



GOVERNMENT OF SINDH
FINANCE DEPARTMENT

SUBJECT: MINUTES OF THE MEETING TO EVALUATE THE BASIC QUALIFICATION / ELIGIBILITY CRITERIA AND SCORING AS PER TECHNICAL PROPOSALS FOR PROCUREMENT OF HEALTH INSURANCE POLICY FOR THE EMPLOYEES OF SINDH SECRETARIAT / CHIEF MINISTER'S SECRETARIAT / GOVERNOR SECRETARIAT AND PROVINCIAL ASSEMBLY OF SINDH INCLUDING THEIR ENTITLEMENT FAMILY MEMBERS

A meeting of the Procurement Committee ('Committee') constituted vide Finance Department ('Procuring Agency') for procurement of health insurance policy for the employees of sindh secretariat / chief minister's secretariat / governor secretariat and provincial assembly of sindh including their entitlement family members ('Assignment') was held on 29TH February 2024 at 10.00 a.m. under the chairmanship of the Additional Finance Secretary (Admin & SR), at his office at Finance Department, 6th Floor, AK Lodhi Building, Karachi, to discuss/ review and finalize the technical evaluation results in accordance with the criteria and other terms & conditions of the RFP Documents.

2. At the outset, the Chair welcomed the Committee members. Subsequently, the forum was updated that pursuant to the Committee's decisions, a letter dated 20th February 2024 ('Request for Clarification of Bid'), whereby the bidders, i.e. United Insurance Company, Jubilee Life Insurance and State Life Insurance Corporation were advised to furnish the requisite clarification on the matters within five (5) days, enabling the Committee to conclude the results in accordance with the SPP Rules. In response, the bidder furnished the required clarifications ('Clarification Document') containing the information within the stipulated time.

3. Furthermore, the verification of status of SNTN (whether active taxpayer or not) for the bidder i.e State Life Insurance Corporation was requested from Chairman, Sindh Revenue Board vide letter dated 27th February, 2024, as this is the basic eligibility criteria. The Sindh Revenue Board, in response to the letter of Finance Department (Procuring Agency), conveyed that State Life Insurance Corporation SLIC neither registered with SRB despite providing taxable services of Health Insurance Services nor have they filed any Sindh Sales Tax Return (SSTR) with SRB as required under section 30 of the Act, 2011 (SRB letter attached).

As this has been categorically mentioned at ITB 18.1 "eligibility criteria" that bidder must be registered as "Active Taxpayer" (NTN, SNTN) and due to non-compliance of State Life Insurance Corporation (SLIC) as per RFP eligibility criteria, the Procurement Committee unanimously decided to declare SLIC as ineligible for further bidding process of this tender/procurement.

4. The eligibility and non eligibility as per RFP have been evaluated as follows:

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Sr. No.	Preliminary Eligibility Criteria	M/s. State life Insurance corporation of Pakistan (Yes / No)		M/s. Jubilee life Insurance Company Limited (Yes / No)		M/s. The United Insurance Company of Pakistan (Yes / No)	
1.	Nationality: Bidder must have been incorporated or setup in Pakistan as evidenced by its Certificate of Incorporation & valid license to transact insurance business with SECP (Proof is required).	Yes		Yes		Yes	
2.	Registration: Valid NTN (appearing in Active Taxpayer List (ATL) / Income Tax & valid SNTN with Sindh Revenue Board (SRB) as applicable and appearing on active tax payer list showing service category (Proof is required) with last Three (03) Years returns filed of Income Tax & Sindh Sales Tax.	NTN	Yes	NTN	Yes	NTN	Yes
		NTN (ATL)	Yes	NTN (ATL)	Yes	NTN (ATL)	Yes
		SNTN	Yes	SNTN	Yes	SNTN	Yes
		SNTN (ATL)	Non-Active	SNTN (ATL)	Yes	SNTN (ATL)	Yes
		03-Years Tax Returns:		03-Years Tax Returns:		03-Years Tax Returns:	
		Income Tax	Yes	Income Tax	Yes	Income Tax	Yes
3.	Power of Attorney: Bidder must submit a power of attorney, as required by the RFP Document, for the authorized person nominated to sign the documents.	Yes		Yes		Yes	
4.	Experience: Bidder must have a minimum ten (10) years of experience in providing Health Insurance Services (documentary evidence is required). Copies of audited account of at least five years shall be provided with relevant extracts of contract agreements with addenda (if any).	Yes		Yes		Yes	
5.	Rating: Minimum AA+ PACRA / JCR-VIS Rating which should not be more than one (01) year old.	Yes (AAA)		Yes (AA ⁺⁺)		Yes (AA ⁺)	
6.	Specific Experience: Bidder must have at least three (03) Corporate Clients each having more than 10,000 active lives or 2,000 active insurance card holders in each organization for Health Insurance atleast for one year, (documentary evidence is required copies of signed agreement / contract shall be considered as appropriate evidence). Short term insurance which is carried out less than one (01) year period is not acceptable for the purpose of qualification under this specific criterion of experience.	Yes		Yes		Yes	
7.	Gross Premium: Bidder must have a minimum yearly gross premium turnover should be PKR Five (05) billion or more (as on 31 st December, 2022 or later) as evidenced from the audited financial statement of last five (5) years duly issued and verified by a certified chartered accountant firm.	Yes PKR 244.15 Billion		Yes PKR 47.3 Billion (2022)		Yes PKR 6.36 Billion	
8.	Minimum Equity and Reserves: Bidder must have a minimum share capital & reserves should be PKR three (03) billion or more (as on 31 st December, 2022 or later) as evidenced from the audited financial statement.	Yes: PKR 27.40 Billion		Yes PKR 13.94 Billion		Yes PKR 3.977 Billion	

