to respond in the subsequent Tender process after having been short listed;

We undertake to pay to the Purchaser up to the above amount upon receipt of its first written demand, without the Purchaser having to substantiate its demand, provided that in its demand the Purchaser will note that the amount claimed by it is due to it owing to the occurrence of one or both of the two conditions, specifying the occurred condition or conditions.

This guarantee will remain in force up to <<insert date>> and including <<extra time over and above mandated in the RFP>> from the last date of submission and any demand in respect thereof should reach the Bank not later than the above date.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN:

- I. Our liability under this Bank Guarantee shall not exceed Rs. <<Amount in figures>> (Rupees <<Amount in words>> only)
- II. This Bank Guarantee shall be valid upto <<insert date>>
- III. It is condition of our liability for payment of the guaranteed amount or any part thereof arising under this Bank Guarantee that we receive a valid written claim or demand for payment under this Bank Guarantee on or before <<insert date>>) failing which our liability under the guarantee will automatically cease.

(Authorized Signatory of the Bank)

Seal:

Date:

Form 4: Compliance Sheet for Technical Proposal

(The Technical proposal should comprise of the following basic requirements. The documents mentioned in this compliance sheet along with this form, needs to be a part of the Technical proposal.)

| | Specific Requirements | Documents Required | Compliance | Reference & Page Number |
|--|--|---|-------------------|------------------------------------|
| | Covering Letter for Technical Proposal | As per Form 5 | | |
| | Average turnover in last 3 financial years (FY2016-17, FY2017-18, FY2018-19) | Extracts from the audited Balance sheet and Profit & Loss; OR Certificate from the statutory auditor | Yes / No | |
| | Experience relevant to this engagement | Completion Certificates from the client; OR Work Order + Self Certificate of Completion (Certified by the Statutory Auditor); OR Work Order + Phase Completion Certificate (for ongoing projects) from the client | | |
| | Team Composition (As per requirement specified in Technical evaluation) | CV (Form 6) (Form 7) | Yes / No | |
| | Number of professionals proposed for PLI assignment. | Self- certification from authorized signatory | Yes / No | |
| | Geographical Presence of the Chartered Accountant firm | Self- certification from authorized signatory | Yes / No | |
| | Full Time Partners and CAs associated with the firm. | Self- certification from authorized signatory | Yes / No | |

All the Bidders are requested to mention the document reference number and Page number for each criteria.

Form 5: Covering Letter of Technical Proposal

<Location, Date>

To

Chief General Manager
Directorate of Postal Life Insurance
Department of Posts
Government of India
First Floor, Chanakyapuri PO Complex
New Delhi 110021

Subject: Submission of the Technical bid for <provide name of the assignment>

Dear Sir

We, the undersigned, offer to provide Legal Services to Directorate of Postal Life Insurance, Department of Posts on <provide name of the engagement> with your Request for Proposal dated <insert date> and our Proposal. We are hereby submitting our Proposal, which includes this Technical bid and the Financial bid sealed in a separate envelope.

We hereby declare that all the information and statements made in this Technical bid are true and accept that any misinterpretation contained in it may lead to our disqualification.

We undertake, if our Proposal is accepted, to initiate the services related to the assignment not later than the date indicated in Fact Sheet.

We agree to abide by all the terms and conditions of the RFP document. We would hold the terms of our bid valid for 180 days as stipulated in the RFP document.

We understand you are not bound to accept any Proposal you receive.

Yours sincerely,

Authorized Signature (*In full and initials*): _____

Name and Title of Signatory: _____

Name of Firm: _____

Address: _____

Location: _____ Date: _____

Form 6: Team Composition and their Availability

Organization and Staffing. In this chapter you should propose the structure and composition of your team. You should list the main disciplines of the assignment, the key expert responsible, and proposed technical staff.

