

REQUEST FOR PROPOSAL (RFP)

Appointment of Actuarial Consultant

Last date for submission of RFP: 27.11.2022 (At 17:00 Hours)

Employees' Provident Fund Organization, 2022
rc.pension@epfindia.gov.in

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1. INTRODUCTION

1. The Employees' Provident Fund Organization (EPFO), India is a statutory body under the aegis of the Ministry of Labour and Employment (MOL&E), Government of India. The main objective of the organization is to provide old-age social security to the workers/employees and family members of the deceased, who are employed in factories and establishments having 20 or more employees.
2. EPFO is one of the largest social security provider institution globally. It has over 6.4 crores active contributing members and 73 lakh pensioners. The total corpus of the organisation stands at over 17 lakh crore as on 31.03.2022.
3. EPFO was constituted through the parliamentary enactment to fulfil the mandate of "Directive Principles of State Policy" of the Constitution of India which requires the state to secure a social order for the promotion of welfare of the people.
4. The organization functions under the overall superintendence of the Central Board of Trustees, a tripartite body, headed by the Union Minister for Labour and Employment as Chairman. The Chief Executive Officer of the Organization is the Central Provident Fund Commissioner, who is also a Member of the Board and its Secretary.
5. The Employees' Provident Funds & Miscellaneous Provisions Act, 1952 which is the guiding statute came into force in the month of March, 1952 and presently three schemes are in operation under the Act:
 - a. Employees' Provident Fund Scheme, 1952 (EPF)
 - b. Employees' Deposit Linked Insurance Scheme, 1976 (EDLI)
 - c. Employees' Pension Scheme, 1995 (EPS) (replacing Employees' Family Pension Scheme, 1971)
6. The latest among all the three schemes is the Employees' Pension Scheme 95 (EPS-95), which was brought by replacing the Employees' Family Pension Scheme, 1971. EPS-95 provides for superannuation pension, retirement pension and permanent total disablement pension to the employees of any establishment or class of establishments to which this Act applies and widow or widower pension, children pension or orphan pension, nominee and parent pension payable to the beneficiaries of such employees.
7. The Scheme by design is both defined benefit and defined contribution. It has a pooled fund where all contributions are accumulated and from where all benefits are paid out to the beneficiaries. This requires continuous monitoring and careful calibration of both benefits and contributions so that the Scheme remains sustainable. This monitoring exercise is assisted by an actuary who is required to carry out all possible scenario analysis to ensure the sustainability of the pension fund.
8. As on 31.03.2022, the total membership of EPS – 1995 and EDLI – 1976 are approximately 28 crores and 6.43 crores respectively.

2. TERMS OF REFERENCE

2.1 The appointment of the actuary/actuarial firm is for the purpose of providing consultancy services to EPFO on matters related to Pension and Insurance.

2.2 The appointment shall be made on contract basis for tenure of 3 years.

2.3 The appointed actuary/actuarial firm shall study the EPS-95 and suggest measures to enhance the benefits under the scheme keeping sustainability of the scheme intact. Further, the following aspects shall also be evaluated by it during the course of its engagement:

2.3.A The appointed actuary/actuarial firm shall make projection on impact of various amendments/changes in the Employees' Pension Scheme during the tenure of appointment.

2.3.B The appointed actuary/actuarial shall carry out actuarial analysis of any new pension scheme which will be brought out by EPFO during the tenure of appointment. The analysis shall look into the feasibility and any other important risk factors that needs to be borne in mind, from the perspective of all stakeholders concerned (government, Employers and Employees). Besides it should also do the following:

2.3.A.A Check the long-term viability/feasibility of the scheme

2.3.A.B Determine the long-term contribution rates (from FBW to DC Fund)

2.3.A.C Determine whether the proposed scheme rules are equitable to all members concerned

2.3.A.D Carry out sensitivity checks on comment on findings above

2.3.A.E Highlight the factors that cause Risks and Uncertainties underlying the results.

2.4 The appointed actuary/actuarial firm shall make projection on impact of various amendments / changes in the Employees Deposit Linked Insurance (EDLI) Scheme like changing the criteria of giving benefits to the family members / nominees / dependents of an EDLI member from "death while in service (i.e. an employee who is a member)" to "death as an EPF Member (i.e. an EPF Member who has not withdrawn his EPF accumulations)".