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9.	<p>Panel Hospitals / Health Facilities: Bidder must have atleast 300 hospitals / Health facilities [with each facility must be operational at least six (6) months prior to the bids submission deadline] on its panel list across Pakistan which will have minimum spread as under:</p> <ul style="list-style-type: none"> - At-least 100 Hospitals / Health facilities in Karachi which must include AKU Hospital, Ziauddin Hospital, National Medical Centre, Patel Hospital, Liaquat National Hospital, Tabba Heart. - At-least two Hospitals located in each of Islamabad, Peshawar, Lahore, Quetta & Hyderabad. 	Yes (List of 796- Panel Hospitals / Health Facilities attached)	Yes (List of 563- Panel Hospitals / Health Facilities attached)	Yes (List of 515- Panel Hospitals / Health Facilities attached)
10.	<p>Affidavit: An affidavit by the Bidder (through CEO / CFO / Service provider Secretary stating therein that within 30-days of signing of agreement in the event of successfully awarded the contract, the bidder shall ensure to enlist:</p> <ul style="list-style-type: none"> (a) At-least one (01) Hospital (providing inpatient facilities (Surgical & Medical), 24-Hours a day nursing services, and equipped with diagnostic services & ICU) in all Divisional Head Quarters i.e. Sukkur, Larkana, Shaheed Benazirabad & Mirpurkhas in addition to Karachi. (b) At-least one (01) Hospital (providing cataract surgery) in all Divisional Head Quarters i.e. Sukkur, Larkana, Shaheed Benazirabad & Mirpurkhas in addition to Karachi. (c) At-least one (01) Maternity Home / Mother & Child Health Care Centre (providing inpatient facilities towards Normal Vaginal Delivery, Forceps Delivery, C-Section and equipped with diagnostic services & ICU) in all District Head Quarters of Sindh in addition to Karachi. (d) Enlist the number of hospitals as nominated by the Procuring Agency in divisional headquarters, provincial capital as are considered necessary in view of service delivery standards of the Hospital and expanding hospitalization accessibility for insured members. 	Yes	Yes	Yes
11.	<p>Call Centre: Bidder must have an active 24x7 fully functional Medical Call Centre.</p>	Yes	Yes	Yes
12.	<p>Full-Time Doctors: Bidder must have at least five (5) full time doctors for case management in Medical & Claim payment Department of the Insurance Service Provider (evidence will be required).</p>	Yes	Yes	Yes

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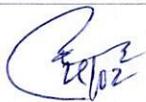
13.	Conflict of Interest: Bidder must not have any conflict of interest arising from the prior or existing contracts or relationships which could materially affect potential involvement of the Bidder and to comply with the obligations set out in the RFP Document issued with respect to this Activity.	Yes	Yes	Yes
14.	Non-Blacklisting / Non-Debarment: Bidder must submit an affidavit that the firm is not blacklisted by any public or private sector organization.	Yes	Yes	Yes
15.	Integrity Pact (Appendix-A).	Yes	Yes	Yes
16.	Bid Security financial instrument without disclosing the amount and reference number and date of it.	Yes	Yes	Yes
17.	Historical contracts, non-performing details, if any, with reasons leading to non-performance.	Yes	Yes	Yes
18.	The Bidder must submit one original copy of the Technical Proposal , one soft copy of the Technical Proposal (scanned copy in USB), and one original copy of the Financial Proposal .	Yes	Yes	Yes
19.	Documents checklist duly filled (updated if any modification required), signed, stamped by Bidder's authorized representative (Appendix-D).	Yes	Yes	Yes
20.	Any other document, including Bid Forms and Forms-tech etc. as applicable and referred in ITB, associated with qualifying the eligibility, technical evaluation criteria, and other terms and conditions.	Yes	Yes	Yes

5. The remaining two (02) bidders i.e United Insurance Company and Jubilee Insurance Company have submitted the clarifications, including the supporting documents, which have been thoroughly reviewed/ examined by the Committee in terms of the basic parameters and technical evaluation criteria. As a result, the Procuring Agency found the bidders' technical proposal substantially compliant in terms of material requirements of the RFP Documents.

