



**INVITATION TO BID FOR THE PROCUREMENT OF REINSURANCE  
BROKERAGE SERVICES FOR WEATHER INDEX-BASED PARAMETRIC  
INSURANCE FOR MUNICIPAL FISHERFOLK IN THE PHILIPPINES**

1. The Philippine Crop Insurance Corporation (PCIC), through the PCIC Corporate Operating Budget for 2024 approved by the Board intends to apply the sum of TEN MILLION PESOS (P10,000,000.00) being the Approved Budget for the Contract (ABC) to payments under the contract for the Procurement of Reinsurance Brokerage Services for Weather Index-Based Parametric Insurance for Municipal Fisherfolk in the Philippines. Bids received in excess of the ABC shall be automatically rejected at bid opening.
2. The PCIC now invites bids for the above Procurement Project. Delivery of the Goods is required for a period of one year. Bidders should have completed within the last three (3) years from the date of submission and receipt of bids, a contract similar to the Project. The description of an eligible bidder is contained in the Bidding Documents, particularly in Section II (Instructions to Bidders).
3. Bidding will be conducted through open competitive bidding procedures using a non-discretionary "pass/fail" criterion as specified in the 2016 Revised Implementing Rules and Regulations (IRR) of Republic Act (R.A.) 9184, otherwise known as the "Government Procurement Reform Act".

Bidding is restricted to Filipino citizens/sole proprietorships, partnerships, or organizations with at least sixty percent (60%) interest or outstanding capital stock belonging to citizens of the Philippines, and to citizens or organizations of a country the laws or regulations of which grant similar rights or privileges to Filipino citizens, pursuant to RA 5183.

4. Prospective Bidders may obtain further information from PCIC and inspect the Bidding Documents at the address given below during office hours from 8:00 AM to 3:00PM Monday to Friday.
5. A complete set of Bidding Documents may be acquired by interested bidders beginning November 25, 2024 until December 16, 2024 from 8:00 A.M. to 3:00 P.M. from the given address and website below and upon payment of the applicable fee for the Bidding Documents, pursuant to the latest Guidelines issued by the GPPB in the amount of Ten Thousand Pesos Only (Php10,000.00). The PCIC shall allow the bidder to present its proof of payment for the fees in person or through email at **gsd\_pcic@yahoo.com**.
6. The PCIC will hold a Pre-Bid Conference on **December 2, 2024 at 10:00 A.M.**, at the PCIC Conference Room, 7<sup>th</sup> Floor Bldg. A, NIA Complex, EDSA, Diliman, Quezon City





and/or through video conferencing or webcasting through Zoom which shall be open to prospective bidders.

7. Bids must be duly received by the BAC Secretariat through manual submission at the office address as indicated below on or before December 16, 2024 at 10:00 A.M. Late bids shall not be accepted.
8. All Bids must be accompanied by a bid security in any of the acceptable forms and in the amount stated in ITB Clause 14.
9. Bid opening shall be on **December 16, 2024 at 10:00 A.M.**, at PCIC Conference Room, 7<sup>th</sup> Floor Bldg. A, NIA Complex, EDSA, Diliman, Quezon City. Bids will be opened in the presence of the bidders' representatives who choose to attend the activity.
10. The PCIC reserves the right to reject any and all bids, declare a failure of bidding, or not award the contract at any time prior to contract award in accordance with Section 35.6 and 41 of the 2016 revised IRR of RA 9184, without thereby incurring any liability to the affected bidder or bidders.
11. For further information, please refer to:

**FE I. RAMOS OR MA. SOLITA D. SAMERA**

BAC Secretariat

Philippine Crop Insurance Corporation

7<sup>th</sup> Floor Building A, NIA Complex

EDSA, Diliman, Quezon City

Telephone No.: (02) 8361-8983

Email: [gsd\\_pcic@yahoo.com](mailto:gsd_pcic@yahoo.com)

12. You may visit the following websites for downloading of bidding documents:

PCIC Website - <https://pcic.gov.ph/invitation-to-bid/>

PhilGEPS Website: <https://philgeps.gov.ph/>

21 November 2024



**SEGUNDO M. GUERRERO JR.**

Chairperson Bids and Awards Committee

Senior Vice - President, RMG



## **SECTION II. INSTRUCTIONS TO BIDDERS**

### **A. GENERAL**

#### **1. Scope of Bid**

The Procuring Entity, Philippine Crop Insurance Corporation (PCIC) wishes to receive bids for the: **“Procurement of Reinsurance Brokerage Services for Weather Index-Based Parametric Insurance for Municipal Fisherfolk in the Philippines”** with identification number 2024-NOVEMBER-045.