2.5 The appointed actuary/actuarial firm shall carry out annual valuation of EDLI Fund, valuation and projection exercise of the EPF Staff pension cum Gratuity Scheme, leave encashment and any other scheme for EPFO employees that may be applicable / introduced during the tenure of this agreement.

2.6 The appointed actuary/actuarial firm shall conduct a training programme for the officials of the EPFO, especially officials/ officers posted in Actuarial Cell, at least once a month for at least two days without any additional compensation.

2.7 The appointed actuary/actuarial firm shall emphasize employees training on Industry Best Practices.

2.8 The appointed actuary/actuarial shall carry out analysis and impact of Supreme Court Judgement dated 04.11.2022.

2.9 Any other issues referred during the term of the appointment

2.10 While most of the communication between EPFO and the appointed actuary/actuarial firm can be through post and e-mails, the presence of actuary/actuarial firm can be required in some cases anywhere in India. In such cases, the appointed Actuary/professional of Actuarial Consultant shall be entitled to remuneration detailed under term and conditions for remuneration.

3. QUALIFICATIONS/ DISQUALIFICATIONS (TECHNICAL BID)

3.1 The applicant may be an actuary practising either individually, as a "sole practitioner" or "sole proprietor", or as (partnership) firm of actuaries registered and incorporated in India and should be in existence for at least 5 years, or an Actuary having relevant experience."

3.2 In case of actuary firm at least one member of the team shall be fellow member of the Institute of Actuaries of India (under Actuaries Act, 2006) and shall possess an actuarial qualification that is valid and recognized by the Institute of Actuaries of India.

3.3 At least one member of the team must have a post actuarial qualification professional work experience of at least 3 years with total work experience of 5 years.

3.4 The actuary should have carried out the actuarial valuation of at least 3 funds in the immediately preceding 5 financial years.

3.5 Out of the total funds for which valuation exercise has been carried out in the immediately preceding 5 years and cited as qualifying experience, the following should also be satisfied:

- a. At least 1 fund should have had minimum fund size of Rs. 1,000/- crores.
- b. At least 1 of the funds mentioned above should have had a beneficiary base of 5,000 or more.

3.6 The actuary or any member of the team should not have been held guilty of professional or any other misconduct under the Actuaries Act, 2006 or any rules there under or in any other such proceedings of the Institute of Actuaries of India or by any court of law.

3.7 The actuary or any member of the team should not have been blacklisted /debarred /disqualified by any regulator/ statutory body or Government entity or any international/national agency for corrupt or fraudulent practices;

4. TERMS AND CONDITIONS FOR REMUNERATION (FINANCIAL BID)

4.1 The consultancy work shall be assigned to the actuary/actuarial firm from time to time on a need basis.

4.2 Valuer shall state the fees for the consultancy work separately in the financial bid. The consultancy fees quoted should be inclusive of all the government taxes or levies as on the date of filing the bid. The consultancy fees and the breakup of the taxes and levies should be shown separately for each of the funds along with the total consultancy fee.

4.3 The fee will be paid annually after the acceptance of major reports submitted by the Actuary/Actuarial Consultant. Traveling allowance and Dearness allowance, etc. will be paid quarterly to the appointed Actuary/Actuarial Consultant subject to admissible rules and approval of the competent authority.

4.4 The preferred mode of communication between EPFO and appointed Actuary/Actuarial consultant shall be through post, video-conference facility and e-mail.

4.5 In case the actuary is required by the EPFO to attend any meeting in connection with the assigned consultancy work then the actuary will be entitled to:-

- a. Claim travel expenses of refundable economy class air fare by any Airlines according to the guidelines issued by Government of India from time to time.
- b. Claim local transport charges as per the prevailing rules of the Government of India.
- c. Claim boarding and lodging expenses upto Rs. 5000/- per night against vouchers for each Consultant Actuary.

5. GENERAL CONDITIONS

5.1 The bids should be submitted in two separate parts, one for technical bid and second for financial bid.

5.2 Submission of Tender: The tenders should be submitted online only latest by end of 30 days after publication of notice on Central Public Procurement Portal website.

5.3 The tenders submitted after this deadline will not be entertained at all and/or shall not be opened

5.4 The bids and any other relevant documents shall only be digitally signed by a person legally authorized to do so on behalf of the applicant/Company.

5.5 Rejection of All Proposals and Re-invitation: EPFO will have the right to reject any or all proposals and invite Re-bids without explaining the reasons thereof.

5.6 Payment Terms: The payment shall be released after completion of the job to the satisfaction of the competent authority and within thirty days of the submission of the Bill by the Actuary.

5.7 Professional Liability: The Actuary will be expected to carry out the assignment with due diligence and in accordance with the prevailing standards of the profession as issued by the Institute of Actuaries, India from time to time.

5.8 Standards of Ethics: The Actuary shall observe the highest ethical standards during selection and execution of the contract and shall not indulge in any corrupt, fraudulent collusive or coercive practice. If any such instance is found before or during the award of contract, EPFO shall have the right to declare the Actuary ineligible.

5.9 Conflict of Interest: The Actuary and its affiliates shall not engage in consulting activities in conflict with the interest of EPFO. The Actuary should provide professional, objective and impartial advice and at all times hold the client's interests paramount, without any consideration for future work.

5.10 The Actuary or the Consultant shall take sufficient care for data protection measures to ensure confidentiality of data and reports.

5.11 The Actuary shall undertake that data given to the Actuary by EPFO and any information generated from the data provided shall not be used by the Actuary for any other purpose

5.12 **Settlement of dispute and arbitration:** Without prejudice to the provisions hereof, in event of any dispute, difference, conflict or question arising between the parties hereto, relating to or arising out of this agreement and no settlement is reached within 30 days after negotiation on date, such dispute shall be referred to Arbitration.

The venue of arbitration shall be at New Delhi only.

The Arbitral proceeding in respect of dispute shall commence of the date on which the Arbitrator call upon the parties to file their claim and Defence statement.

The work under the contract, if reasonable possible continue during the arbitration proceeding and no payment due or payable to the Contractor shall be withheld on account of such proceeding.

The cost of arbitration shall be borne by parties as per the decision of the Arbitrator.

The Arbitrator shall give separate award in respect of each dispute or difference referred to him.

Subject as aforesaid the Arbitration & Conciliation Act 1996 shall apply to the Arbitration proceedings under this clause. Any amendment in the aforesaid Act Arbitration & Conciliation Act 1996 will be applicable upon both the parties and result therefrom due to such amendment.

Name of the Arbitrator will be suggested by the First Party and may be agreed to by the Second Party. In case the Second Party is not agreeable to the name suggested by the first party, both parties will suggest the name of one Arbitrator each, and these two Arbitrators will choose an Arbitrator who will be the third and the Presiding Arbitrator.

The Arbitrator must either be a retired Judge of High Court or an officer of the rank of Additional Secretary to the Government of India or equivalent rank in Government of India.

All disputes will be subject to jurisdiction of Courts at Delhi only.

5.13 **Applicable Law and settlement of Disputes:** The dispute, if any, shall be settled within the jurisdiction of the High Court of Delhi.

5.14 **Non Disclosure Clause:** Such confidential information that which by its nature it is obvious to the party receiving it is confidential or proprietary, the receiving party agrees to treat the same as strictly confidential and shall not divulge, directly or indirectly, to any other person, firm corporation, association or entity, for any purpose whatsoever, the confidential information so received by it and shall not make use of or copy such confidential information, except for the purpose of this contract. Such confidential information may be disclosed by the party receiving it only to such of the employees, consultant, advisers and sub-contractors of the receiving party who reasonably require access to such information for the purpose for which it was disclosed and who have secrecy obligations to the receiving party. The commitment shall impose no obligation upon either party with respect to any portion of such information that was known to the receiving party prior to its receipt from the other party; is known or which (through no act or failure on the part of the receiving party) becomes generally known; or

(i) Is supplied to receiving party by a third party which the receiving party in good faith believes is free to make such disclosure without restriction on disclosure.