6. The Committee further discussed the bidders' Clarification Documents, including audited financial statements, work experience, digital platform, hospitals on panel, contract agreements of same nature of services, completion certificates or its substantial evidence, registration with professional bodies, etc., and found/ declared the bidder eligible and technically qualified in terms of the criteria and other terms & conditions of the RFP Documents.

7. Subsequently, the Committee, in consideration of discussion and feedback offered by each member, updated/ finalized the evaluation results, i.e., the Evaluation and Eligibility Report and Technical Evaluation Report, based on which the bidders obtained following score:

			Marks		Marks obtained by the bidder	
fSr. No.	Description of Requirement	Benchmarks	Sub-Marks	Total Marks	M/s. Jubilee life Insurance Company Limited	M/s. The United Insurance Company of Pakistan
1.	Number of Years in the business of Health Insurance.	20 years or above	15	15	15-Marks	15-Marks
		15 years or above	10			
		10 years or above	5			
		Less than 10 years	0			
2.	PACRA/JCR-VIS Rating (or equivalent rating).	AAA	15	15	10-Marks (AA ⁺⁺ Rating)	05-Marks (AA ⁺ Rating)
		AA ⁺⁺	10			
		AA ⁺	5			
		Less than AA ⁺	0			
3.	At-least three corporate clients each having 10,000 actives lives or 2,000 active card holders.	7 or above	15	15	15-Marks	15-Marks
		4 to 6	10			
		3	5			
		Less than Three Clients	0			
4.	Yearly Gross Premium turnover (as on 31 st December, 2022 or later).	15 Billion or above	10	10	10-Marks (PKR 47.3 Billion)	05-Marks (PKR 6.36 Billion)
		10 Billion or above	8			
		5 Billion or above	5			
		Less than 5 Billion	0			
5.	Minimum Equity & Reserves (As at 31 st Dec, 2022 or later)	08 Billion or above	10	10	10-Marks (PKR 13.94 Billion)	05-Marks (PKR 3.977 Billion)
		05 Billion or above	07			
		3 Billion or above	05			
		Less than 03 Billion	0			
6.	Number of Panel Hospital / Health Facilities all over Pakistan.	500 or above	15	15	15-Marks	15-Marks
		400 or above	10			
		300 to 399	5			
		Less than 300	0			
7.	Number of full-time doctors for case management in medical & claim department of the Insurance Service Provider (As evident from credible service / payroll documents)	15 or above	5	5	05-Marks	05-Marks
		07 or above	3			
		05 or above	2			
		Less than 05	0			
8.	24 x 7 fully functional call / hotline center equipped with medical staff.	With UAN Number	5	5	05-Marks	05-Marks
		With Landline Telephone Number	2			
		With Mobile / Cell Service	0			
9.	Web portal along with interactive interfacing mobile application enabling registration of each insured member	Yes	5	5	(Yes) 05-Marks	(Yes) 05-Marks
		No	0			
10.	Proposed methodology and work plan along with the proposed suggestion / improvements.	Yes	5	5	05-Marks	05-Marks
Grand Total:				100	95-Marks	80-Marks

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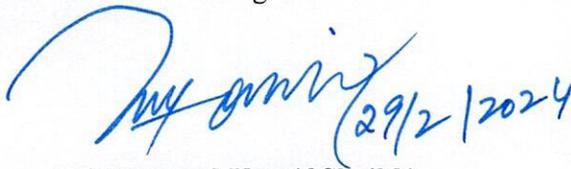
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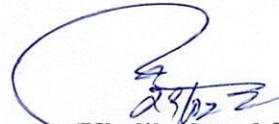
8. Thus both the bidders i.e United Insurance Company and Jubilee Life Insurance exceeding the minimum qualifying points of 75 out of 100 as required under the RFP Documents. Hence, the bidders were found eligible for the opening of the sealed financial bid in accordance with the criteria given in the RFP Documents as per Rules 66(7), 42(1) & 46(2)(e) of the SPP Rules.

