



Kathmandu Upatyaka Khanepani Limited

Main Office, Tripureshwor, Kathmandu

Notice for Request for Proposal (RFP)

Date of Publication: 2082/12/23

The Kathmandu Upatyaka Khanepani Limited, Tripureshwor, Kathmandu invites Request for Proposal (RFP) from eligible consulting firms to provide the following consulting service. Interested eligible consulting firms may obtain further information and related documents free of cost at the office of Kathmandu Upatyaka Khanepani Limited, Tripureshwor, Kathmandu.

S.No	RFP No.	Description of Project	Deadline of Submission and Opening Date
1	KUKL/RFP/02/082/083	Actuarial Valuation of KUKL's Employees Gratuity and other Facilities Liabilities	Proposal Submission: 2082/12/29 (12:00) Proposal Opening: 2082/12/29 (13:00)

Kathmandu Upatyaka Khanepani Limited
Tripureshwor, Kathmandu

Term of Reference (TOR)

Actuarial Valuation of KUKL's Employees Gratuity and other facilities liabilities

1. Background

KUKL is public company based on the model of Public Private Participation (PPP) under the Company Act 2063.

Gratuity and other facilities (Leave encashment, healthcare facilities, Insurance etc.) are based on the provision of Kathmandu Upatyaka Khanepani Limited's employees administrative regulation. Gratuity and other benefits of these employees are based on the Employees Administrative Regulation. The liabilities created from 16 November 2008 is to be beared by KUKL and Employees recruited from 1 Shrawan 2082 (17 July 2025) are affiliated on Social Security Fund (SSF). In these scenario actuarial valuation of Employees benefits remained inevitable in the sense of fund management strategy as well as maintain compatibility of accounting system guided by Nepal Financial Reporting Standard (NFRS).

2. Scope of the Services:

2.1 Determination of the past, current and future service liability provisioned on KUKL's "Employee Administrative Regulation 2064" under the head of gratuity and other scheme based on actuarial valuation and advice financial management policy.

2.2 Carry out an actuarial valuation to:

- Calculate of the value of the vested benefit upto end of Kartik 2065 BS (15 November 2008) to be beared by KVWSMB on the basis of lease agreement between KVWSMB and KUKL for the employees' deputed to KUKL along with the handover of service system to KUKL.
- Calculate of the value of the vested benefit of the employees to be beared by KUKL. The company's qualifying employees in line with the gratuity and other benefit scheme and rules separately.
- Calculate the value of expected future service contributions for the different scheme provisioned on Employees Administrative Regulation 2064 of KUKL.
- Advice total liabilities for every scheme as per Employees Administrative Regulation 2064 of KUKL.
- Advice the fund management strategy to address the requirement of present and future liabilities created and to be created in the name of Gratuity, social security and other benefits.

3 Availability of Previous Study Documents and Data:

The consulting firm/company shall be made available the following books/documents for the accomplishing the obligations under the assignment, as far as available:

- Accounting Records, financial Statements and audit reports

4 Consulting Firm Qualification and Experience:

The consulting firm should have the following qualifications and experience to carry out the work

- **Actuarial firm** should be qualified Actuary Member of the society of Actuaries, USA, or the institute of

Actuaries, Uk or the Institute of India or any internationally recognized actuarial body) engaged in the provision of actuarial valuation services.

- Company/Firm/Business registration certificate

Experience of the consulting firm

- General experience: The Consulting Firm should have 5 years of Professional Experience.
- The firm should have carried out the actuarial valuation of at least five pension and gratuity scheme in the immediately preceding five financial years.
- Preference will be given to the actuaries having working experience on pension and gratuity scheme in the public sector.
- firm must be solvent Audit report at least three years and Bank solvency certificate are required.
- The firm/ any member of the firm's team should not have been held guilty of professional or any other misconduct under the laws of Nepal or outside Nepal.
- The firm/ any member of the firm's 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 practice.
- The firm must submit up to date Trade license, Income Tax Certificate, VAT certificate, management capacity and overall organization profile.
 - The firm may associate to enhance their qualification but should mention whether the association is in the form of a "joint venture" or of "Sub-bidder" all members of such an association should have real and well-defined inputs to the assignment. The maximum number of members in the association is not more than two. The firm must declare one firm in the association as the "Lead Firm". Joint venture agreement needs to have clear identification about each responsibility matrix.