(ii) Is disclosed by the disclosing party to a third party generally, without restriction on disclosure.

(iii) Is independently developed by the receiving party without use of any confidential information provided by the disclosing party.

5.15 **Force Majeure:** i) Neither party shall be liable for any claim on account of any loss, damage or compensation; whatsoever, arising out of any failure to carry out the terms of this Contract where such failure is caused due to war, rebellion, mutiny, civil commotion, fire, riot, pandemic (like Covid), earthquake, drought, floods, strike, lock-out, major break down of the machinery, or act of God, or due to any restraint or regulation of the State or Central Government, or a local authority/ authorities provided a notice of such occurrence is given to the other party in writing within 10 days from the date of the occurrence of the force majeure condition, furnishing there with a documentary evidence supporting the invoking of the force-majeure clause. ii) On cessation of the force-majeure, the party invoking force- majeure shall inform the other party of the period for which the force majeure condition continued and shall also give documentary evidence thereof to this effect.

5.16 **Delivery Period and Penalty Clause:** The Actuary will be required to submit the reports in respect of the assigned work within a period of 30 days in the form and format as desired by EPFO. In the event of delay in submission of the report following penalty will be imposed-

5.16.A Delay up to 10 days -20% deduction in the fees payable during the month.

5.16.B Delay more than 10 days but upto 20 days- 40% deduction in the fees payable during the month

5.16.C Delay more than 20 days but upto 30 days - 60% deduction in the fees payable during the month

5.16.D In case delay is more than 30 days, 100% deduction in the fees payable during the month

5.17 However, in case the delay is genuine due to reasons and beyond the control of the actuary, the Competent Authority may reduce or waive the penalty at its discretion.

5.18 The Competent Authority can, if it thinks fit in the interest of the EPFO relax any of the conditions of the Contract. However, the final decision of acceptance or rejection of any document/tender is vested with the competent authority.

5.19 Performance Bank Guarantee

5.19.1 Performance Bank Guarantee (PBG) shall be of an amount equal to Rs. 5,00,000/- (Rupees Five Lakhs Only).

5.19.2 The selected Actuarial Consultant will furnish a Performance Bank Guarantee (PBG) substantially in the specified form by nationalized scheduled Banks as performance security towards this contract.

5.19.3 The selected actuarial Consultant shall at his own expense, deposit with EPFO, within seven (07) working days of the date of notice of award of the contract or prior to signing of the contract, whichever is earlier, an unconditional and irrevocable Performance Bank Guarantee (PBG) from a Nationalized Scheduled Bank acceptable to EPFO, payable on demand, for the due performance and fulfillment of the contract by the selected actuarial Consultant.

5.19.4 All charges whatsoever such as premium, commission, etc. with respect to the Performance Bank Guarantee shall be borne by the selected actuarial Consultant.

5.19.5 The performance bank guarantee shall be valid till the Expiration of Contract plus Three months, subject to annual renewals.

5.19.6 The Performance Bank Guarantee may be discharged/ returned by EPFO upon being satisfied that there has been due performance of the obligations of the selected actuarial Consultant under the contract. However, no interest shall be payable on the Performance Bank Guarantee.

5.19.7 In the event of the selected actuarial Consultant being unable to service the contract for whatever reason, or any misrepresentation is discovered, EPFO would invoke the PBG. Notwithstanding and without prejudice to any rights whatsoever of EPFO under the Contract in the matter, the proceeds of the PBG shall be payable to EPFO as compensation for any loss resulting from the selected Consultant's failure to complete its obligations under the Contract. EPFO shall notify the selected actuarial Consultant in writing of the exercise of its right to receive such compensation within 15 days, indicating the contractual obligation(s) for which the selected actuarial Consultant is in default.

5.19.8 EPFO shall also be entitled to make recoveries from the selected actuarial Consultant's bills, performance bank guarantee, or from any other amount due to him, the equivalent value of any payment made to him due to inadvertence, error, collusion, misconstruction or misstatement.