Form 6.1: Team composition and Key Tasks

| Name of Staff with Qualification and Experience | Area of Expertise | Position Assigned | Task Assigned | % Time Committed for the Engagement |
|---|-------------------|-------------------|---------------|-------------------------------------|
| | | | | |
| | | | | |
| | | | | |

Form 7: Curriculum Vitae (CV) of Key Personnel

1. Name of Staff [*Insert full name*]: _____

2. Date of Birth: _____ **3. Nationality:** _____

4. Education [*Indicate college/university and other specialized education of staff member, giving names of institutions, degrees obtained, and dates of obtainment*]: _____

5. Total No. of years of experience: _____

6. Total No. of years with the firm: _____

7. Areas of expertise and no. of years of experience in this area (as required for the Profile -mandatory): _____

8. Certifications and Trainings attended:

9. Details of Involvement in Projects (*only if involved in the same*): _____

10. Membership of Professional Associations:

11. Employment Record [*Starting with present position and last 2 firms, list in reverse order, giving for each employment (see format here below): dates of employment, name of employing organization, positions held.*]:

From (Year): To (Year):

Purchaser:

Positions held:

12. Relevant Work Undertaken that Best Illustrates the experience as required for the Role

(Among the assignments in which the staff has been involved, indicate the following information for those assignments that best illustrate staff capability to handle the tasks as required for the role)

Name of assignment or project: _____

Year: _____

Location: _____

Purchaser: _____

Main project features: _____

Positions held: _____

Value of Project (approximate value or range value): _____

Activities performed: _____

13. Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications, and my experience. I understand that any willful miss-statement described herein may lead to my disqualification or dismissal, from the assignment if engaged.

_____ Date: _____

(Signature of staff member or authorized representative of the staff)

Day/Month/Year

Full name of Authorized Representative: _____

Appendix II: Financial Proposal Templates

The bidders are expected to respond to the RFP using the forms given in this section for Financial Proposal.

Form 1: Covering Letter

Form 2: Financial Bid Template

Form 1: Covering Letter of Financial Proposal

<Location, Date>

To

Chief General Manager
Directorate of Postal Life Insurance
Department of Posts
Government of India
First Floor, Chanakyapuri PO Complex
New Delhi 110021

Subject: Submission of the Financial bid for <provide name of the assignment>

Dear Sir

We, the undersigned, offer to provide concurrent audit related services for investment of Post Office Life Insurance Fund (POLIF) and Rural Post Office Life Insurance Fund (RPOLIF) in accordance with your Request for Proposal dated [Date] and our Proposal - Technical and Financial Proposals. Our attached Financial Proposal per quarter is as below:

<<Amount in words and figures>>

This amount is inclusive of all miscellaneous expenses & taxes.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal.

We understand you are not bound to accept any Proposal you receive.

Yours sincerely,
Authorized Signature:
Name and Title of Signatory:
Name of Firm:
Address:

Form 2: Financial Bid Template

Summary of Costs:

| S. No. | Costs | Currency (Indian National Rupees) | Amount(s) |
|---------------|--|--|------------------|
| 1 | Total Amount of Financial Proposal (A) | | |
| 2 | Service Tax (Applicable rate) (B) | | |
| | Total (A+B) | | |

* Since the payment of fee by PLI Directorate for the concurrent audit work will be made on a quarterly basis, the bidder must quote the concurrent audit fee for a quarter (i.e. fee for a period of 3 months) in Sl. No 1 above in this template.

Appendix III: Performance Bank Guarantee

<Location, Date>

To

Senior Postmaster
Sarojini Nagar HO
Sarojini Nagar
New Delhi 110023

Whereas, <<name of the supplier and address>> (hereinafter called “the applicant/supplier”) has undertaken, in pursuance of contract no. <<insert contract no.>> dated. <<insert date>> to provide concurrent audit related services to Directorate of Postal Life Insurance, Department of Posts (hereinafter called “the beneficiary”)

And whereas it has been stipulated by in the said contract that the applicant/supplier shall furnish you with a bank guarantee by a recognized bank for the sum specified therein as security for compliance with its obligations in accordance with the contract;

And whereas we, <<**Name of the Bank**>>a banking company incorporated and having its head /registered office at <<address of the registered office>> and having one of its office at <<address of the local office>> have agreed to give the supplier such a bank guarantee.

Now, therefore, we hereby affirm that we are guarantors and responsible to you, on behalf of the supplier, upto a total of **Rs. <<Insert Value>> (Rupees <<insert value in words>> only)** and we undertake to pay you, upon your first written demand declaring the supplier to be in default under the contract and without cavil or argument, any sum or sums within the limits of **Rs. <<Insert Value>>(Rupees <<insert value in words>>only)** as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the applicant/supplier before presenting us with the demand.

We further agree that no change or addition to or other modification of the terms of the contract to be performed there under or of any of the contract documents which may be made between you and the applicant/supplier shall in any way release us from any liability under this guarantee and we hereby waive notice of any such change, addition or modification.

This Guarantee shall be valid until <<*Insert Date*>>

Notwithstanding anything contained herein:

- I. Our liability under this bank guarantee shall not exceed **Rs<<Insert Value>> (Rupees <<insert value in words>> only).**
- II. This bank guarantee shall be valid up to <<*insert expiry date*>>.
- III. It is condition of our liability for payment of the guaranteed amount or any part thereof arising under this bank guarantee that we receive a valid written claim or demand for payment under this bank guarantee on or before <<*insert expiry date*>>failing which our liability under the guarantee will automatically cease.

(Authorized Signatory of the Bank)

Seal:

Appendix IV: Integrity Pact

General

This Agreement (hereinafter called the Integrity Pact) is made on _____ day of the month of _____ 20____, between, on one hand, the President of India acting through the Chief General Manager, Directorate of Postal Life Insurance, Department Of Posts, Chanakyapuri, New Delhi-110021(hereinafter called the “BUYER”, which expression shall mean and include, unless the context otherwise requires, his successors in office and assigns) of the First Part and M/s _____ represented by _____, Chief Executive Officer / Authorized Signatory (hereinafter called the “BIDDER”, which expression shall mean and include, unless the context otherwise requires, his successors and permitted assigns) of the Second Part.

1. WHEREAS the BUYER proposes to engage a Chartered Accountant firm / company for the concurrent audit of investment functions of POLIF and RPOLIF and the BIDDER is willing to offer/has offered the services and

2. WHEREAS the BIDDER is a Chartered Accountant firm / company / partnership constituted in accordance with the relevant law in the matter and the BUYER is a Ministry/Department of the Government of India performing its functions on behalf of the President of India.

NOW, THEREFORE,

To avoid all forms of corruption by following a system that is fair, transparent and free from any influence/prejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to:-

Enabling the BUYER to obtain the desired services at a competitive price in conformity with the defined specification by avoiding the high cost and the distortionary impact of corruption on public procurement, and

Enabling BIDDERS to abstain from bribing or indulging in any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also abstain from bribing and other corrupt practices and the BUYER will commit to prevent corruption, in any form, by its officials by following transparent procedures.

3. The parties hereto hereby agree to enter into this Integrity Pact and agree as follows:

3.1 Commitments of the BUYER

The BUYER undertakes that no official of the BUYER, connected directly or indirectly with the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the BIDDER, either for themselves or for any person, organization or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to the contract.

The BUYER will, during the pre-contract stage, treat all the BIDDERS alike, and will provide to all BIDDERS the same information and will not provide any such information to any particular BIDDER which could afford an advantage to that particular BIDDER in comparison to other BIDDERS.

All the officials of the BUYER will report to the appropriate Government office any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.

In case any such preceding misconduct on the part of such official(s) is reported by the BIDDER to the BUYER with full and verifiable facts and the same is prima facie found to be correct by the BUYER, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the BUYER and such a person shall be debarred from further dealings related to the contract process. In such a case while an enquiry is being conducted by the BUYER the proceedings under the contract would not be stalled.

3.2 Commitments of the BIDDERS

The BIDDER commits itself to take all the measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of its bid or during any pre-contract or post-contract stage in order to secure the contract or in furtherance to secure it and in particular commit itself to the following:-

The BIDDER will not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour or any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the BUYER, connected directly or indirectly with the bidding process, or to any person, organisation or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.

The BIDDER further undertakes that it has not given, offered or promised to give, directly or indirectly any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the BUYER or otherwise in procuring the Contract or forbearing to do or having done any act in relation to the obtaining or execution of the contract or any other contract with the Government for showing or forbearing to show favour or disfavour to any person in relation to the contract or any other contract with the Government.

3.3 BIDDER shall disclose the payments to be made by them to agents/brokers or any other intermediary, in connection with this bid/contract.

3.4 The BIDDER further confirms and declares to the BUYER that the BIDDER has not engaged any individual or firm or company whether Indian or foreign to intercede, facilitate or in any way to recommend to the BUYER or any of its functionaries, whether officially or unofficially to the award of the contract to the BIDDER, nor has any amount been paid, promised or intended to be paid to any such individual, firm or company in respect of any such intercession, facilitation or recommendation.

3.5 The BIDDER, either while presenting the bid or during pre-contract negotiations or before signing the contract, shall disclose any payments he has made, is committed to or intends to make to officials of the BUYER or their family members, agents, brokers or any other intermediaries in connection with the contract and the details of services agreed upon for such payments.

3.6 The BIDDER will not collude with other parties interested in the contract to impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract.

3.7 The BIDDER will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.

3.8 The BIDDER shall not use improperly, for purposes of competition or personal gain, or pass on to others, any information provided by the BUYER as part of the business relationship, regarding plans, technical proposals and business details, including information contained in any electronic data carrier. The BIDDER also undertakes to exercise due and adequate care lest any such information is divulged.

3.9 The BIDDER commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts.

3.10 The BIDDER shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.

3.11 If the BIDDER who is involved in the bid process or any employee of such BIDDER or any person acting on behalf of such BIDDER, either directly or indirectly, is a relative of any of the officers of the BUYER, or alternatively, if any relative of an officer of BUYER who is involved in the bid process has financial interest/stake in the BIDDER's firm, the same shall be disclosed by the BIDDER at the time of filing of tender.

3.12 The BIDDER shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of the BUYER.

4. Previous Transgression

4.1 The BIDDER declares that no previous transgression occurred in the last three years immediately before signing of this Integrity Pact, with any other company in any country in respect of any corrupt practices envisaged hereunder or with any Public Sector Enterprise in India or any Government Department in India that could justify BIDDER's exclusion from the tender process.

4.2 The BIDDER agrees that if it makes incorrect statement on this subject, BIDDER can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

5 Sanctions for Violations

5.1 Any breach of the aforesaid provisions by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER) shall entitle the BUYER to take all or any one of the following actions, wherever required:-

(i) To immediately call off the pre contract negotiations without assigning any reason or giving any compensation to the BIDDER. However, the proceedings with the other BIDDER(s) would continue.

(ii) The Earnest Money Deposit (in pre-contract stage) and/or Performance Security (after the contract is signed) shall stand forfeited either fully or partially, as decided by the BUYER and the BUYER shall not be required to assign any reason therefore.

(iii) To immediately cancel the contract, if already signed, without giving any compensation to the BIDDER.

(iv) To recover all sums already paid by the BUYER, and in case of an Indian BIDDER with interest thereon at 2% higher than the prevailing Prime Lending Rate of State Bank of India, while in case of a BIDDER from a country other than India with interest thereon at 2% higher than the LIBOR. If any outstanding payment is due to the BIDDER from the BUYER in connection with any other contract for any other stores, such outstanding payment could also be utilized to recover the aforesaid sum and interest.

(v) To encash the advance bank guarantee and performance bond/warranty bond, if furnished by the BIDDER, in order to recover the payments, already made by the BUYER, along with interest.

(vi) To cancel all or any other Contracts with the BIDDER. The BIDDER shall be liable to pay compensation for any loss or damage to the BUYER resulting from such cancellation/rescission and the BUYER shall be entitled to deduct the amount so payable from the money(s) due to the BIDDER.

(vii) To debar the BIDDER from participating in future bidding processes of the Government of India for a minimum period of five years, which may be further extended at the discretion of the BUYER.

(viii) To recover all sums paid in violation of this Pact by BIDDER(s) to any middleman or agent or broker with a view to securing the contract.

(ix) In cases where irrevocable Letters of Credit have been received in respect of any contract signed by the BUYER with the BIDDER, the same shall not be opened.

(x) Forfeiture of Performance Bond in case of a decision by the BUYER to forfeit the same without assigning any reason for imposing sanction for violation of this Pact.

5.2 The BUYER will be entitled to take all or any of the actions mentioned at para 6.1 (i) to (x) of this Pact also on the Commission by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER), of an offence as defined in Chapter IX of the Indian Penal code, 1860 or Prevention of Corruption Act, 1988 or any other statute enacted for prevention of corruption.

5.3 The decision of the BUYER to the effect that a breach of the provisions of this Pact has been committed by the BIDDER shall be final and conclusive on the BIDDER. However, the BIDDER can approach the Independent Monitor(s) appointed for the purposes of this Pact.

6. Fall Clause:

If the solution or any parts of that in any of its forms being offered by the bidder has been supplied / contracted with any organization, public / private in India, the bidder is required to give a written undertaking that the company has not supplied/is not supplying the similar systems or subsystems at a price lower than that offered in the present Bid to any other Ministry/Department of the Government of India or any private or Public Sector organization and if the similar system has been supplied at a lower price, then the details regarding the cost, time of supply and quantities be included as part of the commercial offer

In case of non- disclosure, if it is found at any stage that the similar system or sub-system was supplied by the bidder to any other Ministry/Department of the Government of India at a lower price, then that very price, will be applicable to the present case and, with due allowance for elapsed time, the difference in the cost would be refunded to Department of Posts, if the contract has already been concluded

The Fall Clause is applicable to all the separately priced items individually, including the prices for the third-party solutions / components.

7. Independent Monitors

7.1 _____ has been appointed as Independent External Monitor (hereinafter referred to as Monitor) for overseeing and implementation of the Pre-Contract Integrity Pact for procurement of services in the Department of Posts. His contact details are as under:

7.2 The task of the Monitors shall be to review independently and objectively, whether and to what extent the parties comply with the obligations under this Pact.

7.3 The Monitors shall not be subject to instructions by the representatives of the parties and perform their functions neutrally and independently.

7.4 Both the parties accept that the Monitors have the right to access all the documents relating to the project/procurement, including minutes of meetings.

7.5 As soon as the Monitor notices, or has reason to believe, a violation of this Pact, he will so inform the Authority designated by the BUYER.

7.6 The BIDDER(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the BUYER including that provided by the BIDDER. The BIDDER will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The Monitor shall be under contractual obligation to treat the information and documents of the BIDDER/Subcontractor(s) with confidentiality.

7.7 The BUYER will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the parties. The parties will offer to the Monitor the option to participate in such meetings.

7.8 The Monitor will submit a written report to the designated Authority of BUYER/Secretary in the Department/ within 8 to 10 weeks from the date of reference or intimation to him by the BUYER/BIDDER and, should the occasion arise, submit proposals for correcting problematic situations.

8. Facilitation of investigation

In case of any allegation of violation of any provisions of this Pact or payment of commission, the BUYER or its agencies shall be entitled to examine all the documents including the Books of Accounts of the BIDDER and the BIDDER shall provide necessary information and documents in English and shall extend all possible help for the purpose of such examination.

9. Law and Place of Jurisdiction

This Pact is subject to Indian Law. The place of performance and jurisdiction is New Delhi.

10. Other Legal Actions

The actions stipulated in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extant law in force relating to any civil or criminal proceedings.

11. Validity

11.1 The validity of this Integrity Pact shall be from date of its signing and extend upto a period of 36 months and any extended period notified by Department of Posts.

11.2 The complete execution of the contract to the satisfaction of both the BUYER and the BIDDER/Seller, including warranty period, whichever is later, in case BIDDER is unsuccessful, this integrity Pact shall expire after six months from the date of the signing of the contract.

11.3 Should one or several provisions of this Pact turn out to be invalid, the remainder of this Pact shall remain valid. In this case, the parties will strive to come to an agreement to their original intentions.

12. The parties hereby sign this Integrity Pact at _____ on _____

BUYER

BIDDER

(Name)Shri

CHIEF EXECUTIVE OFFICER / AUTHORIZED SIGNATORY

(Designation)

(Address)

(Tel): <011-*****>

(Fax) <011-*****>

Witness

Witness

1. _____

1.

2. _____

2.