



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

***Project title: Reinsurance of the Fire and Allied Perils Insurance of the UNIVERSITY OF THE PHILIPPINES***

**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 of the UNIVERSITY OF THE PHILIPPINES”. This shall form an integral part of the Bidding Documents.

**I. Bid Data Sheet**

The requirements under ITB Clause 12.1(b) shall be as follows:

ITB Clause	
12.1(b)	<p><b>Technical Documents</b></p> <p>The first envelope shall likewise contain the following technical documents:</p> <ol style="list-style-type: none"> <li>1. Statement of at least two (2) ongoing and/or two (2) expired similar insurance policy/ies or reinsurance binder/s, issued within the last two years prior to the deadline for the submission and receipt of bids.</li> </ol> <p>The aggregate amount of the ongoing and/or or two (2) expired similar contracts should be at least <b>“fifty percent (50%)”</b> of the ABC for this project; and</p> <p>The largest of these similar contracts must be equivalent to at least <b>half of the percentage</b> of the ABC as required above.</p> <p>The statement shall include, for each policy/binder, the following:</p> <ul style="list-style-type: none"> <li>• Name of the Assured/Reinsured</li> <li>• Period of cover of the Insurance</li> <li>• Limit of the Cover</li> <li>• Premium</li> <li>• Certified true copy/ies of the Official Receipt/s as evidence of premium payment for the insurance policy.</li> </ul> <ol style="list-style-type: none"> <li>2. The bidder shall submit a Bid Securing Declaration using the form prescribed in the Bidding Documents or any of the following form of Bid Security, in an amount not less than the required percentage of the ABC:</li> </ol>

- a) Amount equivalent to **2%** of the ABC, if bid security is in cash, cashier's/manager's check, or bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank;

*Bidders who opt to submit a bid security in the form of cash and/or cashier's/manager's check shall deposit the said bid security to the GSIS Cashier, in coordination with the GBAC Secretariat, prior to the submission of bids. The Official Receipt issued by the GSIS Cashier shall be submitted as part of the Eligibility and Technical Component.*

- b) Amount equivalent to **5%** of the ABC, if bid security is in Surety Bond. A valid certification from the Insurance Commission must be attached/submitted.
3. A single Errors and Omission Policy for P1M enforceable in the Philippines.
4. For Local Insurance/Reinsurance Companies, a certified true copy of Certification from the Insurance Commission, that it has a reputable claims settlement record with the Claims Adjudication Division as of **January 31, 2017**.
5. The bidder must submit the following:
- a. Insurance & Reinsurance Companies
    - If the terms and conditions are allowed under the bidder's reinsurance treaty agreement
      - 5.1a Sworn statement indicating the amount and percentage retention out of the total sum insured, and that the retained amount is within the gross retention of the Treaty (**form provided**).
      - 5.2a In case of facultative reinsurance for the portion in excess of its treaty facility, a Certification that its securities are rated at least "A-" by the Standard & Poor's or AM Best and these securities are duly authorized to transact reinsurance business in the Philippines through their appointed resident agent.

For domestic companies as securities, rating is not required. Instead, a notarized undertaking that if the bidder qualifies as the lowest calculated bidder, it will submit the domestic securities' net retention or treaty showing maximum retention and panel of reinsurers and respective shares.

The list of securities, foreign and/or domestic, is a post-qualification requirement and must be submitted within **fourteen (14)** calendar days from the receipt of the notice to submit the post-qualification documents.

The retained portion stated on the list of securities to be submitted by the winning bidder should be within its treaty limits.

▪ If the terms and conditions are not allowed under the bidder's reinsurance treaty agreement

5.3a Sworn statement indicating the amount and percentage retention out of the total sum insured, provided the amount retained by the bidder should not be more than five percent (5%) of the bidder's net worth which should also be stated (**form provided**).

5.4a Certification that its facultative reinsurance placement in excess of its net retention is supported by securities rated at least "A-" by the Standard & Poor's and AM Best and which securities are duly authorized to transact reinsurance business in the Philippines through their appointed resident agent.

For domestic companies as securities, rating is not required. Instead, a notarized undertaking that if the bidder qualifies as the lowest calculated bidder, it will submit the domestic securities' net retention or treaty showing maximum retention and panel of reinsurers and respective shares.

The list of securities, foreign and domestic, is a post-qualification requirement and must be submitted within **fourteen (14)** calendar days from the receipt of the notice to submit the post-qualification documents.

The retained portion stated on the list of securities to be submitted by the winning bidder should not be more than five percent (5%) of its net worth.

b. Reinsurance Brokers

- 5.1b Certification that its reinsurance placement is supported by securities rated at least “A-” by the Standard & Poor’s and AM Best and which securities are duly authorized to transact reinsurance business in the Philippines through their appointed resident agent.

However, no rating shall be required if the securities are domestic insurance companies. Instead, the bidder shall submit a notarized undertaking that if the bidder qualifies as the lowest calculated bidder, it will submit the domestic securities’ net retention or treaty showing maximum retention and panel of treaty reinsurers and respective shares.

The list of securities, foreign and/or domestic, is a post-qualification requirement and must be submitted within **fourteen (14)** calendar days from the declaration of the lowest calculated bidder.

6. Certification from the bidder that it will provide a lead line of at least 10% of the reinsured risk.
7. The bidder must certify conformity with Section VI – Technical Specifications and its acceptance shall remain as such for the duration of the Reinsurance contract. Further, bidder must certify that its reinsurance placement and acceptance of its reinsurers are likewise in accordance with Section VI - Technical Specifications and shall remain as such for the duration of the Reinsurance contract (**form 7 is provided**).
8. Omnibus Sworn Statement in accordance with Section 25.3 of the IRR of RA 9184 and using the form prescribed in Section VII. Bidding Forms including the original Secretary’s Certificate executed and notarized within the procurement year by the corporation or the members of the joint venture providing the authorization to the signatory of the Sworn Statement as provided in Item No. 2 of said Sworn Statement (**form 8 is provided**).
9. Notarized Undertaking that the bidder, if awarded the contract, shall furnish GSIS certified true copies of the Underwriters Acceptance Slip/Cover Notes of all participating Reinsurers included in the submitted written lines within five (5) days from receipt of the notice of award (**form 9 is provided**).

**II. 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

**III. 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>Re: the recommendations in the latest survey report dated 10th May 2017: We note that you will try to get UP's feedback on such recommendations and advise the bidders on or before 21st June 2017.</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>

<p>As majority of the buildings are old, kindly furnish us list of buildings that undergo retrofitting and will undergo retrofitting and its schedule.</p>	<p>Assured's response: <i>As per checking to (sic) the Office of Campus Architect, only the College of Social Work and Community Development (CSWCD) building will undergo retrofitting pending the award of the bidding conducted this month of June 2017.</i></p> <p><i>Note: This is the first time that U.P. Diliman will conduct a retrofitting.</i></p>
<p>During our site inspection last 10 May 2017, we noticed that the manual fire alarm installed inside the pump room of Institute of Biology Building was seen obstructed. May we inquire the corrective measure done by the assured or current status of this.</p>	<p>Assured's response: <i>Call (sic) the attention of the Building Administrator to eliminate all the obstruction on the said area and place a signage directing the location of manual fire alarm installed for easy access.</i></p>
<p>Latest update for the loss dated 2 August 2015.</p>	<p>For assured's conformity on the letter offer dated 9 June 2017.</p>

For the information and guidance of all concerned.

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