

Addendum to Request for Proposal for Empanelment of Insurance Broker for managing one or more Insurance Cover and Claims for Allahabad Bank



Allahabad Bank

RFP # : HO/GAC/INS/2018-19/04 dated 27.03.2019

Addendum Date: 5th April 2019

Introduction

The Bank had floated the RFP Ref No. HO/GAC/INS/2018-19/04 dated 27.03.2019 for Empanelment of Insurance Broker for managing one or more Insurance Cover and Claims. As per the terms of the RFP document a pre-bid meeting was held on 2nd April 2019 which was attended by the Bidder' representatives.

The addendum is issued for clarifications/queries raised by the bidders are amended / clarified. As an outcome of the clarifications sought by the vendors during the pre-bid meeting and the queries sent by the bidder through e-mail, an addendum dated 5th April 2019 to the RFP document is hereby issued.

All other terms and conditions of the RFP document remain unchanged. Please treat this Addendum as an integral part of the RFP document issued.

The Annexure-A is response of summarize of bidder's queries received from them in pre bid queries.

Responses towards all other queries/clarifications/clauses raised by the bidders may be treated as "RFP Requirement stands".

No further queries pertaining to this Addendum or the RFP will be entertained.

SI No	Page No	Section No.	Clause ref.	RFP text	Query details	Bank's Response
1	7	5.3	Eligibility Criteria Point no. 3	The Bidder shall be serving (empanelled) at least five Institutions of Public Sector Banks (PSBs) and/ or Financial Institutions (FIs) with Branch network of more than 1000 pan India as on 31.12.2018. Out of the five institutions, the Bidder must be serving at least three (03) Public Sector Banks (PSBs) in India as on 31.12.2018.	Request to consider SCBs instead of PSBs.	RFP Clause remains unchanged.
2	7	5.4	Eligibility Criteria Point no. 4	The Firm/Company should have experience of structuring (handled) Insurance Policies of at least three (03) Public Sector Banks (PSBs) with Branch network of more than 1000 pan India as on 31.12.2018, in the past (01.04.2015 to 31.12.2018) (without outsourcing any part of the assignment to any third party).	Request to consider SCBs instead of PSBs.	RFP Clause remains unchanged.
					Further another bidder has wanted clarification on third party since TPA, Surveyors are involved.	RFP Clause remains unchanged. TPA, Surveyors are appointed by the Insurance companies. No part of the insurance broking service is to be outsourced.
3	7	5.5	Eligibility Criteria Point no. 5	The bidder should have handled (collected) at least Rs. 10 crore of premium (excluding Group Mediclaim) from Public Sector Banks (PSBs) in any one of the last three financial years i.e. from 2015-16 to 2017-18, as insurance broker.	Request to consider SCBs instead of PSBs.	RFP Clause remains unchanged.
					Bidder has queried why Group Mediclaim is not considered during Premium evaluation.	Reason is Group Mediclaim Policy of most PSU banks are with IBA. Hence RFP clause remains unchanged and Group Mediclaim Policy will not be considered during Premium evaluation.