6. ASSIGNMENT SPECIFIC INFORMATION

6.1 The Report on the assigned work shall contain details of all the information/assumptions used in arriving at the conclusion, explanation on the methodology used, different scenario analysis, excel tables of the scenario analysis, stakeholder wise (beneficiary, contributor/s to the fund and the government) justifications of the actuarial recommendations, etc. preferably in MS Office 'or' in the format as desired by EPFO.

6.2 The report should be specific and submitted point wise vis-a-vis to the terms of references.

6.3 The data for the analysis shall be provided by EPFO. Supplementary data through annual reports, audited accounts and other MIS Reports can also be provided.

6.4 Data Constraints: The selected Consultant will have to satisfy itself about the quantity and quality of data available with EPFO by carrying out its own validation tests.

7. PROCESS OF FINALIZATION

7.2 COMPLETENESS OF BID DOCUMENTS

7.1.1 A Committee of officers of EPFO constituted for the purpose, will open and evaluate the contents of the documents received on eProcurement portal of GoI to ascertain that all documents/information requirements are provided in the format and the manner specified.

7.1.2 EPFO may, where desired necessary, seek further clarifications from any/ all bidders in respect of any information provided in the RFP.

7.1.3 The Applicant must furnish clarifications within the stipulated time frame failing which the RFP submitted by the Applicant concerned will be treated as incomplete and will be rejected.

7.2 EVALUATION OF TECHNICAL AND FINANCIAL BIDS

7.2.1 TECHNICAL BID

The Technical bids of all the Applicants will be evaluated as per the qualifications specified in Section 3 of the RFP.

7.2.2 FINANCIAL BID

All Applicants, who qualify on the qualifications laid down in the Technical Bid, would be short-listed for the evaluation of financial bid. Financial bids will be evaluated on the basis of their quoted per hour rate for any of the work to be assigned to the actuary/actuarial firm. The proposals shall be valid for a period of Six (6) months from the date of opening of the Financial Bid.

7.3 FINALIZATION OF THE CONSULTANT

7.3.1 The actuary/actuarial firm will be finalized based on the evaluation criteria as prescribed above and the successful actuary/actuarial firm will be informed by email.

7.3.2 EPFO reserves the right to cancel the appointment process, call for a re-bid without assigning any reason thereof.

7.4 KEY ACTIVITIES AND DATES

7.4.1 The expected schedule of key activities for the purpose of this RFP is outlined below:

Sr. No.	Key Activities	Due Date
1.	Pre-bid Conference	21.11.2022
2.	Last date for receipt of RFP	27.11.2022 at 17:00 hrs
3.	Opening of Technical bid	28.11.2022 at 11:00 AM
4.	Opening of Financial bids	28.11.2022

7.4.2 EPFO reserves the right to change any date/time mentioned in the schedule above.

7.4.3 Applicants are invited to be present through their authorized representative at the time of opening of Technical Bid and Financial Bid.

8. RFP DOCUMENTATION REQUIREMENTS

8.1 DOCUMENTS COMPRISING THE PROPOSAL

8.1.1 The proposal submitted by the Applicant shall comprise the following documents:

8.1.1	Technical proposal including all the technical information, as laid down in Section 7.2 duly filled in along with all attachments/schedules duly completed and with a covering letter, digitally signed by the authorized representative of the Applicant.
8.1.2	The Applicant's financial proposal, as per the format defined in Section 8.3, along with a covering letter, digitally signed by the authorized representative of the Applicant.
8.1.3	Any deviation from the requirements of the RFP must be included in a separate statement.
8.1.4	Any other information that is to be submitted during the course of the proposal process.

8.1.2 There must be an index at the beginning of the proposal detailing the summary of all information contained in the proposal. All pages in the proposal must be serially numbered, and digitally signed by a person legally authorized to do so on behalf of the applicant consultant/company.

