

# ASEB EMPLOYEES PENSION FUND INVESTMENT TRUST

Bijulee Bhawan, Paltanbazar, Guwahati-781001

No. AEGCL/ACT/PEN-TRUST/INV-COM/2020/PART-I/08

Dated:06/09/2021

## TENDER FOR ENGAGEMENT OF ACTUARY FOR ACTUARIAL VALUATION OF EMPLOYEE BENEFITS AS PER RELEVANT ACCOUNTING STANDARDS IN RESPECT OF ASSAM STATE ELECTRICITY BOARD EMPLOYEES PENSION FUND INVESTMENT TRUST

### 1.INTRODUCTION

ASEB Employees Pension Fund Investment Trust is a Superannuation Fund Trust which was constituted on 25.01.1994. The Trust makes investment of fund moneys and takes care of all the terminal benefit liabilities of the employees joining prior to 01.01.2004. The ASEB Pension Trust is the common Trust for all the three successor companies of erstwhile Assam State Electricity Board (ASEB).

### General description of Defined Benefit Schemes:

**2.1 Gratuity:** An employee who has completed five years qualifying service shall be eligible for Death Cum Retirement Gratuity equal to one-fourth of his emoluments for each completed six monthly period of qualifying service subject to a maximum of 16 1/2 times of the emoluments. The existing maximum DCRG is Rs.15 lakhs.

**2.2 Pension:** Full Superannuation pension is calculated on the basis of 25 years qualifying service @50% of the last monthly emoluments drawn or 50% of the last 10 months average emoluments whichever is beneficial to the employees. The proportionate pension shall be given to those employees who have completed minimum 20 six monthly periods of qualifying service but less than 50 six monthly periods of qualifying service.

**2.3 Commuted Value Pension:** The retired employees of ASEB and its successor companies are entitled to commute for a sum of an amount not exceeding 1/3<sup>rd</sup> of pension for a term of 14 years. Such employees shall become eligible to restore their pension after 14 years of such commutation. If fraction of pension to be commuted, results in fraction of rupee, such fraction of a rupee shall be ignored for the purpose of Commutation. Method of calculation of CVP is as under:

CVP= 1/3 of pension x 12 x Age Index ( As per Commutation table)

\*ignoring fraction

## **2.4 Family Pension:** Where a Government servant dies

(a) After completion of one year of continuous service,

(b) Before completion of one year of continuous service, provided the deceased Government servant concerned immediately prior to his appointment to the service or post was examined by the appropriate Medical Authority and declared fit by that authority for Government service

In case of (a) and (b) above, family pension shall be payable @ 30% of last pay of deceased employee

(c) After retirement from service,

(d) After completion of seven years continuous service

In case of (c) and (d) above, family pension @ 50% of last Pay of deceased employee shall be payable from the date following the date of death of Government servant for a period of seven years or up to the date on which deceased Government servant would have attained the age of 65 years had he survived whichever is less and thereafter at the ordinary rate.

**2.5 Additional Pension:** The additional quantum of Pension on attaining the age of 80 years and above will be entitled to Pensioners @20%.

## **2.6 Regarding LEB**

Leave Encashment Benefit is payable to regular employees on death or retirement on the basis of leave standing at the credit. Leave is calculated @ 33 days for every completed year of service. Maximum leave that can be accumulated is 300 days.

The formula for calculating LEB is  $[(\text{Basic Salary} + \text{Dearness Allowance})/30] * \text{No. of Earned Leave standing at the credit.}$

At the time of unbundling of former ASEB, the Actuary estimated liability for LEB at Rs.122 Cr. being past unfunded liability. This liability remained unfunded in the hands of Trust.

The liability of LEB is settled by the successor companies at the time of Superannuation of employees. The successor companies have also contributed for future liability on account of LEB w.e.f. FY 2013-14. The companies later claimed share of Past liability of LEB from Pension Trust.

The Actuary has to determine appropriate basis for sharing of LEB liability between the company and the Trust. It has also to determine the future rate of Contribution in regard to LEB. The past liability of Rs.122 Cr. on account of LEB remained unfunded.

## **2.7 Regarding GPF**

An employee can contribute minimum 6.25% and maximum 15.66% of Basic Pay towards General Provident Fund. Interest is allowed at the rate notified by Ministry of Finance, Government of India on non-Government Provident Fund/ Gratuity Funds/ Superannuation Funds. The employee can contribute till 3 months prior to his/her retirement.

At the time of unbundling of former ASEB, appointed Actuary has estimated GPF liability at Rs.385 Cr. in their Valuation Report.

This liability remains unfunded. The successor companies are deducting GPF subscription from existing employees and final settlement amount is also paid by the Companies to the employees at the time of Superannuation. Thereafter, the Companies claim share of Past unfunded liability on account of GPF from the Trust.