9. The Committee then decided to open the sealed financial proposal publicly in the presence of the bidders' representative by convening the next meeting on 4th March 2024 at 11.00 a.m at the office of Additional Finance Secretary (Admin&SR), Finance Department in terms of Rules 41(4) & 46(2)(g) ibid.

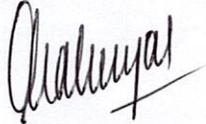
10. The meeting ended with a vote of thanks to and from the Chair.



(Muhammad Yousif Shaikh)
Deputy Secretary (Admin/Acctts.),
Finance Department
(Member/Secretary)



(Khalil Ahmed Saraz)
Deputy Secretary (SR),
Finance Department
(Member)



(Prof. Dr. Shahriyar Ghazanfar)
Chairman Surgery, DUHS
(Member)



(Amanullah Bhatti)
Director PPP Unit
Finance Department
(Member)



(Syed Sameer Abbas)
Director Internal Audit
Planning & Development Department
(Member)



(Jamsheed Alam Memon)
Additional Secretary (G.A),
Services, General Administration &
Coordination Department
(Member)



(Ghulam Ali Soomro)
Additional Secretary (Admn/Acctts),
Finance Department
(Chairman)



Commissioner-III

NO.SRB-COM-III/INS/
GOVERNMENT OF SINDH
SINDH REVENUE BOARD

2nd Floor Shaheen Complex,
M.R Kiyani Road, Karachi

Dated 28th February 2024

To,
Deputy Secretary (Admin & Accounts)
Finance Department, Karachi.

Subject: PROCUREMENT OF HEALTH INSURANCE SERVICES FOR SINDH SECRETARIAT, CHIEF MINISTER SECRETARIAT, GOVERNOR SECRETARIAT, AND PROVINCIAL ASSEMBLY EMPLOYEES WITH THEIR ENTITLED FAMILY MEMBERS.

Please refer to your letter No.FD/SO(IHC)/TENDER/2023-24 dated 27th February 2024 regarding aforesaid captioned subject.

2. In aforementioned letter, Finance Department, Government of Sindh has raised three queries regarding SST on health insurance service provided by M/s. State Life Insurance Corporation and others and requested for SRB's response thereupon.

3. The SRB's views on the queries mentioned at paragraph 3 of the aforementioned letter are ad seriatim:

- a. Under the provisions of the Sindh Sales Tax on Services Act, 2011, health insurance services are taxable under tariff heading 9813.1000 and their sub headings. Therefore, registration with SRB along with active taxpayer status is mandatory requirement for all companies providing health insurance services.
- b. Sindh Sales Tax on health insurance services is applicable. Health insurance services were previously exempt from sales tax vide notification No. SRB-3-4/19/2022 dated 28-06-2022 until 30-06-2023. The exemption was withdrawn w.e.f 1st July 2023. Currently, the group health insurance services are subject to Sindh Sales Tax at the rate of 13%. However in case of health insurance services received by individuals, it is exempt under notification No. SRB-3-4/7/2013 dated 18th June 2013, read with notification No. SRB-3-4/3/2017 dated 12th January 2017.
- c. M/s. SLIC is not registered with SRB as health Insurer. Furthermore, it is to clarify that SLIC is neither registered with SRB under any insurance category nor paying any Sindh Sales Tax on its taxable health and life insurance services. Despite clear legal position of SST on Health insurance and Life insurance, M/s. SLIC chose not to comply with SST law but rather opted to engage in litigation with SRB by challenging the vires of the SST in Honourable Sindh High Court.

Help line: 111-778-000 Phone: 99217800 Ext: 197 e-mail: lubna.najmi@srb.gos.pk web: www.srb.gos.pk

4. Regarding the two Constitution petitions mentioned in the aforementioned letter, namely C.P No. 7677/2019 concerning Life Insurance services and C.P No.4318/2023 concerning Health Insurance services, it is important to note that these CPs are awaiting final decisions. However, the interim orders issued therein have not prohibited the litigants from obtaining registration with SRB nor have they raised any objection to the validity of the Sindh Sales Tax on Services Act, 2011. It is noteworthy that SST on health insurance has been successfully enforced and companies, including Adamjee Insurance, Alfalah Insurance, Sindh Insurance and others, are paying SST on health insurance. M/s. SLIC is among the non-compliant litigants as they have neither registered with SRB despite providing taxable services of Health Insurance and Life Insurance nor have they filed any Sindh Sales Tax Return (SSTR) with SRB as required under section 30 of the Act, 2011.

5. In case of any additional information is required, feel free to contact the undersigned.


(Tariq Hussain Tunio)
Commissioner-III, SRB