8.2 TECHNICAL BID FORMAT

8.2.1 The following information is required to be submitted by the Applicants:

Sr. No.	Description	Data sought
1	Name of the Applicant Actuary/Actuarial firm	Full name
2	Address with telephone No., Fax No., email ID, etc.	All the relevant addresses
3	Date and Registration No. of the Actuary/consultant/member of the Actuary team with Actuarial Society of India.	Attach copy of Registration

4.	<p>Details of the Actuary intended to be assigned the task by the applicant consultant/company</p> <p>a. Name</p> <p>b. Registration with the Institute of Actuaries Of India</p> <p>c. Experience:</p>	<p>Attach copy of Registration</p> <p>Attach list of clients with contact person, along with detail reflecting the information required in Para 3.4& 3.5</p>
5.	Income tax PAN	Attach copy
6.	Affidavit as per Para 3.6 & 3.7	Attach Original

8.3 FINANCIAL BID FORMAT

8.3.1 The Financial bid shall be submitted in the format given below:

Particulars	Amount (₹)
<i>Lump sum consultation fee (inclusive of all taxes) for Actuarial Consultant per annum.</i>	<p>\. (in figure)</p> <p>\. (in words)</p>
Total:	

9. DISCLAIMER

- 9.1 This document is being published by the EPFO in connection with the proposed appointment of Consultant Actuary
- 9.2 This document does not constitute nor should it be interpreted as an offer or invitation for the appointment of Actuary described herein.
- 9.3 This document is meant to provide information only and upon the express understanding that recipients will use it only for the purpose of furnishing a proposal for being appointed as an Actuary of the EPFO. No representation or warranty, expressed or implied, will be made as to the reliability, accuracy or the completeness of any of the information contained herein.
- 9.4 The EPFO reserves the right to reject any or all proposals or cancel/withdraw the Request for Proposal (RFP) without assigning any reason whatsoever and in such case no intending Applicant shall have any claim arising out of such action. At any time prior to the deadline for submission of proposals, the EPFO may modify, for any reason deemed necessary, the RFP by amendment notified in writing or by email to all the Applicants who have received this RFP and such amendment shall be binding on them.
- 9.5 The recipients of the RFP should carry out an independent assessment and analysis of the requirements for appointment as Actuary and of the information, facts and observations contained herein.
- 9.6 This document has not been filed, registered or approved in any jurisdiction. Recipients of this document should inform themselves of any applicable legal requirements and conform to the same
- 9.7 This document confers neither a right nor an expectation on any party to offer for appointment as Actuary.
- 9.8 The EPFO reserves the right to not consider for the purpose of qualification, a proposal which is found to be incomplete in content and/or attachments and/or authentication etc. or which is received after the specified date and time, or not delivered as per the specified procedure.
- 9.9 Without prejudice to any other rights or remedies available to the EPFO, Actuary may be disqualified and their proposals rejected for any reason whatsoever including those listed below:
- 9.10 Material misrepresentation by the Applicant in the Proposal.
- 9.11 Failure by the Applicant to provide the information required to be provided in the proposal pursuant to relevant sections of this document.
- 9.12 If information becomes known, after the Applicant has been appointed, which would have entitled the EPFO to reject or disqualify the relevant Actuary, the EPFO reserves the right to reject the applicant at the time, or at any time after such information becomes known to the EPFO and no compensation, whatsoever, shall be payable to the applicant so rejected.
- 9.13 The Actuary failing to satisfy the eligibility and requisite qualification criteria specified herein are not eligible to have their applications considered.
- 9.14 All proposals and accompanying documents received within the stipulated time will become the property of the EPFO and will not be returned.

10. CONTACT DETAILS:

Smt. Aprajita Jaggi,
Regional Provident Fund Commissioner-I (Pension),
Employees' Provident Fund Organization (EPFO),
Bhavishya Nidhi Bhawan,
14, Bhikaiji Cama Place,
New Delhi – 110066.
Phone: 011- 26175212
E-Mail – rc.pension@epfindia.gov.in,
Website: www.epfindia.gov.in

SERVICE LEVEL AGREEMENT

1. The appointment of the actuary/actuarial firm is for the purpose of providing consultancy services to EPFO on matters related to Pension and Insurance.
2. The appointment shall be made on contract basis for tenure of 3 years.
3. The appointed actuary/actuarial firm shall study the EPS-95 and suggest measures to enhance the benefits under the scheme keeping sustainability of the scheme intact. Further, the following aspects shall also be evaluated by it during the course of its engagement:
 - i. The appointed actuary/actuarial firm shall make projection on impact of various amendments/changes in the Employees' Pension Scheme during the tenure of appointment.
 - ii. The appointed actuary/actuarial shall carry out actuarial analysis of any new pension scheme which will be brought out by EPFO during the tenure of appointment. The analysis shall look into the feasibility and any other important risk factors that needs to be borne in mind, from the perspective of all stakeholders concerned (government, Employers and Employees). Besides it should also do the following:
 - a. Check the long-term viability/feasibility of the scheme
 - b. Determine the long-term contribution rates (from FBW to DC Fund)
 - c. Determine whether the proposed scheme rules are equitable to all members concerned
 - d. Carry out sensitivity checks on comment on findings above
 - e. Highlight the factors that cause Risks and Uncertainties underlying the results.
4. The appointed actuary/actuarial firm shall make projection on impact of various amendments / changes in the Employees Deposit Linked Insurance (EDLI) Scheme like changing the criteria of giving benefits to the family members / nominees / dependents of an EDLI member from "death while in service (i.e. an employee who is a member)" to "death as an EPF Member (i.e. an EPF Member who has not withdrawn his EPF accumulations)".
5. The appointed actuary/actuarial firm shall carry out annual valuation of EDLI Fund, valuation and projection exercise of the EPF Staff pension cum Gratuity Scheme,

leave encashment and any other scheme for EPFO employees that may be applicable / introduced during the tenure of this agreement.

6 The appointed actuary/actuarial firm shall conduct a training programme for the officials of the EPFO, especially officials/ officers posted in Actuarial Cell, at least once a month for at least two days without any additional compensation.

7. The appointed actuary/actuarial firm shall emphasize employees training on Industry Best Practices.

8. The appointed actuary/actuarial shall carry out analysis and impact of Supreme Court Judgement dated 04.11.2022.

9. Any other issues referred during the term of the appointment.

10. While most of the communication between EPFO and the appointed actuary/actuarial firm can be through post and e-mails, the presence of actuary/actuarial firm can be required in some cases anywhere in India. In such cases, the appointed Actuary/professional of Actuarial Consultant shall be entitled to remuneration detailed under term and conditions for remuneration.

11. The Report on the assigned work shall contain details of all the information/assumptions used in arriving at the conclusion, explanation on the methodology used, different scenario analysis, excel tables of the scenario analysis, stakeholder wise (beneficiary, contributor/s to the fund and the government) justifications of the actuarial recommendations, etc. preferably in MS Office 'or' in the format as desired by EPFO.

12. The report should be specific and submitted point wise vis-a-vis to the terms of references.

13. The data for the analysis shall be provided by EPFO. Supplementary data through annual reports, audited accounts and other MIS Reports can also be provided.

14. Data Constraints: The selected Consultant will have to satisfy itself about the quantity and quality of data available with EPFO by carrying out its own validation tests.

15. Delivery Period and Penalty Clause: The Actuary will be required to submit the reports in respect of the assigned work within a period of 30 days in the form and format as desired by EPFO. In the event of delay in submission of the report following penalty will be imposed-

15.A Delay up to 10 days -20% deduction in the fees payable during the month.

15.B Delay more than 10 days but upto 20 days- 40% deduction in the fees payable during the month

15.C Delay more than 20 days but upto 30 days - 60% deduction in the fees payable during the month

15.D In case delay is more than 30 days, 100% deduction in the fees payable during the month

16 However, in case the delay is genuine due to reasons and beyond the control of the actuary, the Competent Authority may reduce or waive the penalty at its discretion.

17 The Competent Authority can, if it thinks fit in the interest of the EPFO relax any of the conditions of the Contract. However, the final decision of acceptance or rejection of any document/tender is vested with the competent authority.

18 **Performance Bank Guarantee**

18.1 Performance Bank Guarantee (PBG) shall be of an amount equal to Rs. 5,00,000/- (Rupees Five Lakhs Only).

18.2 The selected Actuarial Consultant will furnish a Performance Bank Guarantee (PBG) substantially in the specified form by nationalized scheduled Banks as performance security towards this contract.

