

REPLY TO PRE-BID QUERIES RECEIVED IN RESPONSE TO THE RFP FOR APPOINTMENT OF ACTUARIAL FIRM TO CONDUCT ACTUARIAL VALUATION OF ATAL PENSION YOJANA (APY) AS ON 31.03.2024

| Sr. No | Para No. | Clause Requiring Clarification | Clarification Required | Replies |
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| 1 | 3. TERMS OF REFERENCE | To submit a detailed actuarial valuation report to the Authority covering the given terms of reference appropriately, within the stipulated time period and certifying the same. This report shall comply with applicable Actuarial Practice Standard issued by Institute of Actuaries of India. | 1) Please clarify on whether the membership data will be received in a clean format or data cleaning will be required at our end. 2) Please clarify if the stipulated time period of 45 days from receiving the data to producing report is for section 3.2) Draft results on the shortfall calculation for existing subscribers or all items included in section 3.1 to 3.11 of the terms of reference. | 1) The requisite membership data will be provided by CRA to selected bidder in required format based on mutual agreement. 2) The stipulated time period of 45 days is applicable for providing detailed actuarial valuation report covering all the terms of reference as mentioned in Clause 3 of RFP. |
| 2 | 4. QUALIFICATIONS/ DISQUALIFICATIONS | 4.4. The Actuarial Firm should have carried out the actuarial valuation of at least 3 schemes offering pension and related benefits, in the immediately preceding 7 financial years. | Please clarify if experience in actuarial valuation also includes experience in valuation of gratuity and leave encashment. | The experience should be in actuarial valuation of pension product/schemes only. |
| 3 | 6.15 | Delivery Period and Compensation Clause | We understand the timeline for submission of data request within 10 days. In our experience and given the large member/subscriber base, cleansing and resolving of queries in order to finalise the data and derive assumptions for purpose of valuation are significantly time-intensive. Considering the sufficient time allocation required for the crucial step of data finalisation, we request the Authority to factor in the results submission timeline of 45 days after the data has been finalised for valuation purpose. Further, the scope of work shall require inputs from the Authority in relation to assumptions confirmation etc., thus, we request the authority to consider extending the timelines upto 75-90 days given the time-intensive nature of scope of work and to account for unforeseen dependencies. | Please refer Clause 6.15 of RFP. |
| 4 | 6.7 | Payment Terms | We request the Authority to consider a milestone linked payment schedule in place of 100% payment upon completion of assignment. | Please refer Clause 6.7 of RFP. |
| 5 | 6.15 | "In case delay is more than 28 calendar days, 50% deduction in the fees payable to the actuarial firm or the contract may be cancelled by the Authority without any obligation to make any payment, whatsoever, of the consultancy fee." | We request the Authority to consider a staggered penalty to be applied in case of delay of completion of assignment rather than a straight 50% penalty on the consultant's fee. | Please refer Clause 6.15 of RFP. |
| 6 | Annexure I | "We further understand that the finalized prices will be frozen till the time of completion of the assignment from the date of entrustment of assignment and that the PFRDA may at its discretion ask the Actuarial Firm to alter the implementation strategy as per the requirement of PFRDA from time to time." | The finalised fees shall remain frozen till the completion of the assignment for the agreed scope of work as per terms of reference. However, we request the Authority to consider and confirm that in case of any change / addition to the scope of work, the fees will be revisited and agreed upon based on mutual discussion between both the parties. | Please refer to Annexure-I. |

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| 7 | 7. ASSIGNMENT OF SPECIFIC INFORMATION | 7.3. The membership data and asset data of the APY scheme will largely be provided by one of the Central Record Keeping Agency appointed by Authority i.e. Protean e-Gov Technologies Ltd (Protean CRA). Actuarial firm may also assess the data through Annual Reports, Audited Accounts etc. Actuarial firm is required to arrange other requisite data including macroeconomic, demographic variables etc. from reliable data sources with proper justifications. | Please clarify on if we will have access to previous actuarial valuation report & assumptions used. | Specific inputs from previous actuarial valuation reports will be provided to selected bidder for carrying out actuarial valuation of APY as on 31.03.2024. |
| 8 | 8.2.1 | Marking Criteria 7, 9 and 10 | As per the table provided for Marking scheme for qualification and average experience under criteria 7 and 9, the maximum average marks possible turns out to be 7 marks, however, the maximum marks w.r.t each of the criteria in third column is mentioned as 8 marks. Similarly, the maximum marks in the criteria is 7, while 8 marks have been mentioned in the third column of the evaluation criteria table. | Under second column of Criteria 7 and 9 of Clause 8.2.1 (a), the maximum marks for Qualification and Experience may be read as "8" instead of "7". Similarly, under Criteria 10, the marks for 6 and above assignment may be read as "8" instead of 7. |
| 9 | 8.2.1 | Marking Criteria 9 | The proposed team for the project would include a mix of qualified actuaries as well as student actuaries. Please elaborate on the method of evaluation for this particular criteria. Will the bidder be penalized for including student actuaries in the proposed team or will the best/top two people with the highest marks awarded shall be selected from the proposed team for calculation of final average marks? | Please refer to Column 2 of Criteria 9 under Clause 8.2.1 (a) |
| 10 | 8.2.1 | Marking Criteria 3 & 4 | Please confirm if post-retirement benefits are considered to be eligible for the evaluation criteria. | The experience should be in actuarial valuation of pension product/schemes only. |
| 11 | 8.2.1.A. Technical Bid - FINANCIAL AND PAST EXPERIENCE IN RELATED AREAS | Number of years of experience in actuarial valuation of Pension and related products/ schemes. | 1) Please clarify if experience in valuation of gratuity and leave encashment will be considered. 2) Please clarify if experience in Pricing or Reserving of pension products under life insurance company roles as Appointed Actuary or Chief Actuary shall also be considered 3) Please clarify if total years of experience of individual team members will be added and considered. | 1) & 2) The experience should be in actuarial valuation of pension product/schemes only. 3) The experience of firm will be considered only. |
| 12 | 8.2.1.A. Technical Bid - FINANCIAL AND PAST EXPERIENCE IN RELATED AREAS | Number of pension schemes/products having minimum fund size of Rs.1000 crores for which actuarial valuation conducted in last 7 years. | Please clarify if pension schemes/ products includes gratuity and leave encashment as well. | The experience should be in actuarial valuation of pension product/schemes only. |
| 13 | 8.2.1.A. Technical Bid - FINANCIAL AND PAST EXPERIENCE IN RELATED AREAS | Number of pension schemes/products having minimum 1,00,000 members for which actuarial valuation conducted in last 7 years | Please clarify if pension schemes/ products includes gratuity and leave encashment as well. | The experience should be in actuarial valuation of pension product/schemes only. |
| 14 | 8.2.1.B Technical Bid - PROFILE OF THE TEAM TO BE DEPLOYED FOR CONDUCTING ACTUARIAL VALUATION | Manpower commitment in Leadership and Advisory role for implementation of the assignment | Please clarify meaning of manpower commitment in leadership and advisory role and how is this evaluated. | It refers to the no. individuals in leadership and advisory role in the firm who will be available in leadership and advisory role for the actuarial valuation. The submissions under this criteria will be evaluated using relative marking. |

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| 15 | 8.2.1.B Technical Bid - PROFILE OF THE TEAM TO BE DEPLOYED FOR CONDUCTING ACTUARIAL VALUATION | Qualification and Experience of Team Leader(s) for this assignment | We understand that we can have two team leads - 1 team lead with 13 papers and 1 team lead with 15+ years of total experience. Is our understanding correct. Please clarify in case not. | Please refer second column of Criteria 7 under Clause 8.2.1 (a). |
| 16 | 8.2.1.B Technical Bid - PROFILE OF THE TEAM TO BE DEPLOYED FOR CONDUCTING ACTUARIAL VALUATION | No. of Working Members with relevant experience to be deployed for this assignment | Please clarify if experience in valuation of gratuity and leave encashment will be considered. | The experience should be in actuarial valuation of pension product/ schemes only. |
| 17 | 8.2.1.B Technical Bid - PROFILE OF THE TEAM TO BE DEPLOYED FOR CONDUCTING ACTUARIAL VALUATION | No. of assignments related valuation of guaranteed pension scheme handled by team leaders/ team members | 1) Please clarify if experience in valuation of gratuity and leave encashment will be considered. 2) Please clarify if experience in Pricing or Reserving of pension products under life insurance company roles as Appointed Actuary or Chief Actuary shall also be considered. 3) Please clarify, if experience in non-par savings products will also be considered. | The experience should be in actuarial valuation of pension product/ schemes only. |
| 18 | 6.13 | Indemnities for IPR infringement claims without exceptions | We request the authority to include the following exceptions and procedure as these are industry standards and reasonable. They are also mentioned in the MeitY guidelines. <i>"1. Notwithstanding anything contained in this agreement, if the Indemnified Party promptly notifies Indemnifying Party in writing of a third party claim against Indemnified Party that any Service provided by the Indemnifying Party infringes a copyright, trade secret or patents incorporated in India of any third party, Indemnifying Party will defend such claim at its expense and will pay any costs or damages, that may be finally awarded against Indemnified Party. 2. Indemnifying Party will not indemnify the Indemnified Party, however, if the claim of infringement is caused by: a) Indemnified Party's misuse or modification of the Service; b) Indemnified Party's failure to use corrections or enhancements made available by the Indemnifying Party; c) Indemnified Party's use of the Service in combination with any product or information not owned or developed by Indemnifying Party; However, if any service, information, direction, specification or materials provided by Indemnified Party or any third party contracted to it, is or likely to be held to be infringing, Indemnifying Party shall at its expense and option either: i. Procure the right for Indemnified Party to continue using it; ii. Replace it with a non-infringing equivalent; iii. Modify it to make it non-infringing. 3. The foregoing remedies constitute Indemnified Party's sole and exclusive remedies and Indemnifying Party's entire liability with respect to infringement."</i> | This is a standard clause for RFP. The IPR clause will be suitably covered in the contract/ agreement to be executed with selected bidder. |

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| 19 | 6.13 | Indemnity for breach of contract obligations | <p>There are several remedies available under law and contract to you for such breach of obligations. For eg., there are penalties and LDs that may be imposed for some of these breaches. Seeking indemnities for such breaches frustrates the entire purpose of such remedies available to you. We understand that remedies other than indemnity will be sufficient for such breaches. We request you to kindly delete this section.</p> <p>If you still insist on retaining this section, then we request you to at least make them subject to overall cumulative liability cap of total contract value and subject to final determination of court/arbitrator.</p> | This is a standard clause for RFP. The specific clause w.r.t breach of contract obligations will be suitably covered in the contract/ agreement to be executed with selected bidder. |
| 20 | | Indemnities not subject to final determination by court/arbitrator | We agree to indemnify to the extent the damages/losses are finally determined by a competent court or arbitration. Please make indemnities subject to final determination by court/arbitrator. This is also the industry standard and prescribed by MeitY in its guidelines. | The specific clause will be suitably covered in the contract/ agreement to be executed with selected bidder. |
| 21 | | No process for indemnity | The indemnities set out in this agreement shall be subject to the following conditions: (i) the Indemnified Party as promptly as practicable informs the Indemnifying Party in writing of the claim or proceedings and provides all relevant evidence, documentary or otherwise; (ii) the Indemnified Party shall, at the cost of the Indemnifying Party, give the Indemnifying Party all reasonable assistance in the Defense of such claim including reasonable access to all relevant information, documentation and personnel provided that the Indemnified Party may, at its sole cost and expense, reasonably participate, through its attorneys or otherwise, in such Defense; (iii) if the Indemnifying Party does not assume full control over the Defense of a claim as provided in this clause, the Indemnified Party may participate in such defense at its sole cost and expense, and the Indemnified Party will have the right to defend the claim in such manner as it may deem appropriate, and the cost and expense of the Indemnified Party will be included in losses; (iv) the Indemnified Party shall not prejudice, pay or accept any proceedings or claim, or compromise any proceedings or claim, without the written consent of the Indemnifying Party; (v) all settlements of claims subject to indemnification under this Clause will: a) be entered into only with the consent of the Indemnified Party, which consent will not be unreasonably withheld and include an unconditional release to the Indemnified Party from the claimant or plaintiff for all liability in respect of such claim; and b) include any appropriate confidentiality agreement prohibiting disclosure of the terms of such settlement; (vi) the Indemnified Party shall account to the Indemnifying Party for all awards, settlements, damages and costs (if any) finally awarded in favour of the Indemnified Party which are to be paid to it in connection with any such claim or proceedings; (vii) the Indemnified Party shall take steps that the Indemnifying Party may reasonably require to mitigate or reduce its loss as a result of such a claim or proceedings; (viii) in the event that the Indemnifying Party is obligated to indemnify an Indemnified Party pursuant to this clause, the Indemnifying Party will, upon payment of such indemnity in full, be subrogated to all rights and defenses of the Indemnified Party with respect to the | The specific clause w.r.t. process for indemnity will be suitably covered in the contract/ agreement to be executed with selected bidder. |
| 22 | | Termination without notice and rectification period | To uphold the principles of natural justice, we request the authority to notify us and give us a rectification period of at least 30 days, prior to invoking this clause. | The specific clause w.r.t. termination of contract will be suitably covered in the contract/ agreement to be executed with selected bidder. |
| 23 | | We do not have any right to terminate | To uphold the principles of natural justice and to bring parity in the contract, we request the authority to give us the right to terminate the contract in case client breaches any of its material obligations under any of the contract, provided a notice for such breach is given to client along with a rectification period of 30 days. | The specific clause w.r.t. termination of contract will be suitably covered in the contract/ agreement to be executed with selected bidder. |