The Procurement of Reinsurance Brokerage Services for Weather Index-Based Parametric Insurance for Municipal Fisherfolk in the Philippines (referred to herein as **“Project”**) is composed of one (1) lot, the details of which are described in Section VII (Technical Specifications).

#### **2. Funding Information**

2.1. The GOP through the source of funding as indicated below for 2024 in the amount Ten Million Pesos (P10,000,000.00).

2.2. The source of funding is PCIC Corporate Operating Budget for 2024.

#### **3. Bidding Requirements**

The Bidding for the Project shall be governed by all the provisions of RA 9184 and its 2016 revised IRR, including its Generic Procurement Manuals and associated policies, rules and regulations as the primary source thereof, while the herein clauses shall serve as the secondary source thereof.

Any amendments made to the IRR and other GPPB issuances shall be applicable only to the ongoing posting, advertisement or IB by the BAC through the issuance of a supplemental or bid bulletin.

The Bidder, by the act of submitting its Bid, shall be deemed to have verified and accepted the general requirements for this Project, including other factors that may affect the cost, duration and execution or implementation of the contract, project, or work and examine all instructions, forms, terms, and project requirements in the Bidding Documents.

#### **4. Corrupt, Fraudulent, Collusive and Coercive Practices**

The Procuring Entity, as well as the Bidders and Suppliers, shall observe the highest standard of ethics during the procurement and execution of the contract. They or



through an agent shall not engage in corrupt, fraudulent, collusive, coercive, and obstructive practices defined under Annex "I" of the 2016 revised IRR of RA No. 9184 or other integrity violations in competing for the Project.

## **5. Eligible Bidders**

- 5.1. Only Bids of Bidders found to be legally, technically, and financially capable will be evaluated.
- 5.2. Foreign ownership limited to those allowed under the rules may participate in this Project.
- 5.3. Pursuant to Section 23.4.1.3 of the 2016 revised IRR of RA No. 9184, the Bidder shall have an SLCC that is at least one (1) contract similar to the Project the value of which, adjusted to current prices using the PSA's CPI, must be at least equivalent to fifty percent (50%) of the ABC.
- 5.4. The Bidders shall comply with the eligibility criteria under Section 23.4.1 of the 2016 IRR of RA No. 9184.

## **6. Origin of Goods**

There is no restriction on the origin of goods other than those prohibited by a decision of the UN Security Council taken under Chapter VII of the Charter of the UN, subject to Domestic Preference requirements under **ITB** Clause 18.

## **7. Subcontracts**

The Bidder may subcontract portions of the Project to the extent allowed by the Procuring Entity as stated herein, but in no case more than twenty percent (20%) of the Project.

The Procuring Entity has prescribed that subcontracting is not allowed.

## **8. Pre-Bid Conference**

The Procuring Entity will hold a pre-bid conference for this Project on the specified date and time and either at its physical address at 7<sup>th</sup> Floor Building A, NIA Complex, EDSA, Diliman Quezon City and/or through videoconferencing/webcasting as indicated in paragraph 6 of the **IB**.

## **9. Clarifications and Amendment of Bidding Documents**

Prospective bidders may request for clarification on and/or interpretation of any part of the Bidding Documents. Such requests must be in writing and received by the Procuring Entity, either at its give address or through electronic mail indicated in the **IB**, at least ten (10) calendar days before the deadline set for the submission and receipt of Bids.



## **10. Documents comprising the Bid: Eligibility and Technical Components**

- 10.1. The first envelope shall contain the eligibility and technical documents of the Bid as specified in **Section VIII (Checklist of Technical and Financial Documents)**
- 10.2. The Bidder's SLCC as indicated in ITB Clause 5.3 should have been completed within the last three (3) years prior to the deadline for the submission and receipt of bids.
- 10.3. If the eligibility requirements or statements, the bids, and all other documents for submission to the BAC are in foreign language other than English, it must be accompanied by a translation in English, which shall be authenticated by the appropriate Philippine foreign service establishment, post, or the equivalent office having jurisdiction over the foreign bidder's affairs in the Philippines. Similar to the required authentication above, for Contracting Parties to the Apostille Convention, only the translated documents shall be authenticated through an apostille pursuant to GPPB Resolution No. 13-2019 dated 23 May 2019. The English translation shall govern, for purpose of interpretation of the bid.