18.3 The selected actuarial Consultant shall at his own expense, deposit with EPFO, within seven (07) working days of the date of notice of award of the contract or prior to signing of the contract, whichever is earlier, an unconditional and irrevocable Performance Bank Guarantee (PBG) from a

Nationalized Scheduled Bank acceptable to EPFO, payable on demand, for the due performance and fulfillment of the contract by the selected actuarial Consultant.

18.4 All charges whatsoever such as premium, commission, etc. with respect to the Performance Bank Guarantee shall be borne by the selected actuarial Consultant.

18.5 The performance bank guarantee shall be valid till the Expiration of Contract plus Three months, subject to annual renewals.

18.6 The Performance Bank Guarantee may be discharged/ returned by EPFO upon being satisfied that there has been due performance of the obligations of the selected actuarial Consultant under the contract. However, no interest shall be payable on the Performance Bank Guarantee.

18.7 In the event of the selected actuarial Consultant being unable to service the contract for whatever reason, or any misrepresentation is discovered, EPFO would invoke the PBG. Notwithstanding and without prejudice to any rights whatsoever of EPFO under the Contract in the matter, the proceeds of the PBG shall be payable to EPFO as compensation for any loss resulting from the selected Consultant's failure to complete its obligations under the Contract. EPFO shall notify the selected actuarial Consultant in writing of the exercise of its right to receive such compensation within 15 days, indicating the contractual obligation(s) for which the selected actuarial Consultant is in default.

18.8 EPFO shall also be entitled to make recoveries from the selected actuarial Consultant's bills, performance bank guarantee, or from any other amount due to him, the equivalent value of any payment made to him due to inadvertence, error, collusion, misconstruction or misstatement.

19 Settlement of dispute and arbitration: Without prejudice to the provisions hereof, in event of any dispute, difference, conflict or question arising between the parties hereto, relating to or arising out of this agreement and no settlement is reached within 30 days after negotiation on date, such dispute shall be referred to Arbitration.

The venue of arbitration shall be at New Delhi only.

The Arbitral proceeding in respect of dispute shall commence of the date on which the Arbitrator call upon the parties to file their claim and Defence statement.

The work under the contract, if reasonable possible continue during the arbitration proceeding and no payment due or payable to the Contractor shall be withheld on account of such proceeding.

The cost of arbitration shall be borne by parties as per the decision of the Arbitrator.

The Arbitrator shall give separate award in respect of each dispute or difference referred to him.

Subject as aforesaid the Arbitration & Conciliation Act 1996 shall apply to the Arbitration proceedings under this clause. Any amendment in the aforesaid Act Arbitration & Conciliation Act 1996 will be applicable upon both the parties and result therefrom due to such amendment.

Name of the Arbitrator will be suggested by the First Party and may be agreed to by the Second Party. In case the Second Party is not agreeable to the name suggested by the first party, both parties will suggest the name of one Arbitrator each, and these two Arbitrators will choose an Arbitrator who will be the third and the Presiding Arbitrator.

The Arbitrator must either be a retired Judge of High Court or an officer of the rank of Additional Secretary to the Government of India or equivalent rank in Government of India.

All disputes will be subject to jurisdiction of Courts at Delhi only.

20. **Non Disclosure Clause:** Such confidential information that which by its nature it is obvious to the party receiving it is confidential or proprietary, the receiving party agrees to treat the same as strictly confidential and shall not divulge, directly or indirectly, to any other person, firm corporation, association or entity, for any purpose whatsoever, the confidential information so received by it and shall not make use of or copy such confidential information, except for the purpose of this contract. Such confidential information may be disclosed by the party receiving it only to such of the employees, consultant, advisers and sub-contractors of the receiving party who reasonably require access to such information for the purpose for which it was disclosed and who have secrecy obligations to the receiving party. The commitment shall impose no obligation upon either party with respect to any portion of such information that was known to the receiving party prior to its receipt from the other party; is known or which (through no act or failure on the part of the receiving party) becomes generally known; or

(i) Is supplied to receiving party by a third party which the receiving party in good faith believes is free to make such disclosure without restriction on disclosure.

(ii) Is disclosed by the disclosing party to a third party generally, without restriction on disclosure.

(iii) Is independently developed by the receiving party without use of any confidential information provided by the disclosing party.