



Bidding Document

SERVICES FOR ASSESS, DESIGN AND IMPLEMENTATION OF IFRS – 9

Last Date for Submission:	October 19, 2018 at 3:00 P.M.
Tender Opening Date:	October 19, 2018 at 3:30 P.M.



1. About The Bank of Khyber

The Bank of Khyber (BoK) is a Listed Scheduled Commercial Bank with majority of shares held by KP Government and having 170 branches; including 84 Islamic Branches. The Bank of Khyber established in 1991 through Act No. XIV, passed by the Provincial Legislative Assembly of the KHYBER PAKHTUNKHWA Province of Pakistan. It was awarded status of a scheduled bank in September 1994. The Bank of Khyber enjoys a unique position, stands out amidst the other banks operating within Pakistan, and has the privilege of being bracketed amongst the only three government banks in the country.

2. Scope of Work

The Bank of Khyber (BOK) intends to acquire consultancy services for IFRS – 9 impact study project in line with SBP's BPRD letter 7837 dated April 10, 2018 and invites well reputed firms, with required competence and proven track record on similar work/projects. Firm should be capable of providing a comprehensive, cost-effective solution based on all, but not limited to, the following Technical requirements. The firm shall assist our entity in assess, design and implementation of IFRS – 9.



3. Technical Requirements

S.No	SCOPE COMPONENTS	KEY ACTIVITES
1	IFRS 9 qualitative gap assessment	<ul style="list-style-type: none"> - Detailed gap analysis (data quality and availability, model, governance, processes and systems). - Development of Implementation Road map based on the gaps identified above.
2	<p>A. Methodology development and setting IFRS 9 key assumptions and Risk Parameters such as Probability of Default, loss Given Default and Exposure at Default.</p> <p>B. Quantitative financial impact assessment as at 31 December 2017.</p> <p>C. Compilation of key challenges and development of their resolution plan.</p>	<ul style="list-style-type: none"> - Development of detailed technical paper setting out the IFRS 9 application methodology, assumptions and sources of information. - Development of Risk Parameters such as PDs, LGDs, EAD etc. for ECL determination. - Application for financial model as per consultant's recommendation for computation of IFRS 9 expected credit Losses as of 31 December 2017. - Assistance to management in determining the classification and measurement basis for the various types of financial assets including debt and equity investment portfolios. - Compilation of Key Challenges in implementing IFRS 9 and Development of Plan to resolve them.
3	Determination of impact on regulatory capital.	<ul style="list-style-type: none"> - Development of various possible scenarios to analyze the impacts of IFRS 9 on capital required to be maintained as per regulatory requirements.
4	Assistance in Preparation of Performa financial statements including IFRS 9 accounting policies.	<ul style="list-style-type: none"> - Advising the management on the preparation of IFRS 9 Performa financial statements as per the requirements of SBP directives. - Advice and assistance in development of IFRS 9 compliant accounting policies and financial statement disclosures.
5	Trainings	<ul style="list-style-type: none"> - Customized trainings on IFRS 9 technical interpretation areas and method used to develop Risk Parameters such as PDs, LGDs, and EADs etc.



4. Technical Proposal Response Format

Bidder is required to submit the following documents, failing to which the proposal will not be considered. Technical Evaluation of proposals will be carried out based upon these documents. Documents already submitted under item i, ii and iii below, if already submitted, do not need to be re-submit.

- i. The bidder must be registered with FBR and should provide its registration/**NTN** certificate and Registration of Incorporation under the laws of Pakistan
- ii. Bidder must provide **Undertaking on stamp paper** that it is not being blacklisted by any of the Provincial / Federal Government or organizations of the State / Federal Government in Pakistan
- iii. The bidder must submit **Annual Audited Report** for the last 03 financial years. Annual Audit Report including Balance Sheet, Income Statement and Profit & Loss accounts along with auditors' notes for the last three (3) audited years should be submitted
- iv. The bidder must have legal presence in Pakistan and must provide lists of its offices.
- v. Bidder must provide Purchase Order/Agreement/Completion Certificate of completed projects of similar in nature with relevant reference/contact information for any Organization/Financial Institutions/Banking sector
- vi. The bidder should have enough Technical Strength at its end to complete the project within stipulated time. List of Staff (HR) of the Company along-with their CV's to be submitted
- vii. Detailed Work Plan should be shared, clearly defining the time span required for the completion of the required project.



4.1 Technical Evaluation Criteria

Total Marks = 75		Maximum Marks
#	Clause	
A	Company Portfolio	
1	Number of Years the firm has been established(1 Mark for each year upto Max 10)	10
2	Number of Completed Projects of Similar in nature within Pakistan (1 Mark for each Project upto Max 15)	15
3	Number of Projects of Similar in nature worldwide (1 Mark for each Project upto Max 10)	10
4	Number of Offices across Pakistan (1 Mark for each Office upto Max 5)	5
B	Financial Capabilities	
1	Average Annual Turn Over of the bidder for the last 3 Years (upto 500 Million=4 Marks, upto 1 Billion=6 Marks, over 1 Billion =10 Marks)	10
C	Relevant Staff Assigned to the Project	
1	Number of Chartered Accountants (1 mark for each Employee Max upto 8)	8
2	Number of Auditors/Advisory (1 mark for each Employee Max upto2)	2
3	Number of Risk Analysts (1 mark for each Employee Max upto3)	3
4	Certified Trainer (1 mark for each Trainer Max upto 2)	2
D	Technical Requirements	
1	Time Span to complete the project as per Detailed Work Plan (0-8 weeks=10 Marks, 8-12weeks=7 Marks, over 12 weeks=4 Marks)	10
Total Marks		75
Technical Qualification Marks are 60 % of the Total Marks		45

Financial bids of firms who score at least 60% of the total marks on the technical evaluation will be opened before the representatives who wish to attend the financial bid opening.