## **11. Documents comprising the Bid: Financial Component**

- 11.1. The second bid envelope shall contain the financial documents for the Bid as specified in **Section VIII (Checklist of Technical and Financial Documents)**
- 11.2. If the Bidder claims preference as Domestic Bidder or Domestic Entity, a certification issued by DTI shall be provided by the Bidder in accordance with Section 43.1.3 of the 2016 revised IRR of RA No. 9184.
- 11.3. Any bid exceeding the ABC indicated in paragraph 1 of the IB shall not be accepted.
- 11.4. For Foreign-funded Procurement, a ceiling may be applied to bid prices provided the conditions are met under Section 31.2 of the 2016 revised IRR of RA No. 9184.

## **12. Bid Prices**

- 12.1. Prices indicated on the Price Schedule shall be entered separately in the following manner:
  - a. For Goods offered from within the Procuring Entity's country:
    - i. The price of the Goods quoted EXW (ex-works, ex-factory, ex-warehouse, ex-showroom, or off-the-shelf, as applicable);



- ii. The cost of all customs duties and sales and other taxes already paid or payable;
  - iii. The cost of transportation, insurance, and other costs incidental to delivery of the Goods to their final destination; and
  - iv. The price of other (incidental) services, if any, listed in the **BDS**.
- b. For Goods offered from abroad:
- i. Unless otherwise stated in the **BDS**, the price of the Goods shall be quoted delivered duty paid (DDP) with the place of destination in the Philippines as specified in the **BDS**. In quoting the price, the Bidder shall be free to use transportation through carriers registered in any eligible country. Similarly, the Bidder may obtain insurance services from any eligible source country;
  - ii. The price of other (incidental) services, if any, as listed in the **BDS**.

### **13. Bid and Payment Currencies**

13.1. For Goods that the Bidder will supply from outside the Philippines, the bid prices may be quoted in the local currency or tradeable currency accepted by the BSP at the discretion of the Bidder. However, for purposes of bid evaluation, Bids denominated in foreign currencies, shall be converted to Philippine currency based on the exchange rate as published in the BSP reference rate bulletin on the day of the bid opening.

13.2. Payment of the contract price shall be made in Philippine Pesos.

### **14. Bid Security**

14.1. The Bidder shall submit a Bid Securing Declaration or any form of Bid Security in the amount indicated in the BDS, which shall not be less than the percentage of the ABC in accordance with the schedule in the BDS.

14.2. The Bid and bid security shall be valid until December 31, 2024. Any Bid not accompanied by an acceptable bid security shall be rejected by the Procuring Entity as non-responsive.

### **15. Sealing and Marking of Bids**

Each Bidder shall submit one original copy and copy one of the first and second components of its Bid.

### **16. Deadline for Submission of Bids**

The Bidders shall submit on the specified date and time and either at its physical address or through online submission as indicated in paragraph 7 of the **IB**.



## 17. Opening and Preliminary Examination of Bids

17.1. The BAC shall open the Bids in public at the time, on the date, and at the place specified in paragraph 9 of the IB. The Bidders' representatives who are present shall sign a register evidencing their attendance. In case videoconferencing, webcasting or other similar technologies will be used, attendance of participants shall likewise be recorded by the BAC Secretariat.

In case the Bids cannot be opened as scheduled due to justifiable reasons, the rescheduling requirements under Section 29 of the 2016 revised IRR of RA No. 9184 shall prevail.

17.2. The preliminary examination of bids shall be governed by Section 30 of the 2016 revised IRR of RA No. 9184.

## 18. Domestic Preference

The Procuring Entity will grant a margin of preference for the purpose of comparison of Bids in accordance with Section 43.1.2 of the 2016 revised IRR of RA No. 9184.

## 19. Detailed Evaluation and Comparison of Bids

19.1. The Procuring BAC shall immediately conduct a detailed evaluation of all Bids rated "passed," using non-discretionary pass/fail criteria. The BAC shall consider the conditions in the evaluation of Bids under Section 32.2 of the 2016 revised IRR of RA No. 9184.

19.2. If the Project allows partial bids, bidders may submit a proposal on any of the lots or items, and evaluation will be undertaken on a per lot or item basis, as the case maybe. In this case, the Bid Security as required by **ITB** Clause 15 shall be submitted for each lot or item separately.