| 24 | 6.15 | Cancellation / Rescission of Contract | Cancellation / Rescission means voiding the contract and making the contract ineffective from its inception, thereby restoring the parties to the positions they would have occupied if no contract had ever been formed. In this scenario, bidder may be deprived of any payment and refund of all payments made already may be sought. Request deletion of this clause | Please refer to Clause 6.15 of RFP |

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| 25 | 6.10 | Conflict of Interest | We wish to highlight that we are a large organization providing various services to various state and central government departments, PSUs, international organizations and private clients. We wish you to note that while we have a mechanism in place to identify patent and direct conflict of interests, it may not always be possible to identify any or all indirect or remote conflict of interests. Kindly appreciate that our no conflict confirmations will be subject to the foregoing. | Please refer to Clause 6.10 of RFP |
| 26 | 6.15 | Compensation capped at 50% of fees payable | We request the authority to cap the compensation/ liquidated damages/penalties cumulatively to 5% of the total contract value. | Please refer to Clause 6.15 of RFP |
| 27 | Clause 4.6 & Annexure I | We are not eligible to bid in case we have ever been blacklisted / debarred in the past, and/or Declaration regarding past blacklisting/debarment where no time limit has been specified. | We would like to humbly submit that the eligibility criteria/declaration regarding prior blacklisting is open-ended in terms of the time period. We request you to kindly limit the eligibility criteria regarding blacklisting to bidders not blacklisted as on the date of submission of the bid or have not been blacklisted for a definitive period, such as 2 years. We also request you to relax this criteria to allow Bidders to declare that they are not blacklisted as on date or for a specific period (like 2 years) in the past. | Blacklisting shall be applicable for the past 5 years from the date of submission of bid. |
| 28 | | There is no restriction on the usage of deliverable. No third party disclaimers. | We will be providing services and deliverables to you under the contract. We accept no liability to anyone, other than you, in connection with our services, unless otherwise agreed by us in writing. You agree to reimburse us for any liability (including legal costs) that we incur in connection with any claim by anyone else in relation to the services. Please confirm our understanding is correct. | The specific clause will be suitably covered in the contract/ agreement to be executed with selected bidder. |
| 29 | | No acceptance criteria | If the project is to be completed on time, it would require binding both parties with timelines to fulfil their respective part of obligations. We request you that you incorporate a deliverable acceptance procedure, perhaps the one provided by MeitY in their guidelines, or the one suggested below, to ensure that acceptance of deliverables is not denied or delayed and comments, if any, are received by us well in time. You may consider including the below simple clause: <i>"Within 10 days (or any other agreed period) from Client's receipt of a draft deliverable, Client will notify Consultant if it is accepted. If it is not accepted, Client will let Consultant know the reasonable grounds for such non acceptance, and Consultant will take reasonable remedial measures so that the draft deliverable materially meets the agreed specifications. If Client does not notify Consultant within the agreed time period or if Client uses the draft deliverable, it will be deemed to be accepted."</i> | The specific clause will be suitably covered in the contract/ agreement to be executed with selected bidder. |
| 30 | ANNEXURE 4. STRUCTURE FOR SUBMITTING TECHNICAL PROPOSAL | Work orders/ Letter of appointment/completion certificate/ any other document establishing the work/assignment undertaken. | Please clarify if we have completed assignment for a global client and due to their regulations they wont be able to share a certificate. In such cases, we have the invoices issued by EY India to the EY global office clearly stating the client for which work has been completed. Please confirm if such invoices will suffice the requirement. Whether, declaration of undertaking work relating to actuarial valuation of pension schemes/product for global clients without disclosing the name and/or other details like fund size will be accepted for evaluation. | Documents clearly establishing the name of the organisation on whose behalf the actuarial valuation was undertaken and all the details of pension scheme/ product, fund size, etc. of which the valuation has been done, will have to be provided for the purpose of evaluation. |
| 31 | | Certification requirement | PwC India's Partner will sign the report. She is a qualified actuary, and the report will comply with the relevant Actuarial Practice Standard. As per our understanding, statutory signoffs or statutory certification in line with Ind AS 19 / AS 15 etc. are not required and we will not provide the same. Please confirm if this is in alignment with the requirements of PFRDA. | Please refer Clause 3.11 of RFP. |