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4	7	5.5 & 5.6	Eligibility Criteria Point nos. 5 & 6	<p>Point 5 :The bidder should have handled (collected) at least Rs. 10 crore of premium (excluding Group Medclaim) from Public Sector Banks (PSBs) in any one of the last three financial years i.e. from 2015-16 to 2017-18, as insurance broker.</p> <p>Point 6 : The bidder should have successfully handled at least three claims each of Rs. 50 lacs and above during the last three financial years (2015-16 to 2017-18).</p>	Bidder has queried whether data till 31.12.2018 can be considered since in Point nos. 3 & 4 above we have considered till 31.12.2018.	Data till 31.12.18 has not been asked for, since audited financials were not possible to be produced by the bidders in support, at the time when the process for broker appointment was initiated in our Bank. Hence RFP clause remains unchanged.
5	8	5.10	Eligibility Criteria Point no. 10	The bidder should not have been blacklisted / barred / disqualified by any regulator / statutory body/ PSU/ Government Undertaking, should not be subjected to any ongoing or previous enquiry by the CVC, should not have received any warning/ penalty for misconduct from IRDAI as on 31.12.2018.	Bidders have requested to specify the nature of penalty since administrative penalties are common with all brokers. Also some brokers suggested that if records from the companies' inception are taken into account, then also record of companies being penalised will be quite common.	The bold portion stands amended as "should not have received any warning/penalties for sevice level/compliance level breach/misconduct and/or any fault in client servicing and/or non compliance of IRDA laid down guidelines, in the last two F.Y.s 2016-17, 2017-18 and also till 31.12.18 of FY 2018-19" .
					Another bidder suggested to incorporate penalties in Technical Evaluation sheet so that it carries negative marking.	Penalties are not to be incorporated in Technical Evaluation. RFP clause remains unchanged.

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6	8	6 & 7	Application Fees & Earnest Money Deposit	Application Fees (Non refundable) for a sum of Rs. 10000/- from all participating bidders. Earnest money Deposit of Rs. 100000/- (refundable) from selected bidder.	One bidder has requested for waiver of Application Fees and Earnest Money Deposit.	The exemptions allowed to MSMEs as per Government Guidelines are applicable to the Tender. However to avail exemptions, the bidder has to submit all the necessary documents in its Technical Bid. Otherwise RFP Clause remains unchanged.		
7	46	Appendix B ; Point no. 4	Evaluation process	Existing parameter in our evaluation criteria is as under ;	Bidder has proposed to relax/ease the parameters as under ;		RFP Clause remains unchanged	
				Above Rs. 54 crores to Rs. 50 crores	4 marks	Above Rs. 535 crores		4 marks
				Above Rs. 506 crores to Rs. 100 crores	6 marks	Above Rs. 3570 crores		6 marks
				Above Rs. 1008 crores to Rs. 150 crores	8 marks	Above Rs. 70100 crores		8 marks
				Above Rs. 15010 crores	10 marks	Above Rs. 100100 crores		10 marks
8	12	12.2	Bid process	All communications regarding points requiring clarifications and any doubts shall be given in writing to the General Manager (F & A), General Accounts & Audit Dept., Allahabad Bank, Head Office, 2 N. S. Road, Kolkata 700001 (or by email to ho.gac@allahabadbank.in) by the intending bidders before 03:00 pm on 20.03.2019.	There is a printing error here. The date should be 02.04.2019.	Pre Bid Meeting already held on 02.04.2019 in our Head Office premises. Date is changed to 02.04.2019.		

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9	17	27	Indemnity	The selected bidder shall indemnify the bank against any claims relating to the violation of intellectual property rights, deficiency of service in all matters relating to issuance and servicing of policies, settlement of claims and all other obligations as specified in the scope of the RFP.	Bidders have opined that settlement of claims is the prerogative of insurance companies and not the insurance brokers. So they cannot indemnify the Bank against Claims settlement.	Settlement of claims may be replaced with assistance for settlement of claims in the Indemnity clause.
10	17	27	Indemnity	DO	One bidder has suggested that the indemnity for any matter contained herein shall not exceed, at any time, the brokerage/remuneration earned or to be earned by the insurance broker, for the extent of service provided or to be provided with respect to which such indemnity arises. In addition, the Insurance Broker shall indemnify the Bank only to the extent of the actual loss not consequential loss that may/may not arise.	RFP Clause remains unchanged
11	18	30	Confidentiality and non-disclosure	Bidder shall suitably defend; indemnify Bank for any loss/damage suffered by Bank on account of and to the extent of any disclosure of the confidential information.		
12	17	28	Inspection of records	Bank at its discretion may verify the records or appoint third party for verification of records and the bidder shall extend all cooperation in this regard.	One bidder has mentioned that, "Inspection rights cannot be given to the BANK. Only our regulator – IRDAI has the right to conduct inspection of our records".	RFP Clause remains unchanged
13	18	32.2	Responsibilities of the bidder	Each Bidder must indicate whether or not they have any actual or potential conflict of interest related to contracting services with Allahabad Bank. In case such conflicts of interest do arise, the Bidder must indicate the manner in which such conflicts can be resolved.	One bidder has wanted to know what does the Bank mean by "Conflict of interest"?	"Conflict of Interest" indicates any pecuniary/other business relation/connection of bidder with the Bank, which may put the bidder at advantageous/remunerative position in relation to other bidders.

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14	25	Ann. 4	No Deviation Undertaking		The same bidder (as in Sl. Nos. 6,7,8 & 9) has expressed confusion in signing the undertaking, considering the aforesaid	RFP Clause remains unchanged
15	26	Ann. 5	Confirmation of Terms & Conditions			
16	23	Ann. 2	Bid Covering Letter	If our offer is accepted, we undertake to ensure smooth issuance, renewals and claims related to Bank's one or more existing as well as new (if any) Insurance Policy.	Bidder has requested to add " as per IRDA guidelines " in the end of the statement.	Acceptable. Amended line stands as " If our offer is accepted, we undertake to ensure smooth issuance, renewals and claims related to Bank's one or more existing as well as new (if any) Insurance Policy, as per IRDA guidelines "
17	27	Ann. 6	NDA		Bidders seem to have some queries regarding the contents/execution of NDA during the selection process.	Bank's format of NDA is vetted by our Legal Department. It is final and the same has to be executed and deposited by the bidders at the time of submission of bids. After selection/finalisation/a ppointment of broker for the Bank, the selected bidder jointly with the Bank will execute separate NDA, with or without modifications.

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18	32	Ann. 7 (Point no. 2)	Bid Undertaking Letter	We have not been blacklisted by any regulator/statutory body/PSU/Government undertaking. No legal action is pending against us for any cause in any legal jurisdiction. We are not subject to any ongoing or previous enquiry by the CVC.	Bidders have opined that some legal cases for e.g. relating to Income Tax matters, Service Tax matters, other litigations, etc. are pending in Courts for almost all the bidders. So they have requested to review this point.	The line stands amended as "We have not been blacklisted by any regulator/statutory body/PSU/Government undertaking. Neither the company nor its promoter/director are subjected to any ongoing or previous enquiry by the CVC/Statutory Regulatory authority, involving moral turpitude or gross violation of norms leading cancellation of licenses/permission granted to the broker."

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19	23	Ann. 2	Bid Covering Letter	We enclose a list of clients in India (giving their full addresses) where we have entered into similar type of arrangements with other Scheduled Commercial Banks / Financial Institutions.		
20	34	Ann. 9	Record in Insurance Broker with Scheduled Commercial Bank & Financial Institutions	Record in Insurance Broker with Scheduled Commercial Bank & Financial Institutions	Bidder has queried whether SCBs or PSBs are to be considered.	Since we have decided to maintain PSBs in our Eligibility Criteria, SCBs to be replaced by PSBs in these three Annexures
21	36	Ann. 11	No of Insurance Claims Facilitated for Scheduled Comm. Banks & FIs	No of Insurance Claims Facilitated for Scheduled Comm. Banks & FIs		
22	46	Appendix B ; Point no. 8	Evaluation Process	Number of full-time Broker/Professionally Qualified employees (Law, Engineering, Management, FIII/CII certified etc) on the pay roll (excluding contract and subcontract employees) who are exclusively engaged in broking business as on 31.12.2018.	Bidder has suggested to consider Licentiate/AIII/FIII by Insurance Institute of India instead of Chartered Insurance Institute (CII)	RFP clause remains unchanged. RFP text says FIII/CII certified . That means both are acceptable.