19.3. The descriptions of the lots or items shall be indicated in **Section VII (Technical Specifications)**, although the ABC of these lots or items are indicated in the BDS for purposes of the NFCC computation pursuant to Section 23.4.2.6 of the 2016 revised IRR of RA No. 9184. The NFCC must be sufficient for the total of the ABCs for all the lots or items participated in by the prospective Bidder.

19.4. The Project shall be awarded as One project having several items that shall be awarded as one contract.

19.5. Except for bidders submitting a committed Line of Credit from a Universal or Commercial Bank in lieu of its NFCC computation, all Bids must include the NFCC computation pursuant to Section 23.4.1.4 of the 2016 revised IRR of RA No. 9184, which must be sufficient for the total of the ABCs for all the lots or items participated in by the prospective Bidder. For bidders submitting the

committed Line of Credit, it must be at least equal to ten percent (10%) of the ABCs for all the lots or items participated in by the prospective Bidder.

## **20. Post-Qualification**

Within a non-extendible period of five (5) calendar days from receipt by the Bidder of the notice from the BAC that it submitted the Lowest Calculated Bid, the Bidder shall submit its latest income and business tax returns filed and paid through the BIR Electronic Filing and Payment System (eFPS) and other appropriate licenses and permits required by law and stated in the BDS.

## **21. Signing of the Contract**

The documents required in Section 37.2 of the 2016 revised IRR of RA No. 9184 shall form part of the Contract. Additional Contract documents are indicated in the **BDS**.



### SECTION III. BID DATA SHEET

ITB Clause	
5.3	For this purpose, contracts similar to the Project shall be: <ul style="list-style-type: none"><li>a. Reinsurance Brokerage Services</li><li>b. Completed within three (3) years prior to the deadline for the submission and receipt of bids.</li></ul>
7.1	Not Applicable
12	The price of the Goods shall be quoted DDP with the place of destination in the Philippines
14.1	The Bid Security shall be in the form of a Bid Securing Declaration, or any of the following forms and amounts: <ul style="list-style-type: none"><li>a. The amount of not less than Two Hundred Thousand Pesos (P200,000.00), if bid security is in cash, cashier's/manager's check, bank draft/guarantee or irrevocable letter of credit; or</li><li>b. The amount of not less Five Hundred Thousand Pesos (P500,000.00) if bid security is in Surety Bond.</li></ul>
19.3	One (1) Lot – Procurement of Reinsurance Brokerage Services for Weather Index-Based Parametric Insurance for Municipal Fisherfolk in the Philippines with a budget of Ten Million Pesos (P10,000,000.00)



## **SECTION IV. General Conditions of Contract**

### **1. Scope of Contract**

This Contract shall include all such items, although not specifically mentioned, that can be reasonably inferred as being required for its completion as if such items were expressly mentioned herein. All the provisions of RA No. 9184 and its 2016 revised IRR, including the Generic Procurement Manual, and associated issuances, constitute the primary source for the terms and conditions of the Contract, and thus, applicable in contract implementation. Herein clauses shall serve as the secondary source for the terms and conditions of the Contract.

This is without prejudice to Sections 74.1 and 74.2 of the 2016 revised IRR of RA No. 9184 allowing the GPPB to amend the IRR, which shall be applied to all procurement activities, the advertisement, posting, or invitation of which were issued after the effectivity of the said amendment.

Additional requirements for the completion of this Contract shall be provided in the **Special Conditions of Contract (SCC)**.

### **2. Advance Payment and Terms of Payment**

- 2.1. Advance payment of the contract amount is provided under Annex "D" of the revised 2016 IRR of RA No. 9184.
- 2.2. The Procuring Entity is allowed to determine the terms of payment on the partial or staggered delivery of the Goods procured, provided such partial payment shall correspond to the value of the goods delivered and accepted in accordance with prevailing accounting and auditing rules and regulations. The terms of payment are indicated in the **SCC**.

### **3. Performance Security**

Within ten (10) calendar days from receipt of the Notice of Award by the Bidder from the Procuring Entity but in no case later than the signing of the Contract by both parties, the successful Bidder shall furnish the performance security in any of the forms prescribed in Section 39 of the 2016 revised IRR of RA No. 9184.

### **4. Inspection and Tests**

The Procuring Entity or its representative shall have the right to inspect and/or to test the Goods to confirm their conformity to the Project specifications at no extra cost to the Procuring Entity in accordance with the Generic Procurement Manual. In addition to tests in the **SCC, Section IV (Technical Specifications)** shall specify what inspections and/or tests the Procuring Entity requires, and where they are to be conducted. The Procuring Entity shall notify the Supplier in



writing, in a timely manner, of the identity of any representatives retained for these purposes.