Ratings for tender evaluation will be as follows:

Sr. No.	Description	Evaluation Weight-age
1.	Technical Proposal	50%
2.	Financial Proposal	50%

50 % weight-age will be given to Technical proposals of bidders while 50 % weight-age will be given to financial proposals. The formula for financial scoring is that the lowest bidder gets 50 points and the other bidders score 50 multiplied by the ratio of the lowest bid divided by the quoted price.



4.2 Training Capabilities

Bidder should indicate its training capabilities to provide Customized trainings on IFRS 9 technical interpretation areas and method used to develop Risk Parameters such as PDs, LGDs, and EADs etc. to provide a detailed training schedule. **The vendor will arrange training premises (on-site) Interactive sessions and necessary equipment.** Preference will be given to the bidder with certified trainers.

4.3 Support Capabilities

Bidder must indicate and provide support for the solution for the duration of the entire implementation process of the project. **Bidder should provide onsite support for the project for which a dedicated resource needs to be present in Peshawar.** Number, qualifications and relevant certifications of support personnel must be indicated. The selected bidder will provide support for the duration of the project as per contract.

5 Financial Proposal Response

Bidder must submit its financial proposal in accordance with the following format: -

SNo	Description	Amount in PKR	GST	Total Amount in PKR
1	SERVICES FOR ASSESS, DESIGN AND IMPLEMENTATION OF IFRS – 9			

5.1 Currency

All currency in the proposal shall be quoted in Pakistan Rupees (PKR).

5.2 Withholding Tax, Sales Tax and other Taxes

Bidder is hereby informed that the Bank shall deduct tax at the rate prescribed under the tax laws of Pakistan, from all payments rendered by any bidder who signs a contract with the Bank. Bidder will be responsible for all taxes on transactions and/or income, which may be levied by government.

5.3 Governing Law

This bidding document and any contract executed pursuant to this document shall be governed by and construed in accordance with the laws of Pakistan. The Government of



Pakistan and all bidders responding to this bidding document and parties to any contract executed pursuant to this document shall submit to the exclusive jurisdiction to Courts.

5.4 Responsibility for Executing the Contract

The bidder shall be entirely responsible for the successful execution of the contract in all respects and in accordance with the terms and conditions as specified in the bidding document/contract including the schedule.

IF FURTHER INFORMATION REGARDING THIS BIDDING DOCUMENT IS REQUIRED, PLEASE FEEL FREE TO CONTACT: -

mahmood.queshi@bok.com.pk



Terms and Conditions

- a) The Procurement Shall be conducted in accordance with the Khyber Pakhtunkhwa Procurement Rules 2014 on **Single Stage Two Envelope Procedure.**
- b) The Bank of Khyber Invites two separate sealed envelopes, one for Technical Proposal and One for Financial proposal from Service Provider having legal presence in Pakistan for implementation of IFRS – 9.
- c) **Bidder is required to submit both sealed proposals to the office of the Head Procurement Division, The Bank of Khyber on or before October 19, 2018 at 3:00PM which shall be opened on same date at 3:30PM at The Bank of Khyber, Head Office.**
- d) Company should sign and Stamp BOK RFP and must attached with their Technical proposal.
- e) Company seal / stamp must be fixed on both Technical Proposal and Financial Proposal.
- f) All the firms applied for the Tender must provide documents in line with the Mandatory requirements and should qualify the Technical Evaluation Criteria. **If any firm fails to qualify the Technical Evaluation Criteria, then Financial Proposal of the same will not be opened.**
- g) **Any bid submitted Late and after due date and time or bid not complying with all required clauses in this bidding document are liable to be rejected.**
- h) Call Deposit of two percent (2%) of the total bid amount in favor of the Bank should be attached with financial proposal in separate sealed envelope and should be submitted to Head Procurement Division, The Bank of Khyber. A confirmation to this effect to be submitted with technical proposal.
- i) All prices quoted must be inclusive of all Taxes applicable, such as GST, Income Tax, etc.
- j) The prices quoted shall remain valid for 120 days, after the date of opening the tender.
- k) In case of failure to provide the required deliverables under the specified time, call deposit amount will be forfeited.
- l) The Bank of Khyber will not be responsible for any costs or expenses incurred by bidders in connection with the preparation or delivery of bids.
- m) No negotiations and revised bids will be allowed.

Head Procurement, Procurement Division, Ground Floor, 29-A The Mall, Peshawar, Head Office, The Bank of Khyber
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