## **2.8 Receipts of ASEB Pension Trust**

The Trust is in receipt of the following Cash inflows

- i. Electricity Duty @5% on aggregate (fixed+ energy) charges
- ii. Bulk Supply tariff @15 paisa per unit
- iii. Interest income on existing corpus

## **3. Scope of Services**

**3.1** To conduct Valuation of Pension, Family Pension of existing Pensioners

**3.2** To conduct Valuation of Pension of existing Employees

**3.3** To conduct Valuation of Gratuity of existing employees

**3.4** To conduct Valuation of LEB of existing employees

**3.5** To determine rate of Pension Contribution in regard to Pension, Gratuity and Leave Encashment benefit payable by successor companies to Trust.

**3.6** To estimate Cash Inflows of Pension Trust based on available income sources

**3.7** To Prepare Cash Flow Statement for next 20 years providing full details on above

**3.8** To determine appropriate share of Past Unfunded liability on account of GPF to be payable by the Trust to the successor companies for the FY 2005-06 to FY 2020-21 and also to suggest the basis for sharing in future year upto retirement of last employee under old pension scheme.

**3.9** To determine appropriate basis for sharing of LEB liability between the company and the Trust.

The Actuary will also be required to make presentation before Investment Committee and Board of Trustees of ASEB Employees Pension Fund Investment Trust.

In addition to this, they will have to make presentation before GoA for one time funding of Pension Trust from GoA.

#### 4. Eligibility Criteria:

**4.1** The Firm should comprise of at least one qualified Member of Institute of Actuaries of India .The Actuary should be ordinarily resident of India. Self attested documents to be submitted for the same.

**4.2** The team should comprise of at least one Finance Professional, with minimum 3 years post qualification experience. (Cost Accountants/Chartered Accountant/ MBA (Finance)). Self attested copy of Qualification Certificates should be provided.

**4.3** The Actuary should have experience in handling the valuation of actuarial liabilities regarding employee benefits like Superannuation , Gratuity, Earned Leave Encashment in at least 3 Public Sector Undertakings (PSU's) and length of experience of minimum 3 years in above matters (upto 31/03/2021).Copy of Letter of Intent / Work order to be enclosed as proof of experience.

**4.4** The average annual turnover of 3 years (FY 2017-18 to FY 2019-20) should be minimum Rs. 60 lakhs.

**4.5 Selection Criteria:** The following criteria will be considered for selection and selection will be made on the basis of obtaining highest points.

#### A. Technical Evaluation:

SI No.	Selection Criteria	Basis for awarding of points	Maximum Points
1	Experience (No. of years of Firm Registration) Minimum- 3 years	For 3 years-10 marks and thereafter 2 marks for every year	20
2	Actuarial Valuation assignments for Superannuation / PF Fund of PSU. Minimum experience in 3 nos. of PSUs	For Assignments in 3 PSUs- 15 marks and thereafter 3 marks for assignment in each PSU	30
3	No. of Actuary in the firm ( Member of Institute of Actuaries of India) Minimum 1 Qualified Actuary	For 1 Actuary-5 marks and thereafter for every qualified Actuary-2.5 marks	10

4	No. of Finance Profession in the firm (CA /CMA or MBA (F) ) Minimum 1 Finance Professional	For 1 Professional member-5 marks and thereafter for every qualified Professional member-2.5 marks each	10
5	Detailed write up on Working methodology as per scope of work.	Not exceeding 1000 words	30
<b>Total</b>			<b>100</b>

**Note:**

1. Clear and complete details in separate sheets, for determination of points with supporting documents of information against Item No.1 to 4 above are to be furnished.
2. The Firm securing at least 50% marks based on the above system shall be considered as qualified.
3. In case of tie, the following sequence shall be adopted for selection:
  - (a) Firm with longer experience will be preferred based on the year of establishment.
  - (b) Firm with higher number of Fellow and or Associate Members of the Institute of Actuaries of India as partners will be preferred.
4. The firm or any partners of the firm should not be black listed by any PSU's or Govt. Co. or any other organization in respect of any assignment or behavior. (Certificate in respect of the same is to be provided)

**B. Financial Evaluation:**

The price bids of only those bidders shall be opened who obtains a minimum score of 50 (out of maximum 100) on technical evaluation parameter. For overall evaluation 80% weight age shall be given to score on technical parameters and 20% weight age to financial bid.

**Financial Bid Evaluation Criteria:**

1	Score assigned to Lowest Investment Advisory fee Per Annum	100
2	Score Assigned to Others	Percentile of the Highest Scorer

Combined Bid Evaluation Criterion for evaluating the Offers shall be as under:

Sr No.	Particulars	Score
1	Technical Evaluation	Points Scored
2	Financial Bid Evaluation Score	Points Scored
3	Combined Bid Evaluation score	Technical Score x 80% + Financial bid score x 20%
4	Ranking	Highest Scorer and so on.

In case of tie on combined bid evaluation score, the entity with higher technical score shall be ranked above the entity with lower technical score.

## **6. Terms & Conditions:**

**6.1** Overwriting/correction/erase and/or use of white ink should be avoided in the Offer.

**6.2** All the pages of the proposal document shall have to be signed by the applicant firm(s) with the firm's seal and documents submitted along-with the offer shall also have to be authenticated by the authorized signatory of the applicant firm(s) with the firm's seal.

**6.3** The firm shall have to submit certified copies of Audited Statement of Profit & Loss, and Balance Sheet along with the Turnover Certificate for the FY 2017-18 to FY 2019-20

**6.4** The firm has to submit Power of Attorney/ Board Resolution in favour of person signing the bid/offer.

**6.5** The firm has to submit Power of Attorney/Board Resolution in favour of person accepting the Letter of Award.

**6.6** The proposal should be submitted strictly as per the terms & conditions laid down in the document. The Offer in the prescribed format at Annexure-I and Price Bid is to be submitted in physical form at following address:

**Member & Chief Executive  
ASEB Employees Pension Fund Investment Trust  
Ground Floor, Bijulee Bhawan, Paltanbazar,Guwahati-781001  
Email Id:asebepfit2014@gmail.com  
Mob.No.:9678009221**

The sealed offer for engagement of Actuary should be submitted for the bid in the Tender Box placed at the office as per the Format attached at Annexure-I. The bid envelope must be sealed

and super-scribed with “EOI for Engagement as Actuary of ASEB Employees Pension Fund Investment Trust”.

**6.7** The Trust reserves the right to accept or reject any or all responses and to request additional submissions or clarification from one or more applicant(s) at any stage or to cancel the process entirely at its sole discretion without assigning any reason whatsoever.

**6.8** Actuary will be engaged fully on temporary basis and no employee of Actuary firm can ever claim any right for appointment in Pension Trust.

**6.9** The firms are required to submit their GSTIN, in their offers.

**6.10** The last date for receipt of the proposal is up to 12 PM on 27/09/2021 in the Tender Box at the above address. Proposals received after this date and time shall not be considered.

**6.11** The Bid will be opened at 3 PM on 27/09/2021

**6.12** Pre Bid Meeting will be held on 14/09/2021 in the Conference Hall, O/o Managing Director, AEGCL Guwahati, or through Video Conference (if reqd.)

**6.13** The period of assignment will be for 3 months from the date of issue of Engagement Letter.

**6.14** Detailed work order will be issued along with Engagement Letter. The Bidder will have to accept detailed work order within 10 days from the date of issue.

**7 Tender fees:** The bidders have to deposit Tender Fees of Rs.1000/- through Demand Draft in the name of ASEB EMPLOYEES PENSION FUND INVESTMENT TRUST payable in Guwahati along with the Bid Document.

**7.1 Earnest Money Deposit:**

**(a)** The bid must be accompanied by an Earnest Money of Rs. 50000/- (Rupees Fifty thousand) through Demand Draft in the name of ASEB Employees Pension Fund Investment Trust payable at Guwahati.

**(b)** The Earnest Money deposit shall be refunded to each of the unsuccessful bidders on application. In case of successful Bidder, it will be retained and no interest on Earnest money will be payable.

**(c)** In the event of the successful Bidder fails to accept the detailed Work Order within 10 (ten) working days from date of receiving notice of award of contract and fails to submit Performance Guarantee as specified in this document, the Earnest Money Deposit will be forfeited to compensate the damage caused to ASEB Pension Trust. The Earnest

Money of the successful bidder shall be returned on submission of Performance Guarantee.

**(d) Forfeiture of Earnest Money & Performance Guarantee**

It should be clearly understood that in the event of the bidders failing to accept or execute the work order, if placed within the validity period of the offer, the full amount of Earnest Money or Performance Guarantee as applicable will be forfeited and the Board of Trustees, ASEB Employees Pension Fund Investment Trust's decision in this respect will be final and binding on the Bidders.

- 8 Performance Security:** An amount of 10% (ten percent) of total contract value will have to be deposited by the successful Bidder as Performance Security in the following manner:-
- a) Bank Guarantee of the amount equivalent to 10% (ten percent) of the total contract value shall be deposited after receipt of Engagement letter.
  - b) The Bank Guarantee shall be in the approved format laid down by ASEB Pension Trust.
  - c) The Bank Guarantee shall be issued from a Nationalized/Scheduled Indian Bank and shall be acceptable to ASEB Pension Trust only after verification by the Member & Chief Executive, ASEB Employees Pension Fund Investment Trust, which will remain valid for a minimum period of three months beyond the expected date of completion of the work.
  - d) In the event of the actual date of completion of the assignment for the Actuary being delayed due to any reason, the Actuary shall have to suitably extend the validity period of the Bank Guarantee.
  - e) No Bank charges or interest will be paid by ASEB Employees Pension Fund Investment Trust against the Bank Guarantee.

**9 Force Majeure Condition:**

Force Majeure condition shall be considered as any circumstances beyond reasonable control of the party claiming relief, including but not limited to strikes, lockout, civil commotion, riot insurrection, hostilities, mobilization, war, fire, flood, earthquake, malicious damage or accidents could entitle contractor for extension of time. Any such delay should be intimated within 10 (ten) days from the beginning of such delay to consider/approved, any claim without prior information may not be considered under Force Majeure.

**10 Settlement of Dispute and Arbitration:**

Any dispute arising out of the contract will be first settled bilaterally between ASEB Employees Pension Fund Investment Trust and Actuary Firm. In case, dispute cannot be settled bilaterally, it will be referred to arbitration by an arbitrator appointed by AEGCL. The



Actuary shall not stop the work during settlement of any dispute. All disputes shall be subjected to the jurisdiction of Gauhati High Court.

**11 Bid Validity Period:**

Bids should be kept valid for acceptance for a period of 6 calendar months from the date of opening of the Technical Bid. The Bids valid for a period shorter than specified period shall be rejected as being non-responsive. In exceptional circumstances, ASEB Pension Trust may request the bidders for a specified extension of the period of validity of the bids and/ or the Performance Guarantee and/or Earnest Money Deposits. The bidder shall comply with such request.

**12 Payment Milestone:** Payment of fees will be made in the following order.

SL	Payment Milestones	Payment % (of Contract Value)
1.	Submission of Draft Report	40
2.	Presentation of the Report before Investment Committee	10
3.	Presentation of the Report before Board of Trustees	10
4.	Final Report	20
5.	Acceptance of Final Report	20

**12. Compliances/Declarations/Certificates by Individual/firm(s) on engagement** : The Actuarial firm shall have to comply with and furnish declarations and certificates as detailed below.

**12.1** The firm will work in strict confidence and will ensure that information in respect of the operation of the Trust is dealt with in strict confidence and secrecy.

**12.2** No member of the Actuarial firm should be related to Managing Director or any Whole Time Directors or Part Time Directors of Assam Electricity Grid Corporation Limited (AEGCL)/Assam Power Generation Corporation Limited (APGCL)/ Assam Power Distribution Company Limited (APDCL).

**12.3** Neither the firm nor its partners nor associates should have any interest in the business of the Trust or AEGCL/APGCL/APDCL.

**13. Debarring Provisions:** The Actuarial Valuation Firm will be debarred from getting the work of Actuarial Valuation of the Trust:

**13.1** If the firm obtains the assignment on the basis of false information/ mis-statement.

**13.2** If the firm does not take up work in terms of Letter of Award.

**13.3** If the firm fails to maintain/ honour confidentiality and secrecy of any information of the Trust or the data provided of the three companies APDCL/AEGCL/APGCL.

**13.4** If the firm fails to comply with any condition laid down in clause 12 above.

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**ANNEXURE –I**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Details to be submitted by the Bidders</b>
1	Name of the firm	
2	Nature of firm	Registered Company/Partnership firm/ Proprietorship firm etc.
3	Year of commencement of business by the firm:	
4	Nature of business of the firm	
7	Organization Set Up	
8	Average Annual Turnover of 3 years (FY 2017-18 to FY 2019-20) (Rs. in lakhs)	
10	Whether the firm/ company has been barred and/or blacklisted by PSU's or Govt. Co. or any other organization in respect of any assignment or behavior. If barred or blacklisted, please provide the details.	Yes/ No
12	Name of Team Leader and his stay in the organization in no. of years.	
13	Actuarial team and their qualification & experience	Annexure-I(a) (The experience of maximum 3 members with higher experience will be considered)
14	No. of Finance Professionals in the Actuarial Firm and their qualification & experience	Annexure- I(b) (The experience of maximum 3 members with higher experience will be considered)
15	Name of Central/State Public Sector undertaking in which Actuarial services have been provided in the following area (Superannuation, Gratuity, LEB).	Annexure- I(c)
16	Any other details.( Refer to Bid Documents & Bid evaluation criteria )	
17	Enclosures	All the documents in support of the above information/data and as given in the list of enclosures must be signed.

**Team of Actuary, their qualification & experience**

<b>Sl No.</b>	<b>Name of Member</b>	<b>Qualification</b>	<b>Year of Passing</b>	<b>Experience ( in years)</b>

**Finance Professionals, qualification & experience**

<b>Sl No.</b>	<b>Name of Member</b>	<b>Qualification</b>	<b>Year of Passing</b>	<b>Experience ( in years)</b>