All reasonable facilities and assistance for the inspection and testing of Goods, including access to drawings and production data, shall be provided by the Supplier to the authorized inspectors at no charge to the Procuring Entity.

**5. Warranty**

- 5.1. In order to assure that manufacturing defects shall be corrected by the Supplier, a warranty shall be required from the Supplier as provided under Section 62.1 of the 2016 revised IRR of RA No. 9184.
- 5.2. The Procuring Entity shall promptly notify the Supplier in writing of any claims arising under this warranty. Upon receipt of such notice, the Supplier shall, repair or replace the defective Goods or parts thereof without cost to the Procuring Entity, pursuant to the Generic Procurement Manual.

**6. Liability of the Supplier**

The Supplier's liability under this Contract shall be as provided by the laws of the Republic of the Philippines.

If the Supplier is a joint venture, all partners to the joint venture shall be jointly and severally liable to the Procuring Entity.



## SECTION V. Special Conditions of Contract

### Special Conditions of Contract

GCC Clause	
1	<p data-bbox="456 403 820 434"><b>Delivery and Documents –</b></p> <p data-bbox="456 452 1318 658">For purposes of the Contract, “EXW,” “FOB,” “FCA,” “CIF,” “CIP,” “DDP” and other trade terms used to describe the obligations of the parties shall have the meanings assigned to them by the current edition of INCOTERMS published by the International Chamber of Commerce, Paris. The Delivery terms of this Contract shall be as follows:</p> <p data-bbox="456 694 1318 864">“The delivery terms applicable to this Contract are delivered in 7<sup>th</sup> Floor Building A, NIA Complex, EDSA Diliman Quezon City. Risk and title will pass from the Supplier to the Procuring Entity upon receipt and final acceptance of the Goods at their final destination.”</p> <p data-bbox="456 904 1318 1008">Delivery of the Goods shall be made by the Supplier in accordance with the terms specified in SECTION VI. Schedule of Requirements.</p> <p data-bbox="456 1043 1318 1146">For purposes of this Clause the Procuring Entity’s Representative at the Project Site is Fe I. Ramos – Officer-in-Charge, Property Management and General Services Division.</p> <p data-bbox="456 1182 868 1214"><b>Intellectual Property Rights –</b></p> <p data-bbox="456 1254 1318 1391">The Supplier shall indemnify the Procuring Entity against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the Goods or any part thereof.</p>



## SECTION VI. Schedule of Requirements

The delivery schedule expressed as weeks/months stipulates hereafter a delivery date which is the date of delivery to the project site.

Item Number	Description	Quantity	Total	Delivered, Weeks/Months
	Reinsurance Brokerage Services for Weather Index-Based Parametric Insurance for Municipal Fisherfolk in the Philippines	1 lot	1 lot	3 days after receipt of Notice to Proceed  Contract: 1 year



## Section VII. Technical Specifications

### TERMS OF REFERENCE

Item	Statement of Compliance
1	<p>Bidders must state either "Comply" or "Not Comply" against each of the individual parameters of each Specification stating the corresponding performance parameter of the equipment offered. Statements of "Comply" or "Not Comply" must be supported by evidence in a Bidders Bid and cross-referenced to that evidence. Evidence shall be in the form of manufacturer's un-amended sales literature, unconditional statements of specification and compliance issued by the manufacturer, samples, independent test data etc., as appropriate. A statement that is not supported by evidence or is subsequently found to be contradicted by the evidence presented will render the Bid under evaluation liable for rejection. A statement either in the Bidders statement of compliance or the supporting evidence that is found to be false either during Bid evaluation, post-qualification or the execution of the Contract may be regarded as fraudulent and render the Bidder or supplier liable for prosecution subject to the applicable laws and issuances</p> <ul style="list-style-type: none"><li>• Please refer to next page for the complete Terms of Reference</li></ul>



TERMS OF REFERENCE PROJECT REFERENCE NO. \_\_\_\_\_

PROCUREMENT OF REINSURANCE BROKERAGE SERVICES FOR WEATHER INDEX-BASED PARAMETRIC  
INSURANCE FOR MUNICIPAL FISHERFOLK IN THE PHILIPPINES

## I. Background

To safeguard the livelihoods of municipal fisherfolk in the Philippines against adverse weather conditions, the Philippine Crop Insurance Corporation (PCIC) is introducing a Weather Index-Based Parametric Insurance Program. Recognizing the intricacies of this pioneering insurance model and the necessity to reach specialized markets and ensure accurate, consistent, and timely calculations for claim triggers and payouts, PCIC is actively seeking the expertise of a **REINSURANCE BROKER**.