5 Consultants Requisition, Qualifications and Experience:

The consulting firm/company shall provide all necessary professional experts for Actuarial Valuation of KUKL's Employees Gratuity and other facilities liabilities

The consulting firm/company team residing at KUKL will at least consists of the following team members.

5.1 Lead Consultant: As KUKL has around 800 permanent employees for the calculation of Gratuity and other facilities liabilities.

The senior **Actuary** should have the responsibility of supervising the team and ensure quality of work. The estimated time for the requirement would be equivalent to 2 months.

- **Educational Requirement:** Master in actuarial Science or Statistics or Data analytics
- **Experience:** 2 years of experience in the field of **Actuary**

5.2 Associate Consultant: An Associate Consultant would be required for **Actuary**.

- **Educational Requirement:** Bachelor in actuarial Science or Statistics or Data analytics
- **Experience:** 1 years of relevant **Actuary**.

6. Time Period

Two months from the date of signing.

7. Schedule of work

The implementation will be effective upon the signature of the contract approximately for 2 months. Indicative

professional staff man-months required for assignment will about 4 man-months. However, the required team composition, task assignment and manning schedule will be indicated by consultant in response to the RFP. Based on this, the schedule of work would be finalized during contract negotiation.

8. Selection process

Selection will be based on Quality and Cost Based Selection (QCBS) method in accordance with Public procurement Act 2006 and Public procurement Regulation 2007.

9. Reports

i) **Inception Report** : Assigning firm shall prepare and submit an inception report within 15 days of signing of the contract.

ii) **Interim Report** : The firm shall submit interim report within 30 days from the date of the signing contract. They have to interact and analyzed the views of the company and incorporate them in the interim report.

iii) **Draft Final Report (DFR)**: The firm should submit the DFR within 45 days from the date of signing of the contract. After the interaction with company they have to incorporate the inputs received from interaction in the final report.

iv) **Final Report and Invoice**: After the incorporation of inputs on DFR, the firm shall submit the final report within 60 days from date of signing of the contract.

10. Content of valuation Report

The following content shall be presented in the Valuation Report submitted by the appointed Actuarial firm:

- i) Brief executive summary.
- ii) Brief description of the Employees gratuity fund and other employees benefit mentioned in employees administrative regulation and contract agreement between KVWSMB and KUKL.
- iii) Observation on statistical data (availability, adequacy, quality extract from input data on members and beneficiaries)
- iv) Analysis and advice on Employees gratuity fund and other benefit investment and portfolios, Mortality Rate, growing trend in demographic profile, attrition behaviour and measures to arrest the high attrition rate.
- v) Description of Demographic and economic assumptions adopted by valuation.
- vi) Analysis of Sensitivity of Actuarial Assumptions, Actuarial balance sheet, identification of actuarial gain and losses.
- vii) Total Liabilities and Disclosure as per IAS 19.
- viii) Fund management policy
- ix) Others as per TOR and IAS 19.

11. Proposal Content

The firm should submit the proposal based on TOR within the stipulated timeframe .the actuarial valuation proposal shall contain the following information:

- i) Detailed concept on actuarial valuation
- ii) Individual tasks assignment (To be ensured with resource availability)
- iii) CVs of assigned professionals (To be updated with signature)
- iv) Organizational profile of the actuarial firm
- v) List of the previous similar nature assignment
- vi) Documents of association between firms (is applicable)
- vii) Financial proposal

12. Facilitation and Reporting

Appointed Actuarial firm have to report to KUKL and KUKL will be responsible to observe and payment. KUKL will coordinate the entire work and designate officer(s) to coordinate the works. KUKL shall ensure access to the available pertinent information.

13. Logistic Support for consultants

KUKL will provide office accommodation (if necessary) and counterparts supposed firm should use their own computers and vehicles.

14. Payments

The Actuarial Firm shall submit the invoice with final report. Payments will be made within the 30 days of submission of invoice subject to approval of final reports by the Board of Directors. The provision of VAT and

Taxes are applicable as per Government's rule.

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Financial Proposal

Name of Project: Acturial Valuation of KUKL's Employees Gratuity and other facilities liabilities

S.No.	Particulars	No	Unit	Days	Rate (In Figure)	Rate (In Words)	Amount	Remarks
1	Lead Consultant	1.00	Nos	60.00				
2	Associate Consultant	1.00	Nos	60.00				
3	Travel Expenses	2.00	Nos	60.00				
						Sub Total		
						VAT @13%		
						Total		

In Words:

Authorized Signatory on the behalf of:

Company Name:

Stamp: