



**GSIS INSURANCE BIDS AND AWARDS COMMITTEE (GIBAC)**

***Project title: Reinsurance of the Fire and Allied Perils Insurance with Sabotage and Terrorism Insurance of the DEPARTMENT OF FOREIGN AFFAIRS***

**Bid Bulletin No. 1**

June 21, 2017

This bid bulletin is issued to amend, modify and clarify items in the Bidding Documents of the “Reinsurance of the Fire and Allied Perils Insurance with Sabotage and Terrorism Insurance of the DEPARTMENT OF FOREIGN AFFAIRS”. This shall form an integral part of the Bidding Documents.

**I. The Breakdown of the Total Bid Price shall be as follows:**

I. Retained Premium at 20% of the TOTAL Bid Price [ <b>A = F x 20%</b> ]	PHP
II. Reinsured Premium at 80% of the TOTAL Bid Price [ <b>B = F x 80%</b> ] (inclusive of 20% GSIS Commission)	PHP
II.A GSIS Commission [ <b>C = B x 20%</b> ] (20% of the Reinsured Premium)	PHP
II.B Creditable Withholding Tax [ <b>D = B x 2%</b> ] (2% of the Reinsured Premium)	PHP
II.C Net Amount due Reinsurer [ <b>E = B - C - D</b> ] (Reinsured Premium less the GSIS Commission and Creditable Withholding Tax)	PHP
<b>TOTAL Bid Price [F]</b> (100% Premium)	PHP

**II. Bidder’s Queries**

<b>Bidder’s Query</b>	<b>Response</b>
<p>We note that bidders now need to submit two (2) ongoing and/or expired similar insurance policies or reinsurance binders, and not just one (1).</p> <p>May we ask what is the reason / motivation behind this change in the requirement?</p>	<p>Bidders must submit <i>at least</i> two (2) ongoing and/or two (2) expired similar.</p> <p>The provision is in accordance with Section 23.4.1.3 of the Revised IRR of RA9184.</p>

<p>We note that the total premium for the two (2) similar policies should be at least 50% of the ABC for the account up for bid.</p> <p>Re: the second condition:  <i>“The largest of these similar contracts must be equivalent to at least half of the percentage of the ABC as required above.”</i></p> <p>Do you mean that the larger [of] the similar contracts must have premium equal to at least 25% of the ABC?</p>	<p>Yes. The largest of the similar contracts should be equivalent to at least 25% of the ABC.</p>
<p>We note that you will provide bidders with an update on the fulfillment of the recommendations in the survey report.</p>	<p>The report on the actions taken by the assured shall be provided to prospective bidders who have purchased and will purchase the bidding documents.</p>

For the information and guidance of all concerned.

**(Sgd.) VALERIE K. MARQUEZ**  
 Chairperson  
 GSIS Insurance Bids and Awards Committee