The chosen Reinsurance Broker will serve as the exclusive placing broker of record on all matters relating to and in connection with the placement of weather index-based parametric insurance for municipal fisherfolk. This initiative is crucial for PCIC to ensure the best risk transfer and competitive pricing, preserving its financial sustainability. Additionally, the broker will either act as the calculation agent or subcontract this role, subject to the reinsurers' consent, ensuring that accurate and timely claim settlements are provided as needed.

## II. Product Details

The Weather Index-Based Parametric Insurance product has been structured around specific atmospheric and oceanic variables, given that these adverse conditions can restrict fisherfolk's safe and productive access to fishing areas.

Three primary parameters, pivotal to influencing fisherfolk behavior, have been identified:

1. Rainfall, determined by accumulation per day.
2. Surface-level winds, defined as wind speed at 10 m above the surface.
3. Significant wave height, defined as the height below which two-thirds of waves will peak.

The program will specifically target the following sites:

- Site 1 – Antique
- Site 2 – Cebu
- Site 3 – Occidental Mindoro
- Site 4 – Surigao del Norte

## III. Objectives

The main objectives are:

- To secure a reinsurance agreement that offers comprehensive 100% ceded coverage for the Weather Index-Based Parametric Insurance Program for municipal fisherfolk in the specified sites, ensuring swift payouts following predefined weather events. The reinsurance broker will be instrumental in structuring the deal, negotiating terms, and securing optimal reinsurance partners.
- To ensure accurate, consistent, and timely calculations for the Weather Index-Based Parametric Insurance Program, the reinsurance broker will be responsible for acting as the calculation agent or subcontracting this role, with the consent of the reinsurers. The broker will ensure that all predefined weather parameters are correctly applied, events are



validated, and clear communication is maintained with both PCIC and the reinsurers regarding potential and actual claims, whether these tasks are performed directly or through a subcontracted calculation agent.

#### **IV. Schedule**

- **Line:** Weather Index-Based Parametric Insurance
- **Type:** Parametric Reinsurance Treaty
- **Client:** Philippine Crop Insurance Corporation (PCIC)
- **Client's Address:** 7th Floor, Building A, NIA Complex, EDSA, Diliman, Quezon City
- **Coverage:** Events derived from and defined by the specified weather parameters affecting municipal fisherfolk
- **Period of Insurance:** Coverage for a period of one year, commencing on the date specified in the signed policy agreement
- **Approved Budget for the Contract (ABC):** PhP 10,000,000. This budget covers the total cost of the reinsurance program, including the premium for insurance coverage, fees for the calculation agent, broking fees, and any other associated expenses or administrative costs.
- **Sum Insured/Limit of Liability:** The sum insured/limit of liability shall be One Hundred Million Pesos (Php 100,000,000), with 100% of the risk ceded to the reinsurers.
- **Ceding Commission:** 2.5% ceding commission on the premiums ceded under this reinsurance

#### **V. Scope of Work**

##### **REINSURANCE BROKER**

##### **Market Research and Analysis:**

- Assess the global and regional reinsurance markets to identify potential reinsurers suitable for the Weather Index-Based Parametric Insurance Program.

##### **Risk Assessment and Structuring:**

- Collaborate with PCIC to understand and evaluate the risk profiles of the municipal fisherfolk, structure the reinsurance program accordingly, and determine appropriate limits and retentions.

##### **Reinsurance Placement:**

- Lead the process of placing the reinsurance in the market, ensuring most competitive premium rates for the required coverage conditions.

##### **Procurement and Management of the Calculation Agent Role:**

- Procure and oversee the calculation agent responsible for collecting, analyzing, and processing data related to weather-based indices, ensuring that the predefined parameters are correctly applied, and that accurate, timely claim determinations are made. Alternatively, the reinsurance broker may act as the calculation agent, provided they possess the requisite technical competencies, tools, and expertise necessary to execute this function effectively. In this case, the broker must obtain explicit approval from the reinsurers, who bear the full risk, before taking on these responsibilities.

##### **Contract Review and Finalization:**



- Review, negotiate, and finalize reinsurance contract wordings to ensure they align with PCIC's objectives and requirements.

#### **Ongoing Management and Reporting:**

- Monitor the performance of the reinsurance program, liaise between PCIC and reinsurers for any claims or adjustments, and provide regular updates and reports to PCIC.

### **VI. Financial Proposal**

A financial proposal must be included as part of the application process. This proposal should detail the fee arrangements for reinsurance broking services, which will be **inclusive of calculation agent fees and any other applicable fees**. All payments, including those for the reinsurer, the calculation agent, broking fees, and other applicable fees, will be managed through the reinsurance broker.

The final structure and approval of these fees will be **finalized after the broker is selected**, in close collaboration with the reinsurers. The broker must acknowledge that all fees, including calculation agent fees, are subject to consultation with and approval by the reinsurers, who bear the financial risk.

PCIC expects that the broker will engage in **collaborative negotiation** with the reinsurers to refine the fee structure and ensure that the arrangement aligns with the interests of all parties. Bidders are required to **provide a statement of their willingness to engage in good faith negotiations** to finalize the fee structure and terms, ensuring a mutually beneficial agreement that supports the effective implementation of the program.

The financial proposal should be submitted according to the following guidelines:

#### **1. Indicative Gross Premium and Allocation**

Bidders must provide an indicative gross reinsurance premium based on their preliminary assessment of the risk profile. This premium will reflect the 100% cession of risk to the reinsurers.

- **Details Required:**
  - A comprehensive explanation of how the indicative gross reinsurance premium was calculated, including the actuarial assumptions, risk factors, and market conditions considered.
  - Acknowledgment that the final premium will be subject to good faith negotiation with the selected reinsurers and may be adjusted based on their assessment.

#### **2. Reinsurance Broking Fee**

Bidders must specify the reinsurance broking fee as a percentage of the total reinsurance premium. This fee should include the costs for calculation agent services and any other applicable fees.

- **Details Required:**
  - The percentage fee that will be charged for broking services, including calculation agent fees and any other applicable fees, with an explanation of how this percentage was determined.
  - Acknowledgment that all fees are subject to final negotiation with the reinsurers following contract award.



### 3. Other Applicable Fees or Loading

Bidders should outline any additional fees or loading that may apply to the reinsurance agreement. These may include administrative fees, taxes, or other related costs.

- **Details Required:**
  - Identification and estimation of any other potential fees, such as administrative fees, taxes, or additional risks.
  - Clarification that these fees are subject to adjustment based on the final premium and other factors.

### 4. Net Insurance and Reinsurance Premium Estimate

Bidders should provide an estimate of the net insurance and reinsurance premium after deducting all fees, including broking and other applicable fees, from the Approved Budget for the Contract (ABC).

- **Details Required:**
  - A preliminary calculation of the net premium, understanding that this is an estimate and will be finalized once the gross premium and fees are confirmed.
  - An explanation of the assumptions used in estimating the net premium.

### 5. Estimated Number of Fisher Beneficiaries

Bidders are required to provide an estimated number of fisher beneficiaries that can be covered under the proposed reinsurance program, with each beneficiary having a fixed coverage of Php 5,000. PCIC expects that the reinsurance program should cover at least **20,000 fisher beneficiaries**.

- **Details required:**
  - Estimated total number of fisher beneficiaries based on the premium available after all relevant fees (including broking and calculation agent fees) have been deducted, with an explanation of how they arrived at this estimate, ensuring it reflects the actual risk profile and premium.
  - Acknowledgement that no deliberate adjustments are to be made to the payout thresholds solely to accommodate a higher number of beneficiaries. The proposed thresholds should align with the program's original risk parameters to ensure appropriate risk coverage and that payouts occur as intended when triggering events happen, without artificially limiting the likelihood of valid claims.

## VII. Qualifications and Proof of Eligibility

Bidders are required to meet the following qualifications and provide verifiable proof for each of the qualifications listed:

Type of Qualification	Verifiable Proof
<b>Financial Stability</b>	<ul style="list-style-type: none"><li>• Latest audited financial statements.</li><li>• Bank statements or financial references demonstrating the capacity to handle large accounts.</li></ul>
<b>Relevant Experience</b>	<ul style="list-style-type: none"><li>• Detailed company profile showcasing a minimum of 10 years in reinsurance broking, with specific experience in parametric insurance products.</li></ul>



	<ul style="list-style-type: none"> <li>• Demonstrated expertise in the procurement or management of calculation agents, or direct experience acting as the calculation agent for parametric or weather-indexed insurance programs.</li> <li>• Case studies or references indicating experience in managing parametric insurance programs, including reinsurance broking and either the procurement or direct provision of calculation agent services.</li> <li>• Example clients (with references) for prior reinsurance broking roles specifically involving parametric or weather-indexed insurance products.</li> </ul>
<b>Competence</b>	<ul style="list-style-type: none"> <li>• Awards, accreditations, or recognitions from recognized industry bodies or associations relevant to parametric insurance and reinsurance broking.</li> <li>• Client testimonials or reference letters confirming successful management of both reinsurance placement and the procurement, oversight, or direct provision of calculation agent services</li> </ul>
<b>Previous Engagements</b>	<ul style="list-style-type: none"> <li>• List of past and current clients with a brief description of services provided, particularly in parametric insurance and calculation agent procurement/management/provision roles.</li> </ul>
<b>License</b>	<ul style="list-style-type: none"> <li>• A copy of the Broker's Insurance License issued by the Insurance Commission.</li> <li>• A copy of the Certificate of Authority/Broker's Insurance License from their country of origin (for foreign bidders)</li> <li>• Documentation from the Insurance Commission regarding the registration of the resident agent (for foreign bidders)</li> <li>• Relevant certifications or licenses, including those related to reinsurance broking for parametric insurance products.</li> <li>• Relevant certifications or licenses from their country of origin (for foreign bidders)</li> </ul>
<b>PhilGEPS Registration</b>	<ul style="list-style-type: none"> <li>• A copy of the registration certificate or acknowledgment from the Philippine Electronic Government Procurement System (PhilGEPS).</li> </ul>



## Section VIII. Checklist of Technical and Financial Documents

### Checklist of Technical and Financial Documents

#### I. TECHNICAL COMPONENT ENVELOPE

##### *Class "A" Documents*

##### Legal Documents

- ☐ (a) Valid PhilGEPS Registration Certificate (Platinum Membership) (all pages) in accordance with Section 8.5.2 of the IRR;

##### Technical Documents

- ☐ (b) Statement of the prospective bidder of all its ongoing government and private contracts, including contracts awarded but not yet started, if any, whether similar or not similar in nature and complexity to the contract to be bid; **and**
- ☐ (c) Statement of the bidder's Single Largest Completed Contract (SLCC) similar to the contract to be bid, except under conditions provided for in Sections 23.4.1.3 and 23.4.2.4 of the 2016 revised IRR of RA No. 9184, within the relevant period as provided in the Bidding Documents; **and**
- ☐ (d) Original copy of Bid Security. If in the form of a Surety Bond, submit also a certification issued by the Insurance Commission;  
**or**  
Original copy of Notarized Bid Securing Declaration; **and**
- ☐ (e) Conformity with the Technical Specifications, which may include production/delivery schedule, manpower requirements, and/or after-sales/parts, if applicable; **and**
- ☐ (f) Original duly signed Omnibus Sworn Statement (OSS); **and** if applicable, Original Notarized Secretary's Certificate in case of a corporation, partnership, or cooperative; or Original Special Power of Attorney of all members of the joint venture giving full power and authority to its officer to sign the OSS and do acts to represent the Bidder.

##### Financial Documents

- ☐ (g) The prospective bidder's computation of Net Financial Contracting Capacity (NFCC);  
**or**  
A committed Line of Credit from a Universal or Commercial Bank in lieu of its NFCC computation.



***Class "B" Documents***

- ☐ (h) If applicable, a duly signed joint venture agreement (JVA) in case the joint venture is already in existence;  
**or**  
duly notarized statements from all the potential joint venture partners stating that they will enter into and abide by the provisions of the JVA in the instance that the bid is successful.

**II. FINANCIAL COMPONENT ENVELOPE**

- ☐ (i) Original of duly signed and accomplished Financial Bid Form; and  
☐ (j) Original of duly signed and accomplished Price Schedule(s)

***Other documentary requirements under RA No. 9184 (as applicable)***

- ☐ (k) *[For foreign bidders claiming by reason of their country's extension of reciprocal rights to Filipinos]* Certification from the relevant government office of their country stating the Filipinos are allowed to participate in government procurement activities for the same item or product.
- ☐ (l) Certification from the DTI if the Bidder claims preference as a Domestic Bidder or Domestic Entity.