



Request for Quotation (RFQ)

Issued on: **28 November 2019**

**Millennium Challenge Account Nepal**  
on behalf of  
**The Government of Nepal**  
funded by  
**The United States of America**  
Through  
**The Millennium Challenge Corporation**

For

**Procurement of Assets Insurance for  
MCA-Nepal Asset**

**\*\*\*\*\***

Ref No: **MCA-N/PM/SH/019**



## MILLENNIUM CHALLENGE ACCOUNT NEPAL (MCA-NEPAL)

### Letter of Invitation Requesting Quotations for Procurement of Asset Insurance for MCA-Nepal Asset

Kathmandu, Nepal

28 November 2019

**Ref: MCA-N/PM/SH/019**

1. The Millennium Challenge Corporation (“MCC”) and the Government of Nepal (“Government” or “GoN”) have entered into a Millennium Challenge Compact for Millennium Challenge Account assistance to help facilitate poverty reduction through economic growth in Nepal on 14 September 2017 (“The Compact”) in the amount of approximately **USD 500 million** (“MCC Funding”). The Government intends to apply parts of the proceeds of the funds to payments for contracts for goods, works and services. MCC is a U.S. government agency focused on assisting countries dedicated to good governance, economic freedom, and investments in people.
2. The Compact includes additional investment from the Government of approximately USD 130 million for a total of approximately USD 630 million. It includes two projects: (i) construction of about 300 kilometers of 400kV electricity transmission lines, three substations, and technical assistance for the power sector; and (ii) technical assistance to improve the road maintenance regime and road maintenance works on about 300 kilometers of the strategic road network. The program would include the procurement of contractors and consultants for design, construction and supervision of electricity lines and substations, road maintenance works, including a variety of technical services, equipment and construction works in different geographic locations within Nepal. These contracts will be competed through open international procurement procedures.
3. This Request for Quotations, the RFQ, follows the General Procurement Notice that appeared in dgMarket on 18 September 2019, UNDB Online on 18 September 2019, the Kantipur National Daily newspaper on 19 September 2019, and MCA-Nepal website on 18 September 2019.
4. In issuing this RFQ, the Government of Nepal (GoN) is represented by the Millennium Challenge Account Nepal (“MCA-Nepal”).

5. The Millennium Challenge Account Nepal (MCA-Nepal), an organization of the Government of the Nepal that manages the Compact Agreement with funding from the Millennium Challenge Corporation, intends to procure the service of Assets Insurance as described in the attached Term of Reference.
6. You are required to submit a quotation for insurance services as stipulated in the annexes to this RFQ. **Prices shall be quoted in Nepalese Rupees (NPR)**. The offered price should include all costs of providing the required insurance coverage for all listed MCA-Nepal's Asset as per requirements stated under Terms of Reference.
7. There will be no price negotiations. The quotation shall be valid for sixty (60) days from deadline for submission of quotations.
8. **Effective Date of Coverage: Immediately** after dual signature of the contract (Purchase Order) and payment of the contract amount.
9. **Payments for the Insurance:** will be made after delivery of insurance policy as per Terms of Reference and receipt of a valid insurance service provider's invoice.
10. You shall submit only one quotation. Your quotation must be typed or written in indelible ink and shall be signed by your authorized representative.
11. Insurance Service provider shall submit with their Quotations copies of the following documents:
  - a. Firm/Company Registration Certificate
  - b. PAN/VAT/TAX Registration;
  - c. Tax clearance certificate
  - d. Firm/ Company Registration. It is required to have at least two (2) years of experience providing full Life insurance services in Nepal.
  - e. Experience Certificate/Letter from previous three (3) clients where you have provided similar insurance service of similar magnitude during last 5 years. This evidence may be provided in the form of copies of contracts, invoices, reference letters etc, which can demonstrate number of personnel and value of insurance (as per the terms of reference).
  - f. Complete and signed Quotation Submission Form.
  - g. Power of Attorney in support of person signing the Quote.
12. In evaluating the quotations, the Purchaser will adjust for any arithmetical errors as follows:

- a. where there is a discrepancy between amounts in figures and in words, the amount in words will govern;
- b. where is a discrepancy between the unit rate and the line item total resulting from multiplying the unit rate by the quantity, the unit rate as quoted will govern; and
- c. If you refuse to accept the correction, your quotation will be rejected

**13. Evaluation of Quotation and Award of Purchase Order:** Insurances service providers are required to quote for all required coverages and services. Failure to quote for all items will render your quotation incomplete and thus non-responsive to the requirements. The evaluation will be undertaken as follows:

- a) The submitted Quotation will be verified for administrative and eligibility compliance to the requirement of this Request for Quotation.
- b) Insurance service providers quotations will be reviewed to determine its compliance with the requirements stated in the Terms of Reference. The Qualification Experience evaluation will be assessed on "pass and fail" basis)
- c) The offers passing (a) and (b) above, will be evaluated for price reasonableness and. The Contract shall be recommended for awarded to the lowest evaluated offer.
- d) Discount offered methodology is applicable: As MCA-Nepal is simultaneously requesting quotations for "Procurement of Health/Medical Insurance for MCA-Nepal -Nepal (including Options for Five years) the Insurance Service provider, at its own discretion, may offer a discount to get awarded both procurements. MCA-Nepal will choose the best lowest priced combination after including in the review the offered discount, if any.

The procurement process will be carried out in accordance with the provisions of MCC Procurement Guidelines which can be downloaded at: <https://www.mcc.gov/resources/doc/program-procurement-guidelines>.

- 14. A quotation is not substantially responsive if it contains material deviations or reservations to the terms, conditions, and specifications in this Request for Quotation, and it will not be considered further. The Purchaser will evaluate and compare only the quotations determined to be substantially responsive.
- 15. Service Providers/Bidder may challenge the results of a procurement only according to the rules established in the Bid Challenge System developed by the MCA-NEPAL and approved by MCC. The rules and provisions of the Bid Challenge System are as published on the MCA-NEPAL's website at <https://mcanp.org/procurement>.
- 16. **Contract term:** The insurance service will be valid for one year from the date of the signing of this contract and issuance of the formal policy to MCA-Nepal. MCA-Nepal may extend this contract to next consecutive years (5 years or more) at its own discretion and subject to good performance and successful negotiations.

17. **Site Visit:** At the discretion of the Insurance Service Providers, their representatives may inspect the assets. For this purpose, the interested Service Provider shall request an appointment via email to Shankar.yadav@mcanp.org and cc [MCANepalPA@cardno.com](mailto:MCANepalPA@cardno.com) for visit to MCA-Nepal Office on **3 December 2019 starting from 1:00pm**. The costs of visiting the Site shall be at the Service Providers' own expense.
18. Please submit your price quotation signed by an authorized representative via the Dropbox link provided below, with the name of the uploaded file as follows: "***Name of Insurance Service Provider- Asset Insurance for MCA-Nepal Asset***".
19. The File request link (Dropbox link) for **submission of quotations:**  
<https://www.dropbox.com/request/0I41p5RgYu7i4gLDoMRM>
20. Please note that the provided **Dropbox link** will expire on the **deadline for submission** indicated in 21 below, consequently no late quotations will be received.
21. Deadline for submission of quotations is **12 December 2019, at 15:00 hours local time in Kathmandu, Nepal (GMT+5:45)**.
22. MCA-NEPAL reserves the right to reject any or all applications or offers, waive any defect or informality therein, and accept the offer which it deems most advantageous to the institution.

Yours sincerely,  
**For MCA-Nepal:**  
**Khadga Bahadur Bisht**  
Executive Director

**Annexes:**

1. Terms of Reference / Terms of Services
2. Quotation Submission Form
3. Insurance service provider's offer and coverage
4. Sample Contract/Purchase Order

## Annex 1

### Terms of Reference/ Terms of Services

#### **Procurement of Assets Insurance for MCA-Nepal (including Options for Six years) (excluding Vehicles)**

##### **1. Introduction**

The United States of America, acting through the Millennium Challenge Corporation (“MCC”), has signed a Millennium Challenge Compact on September 17, 2017 (the “Compact”) with the Government of Nepal (the “Government”) to fund a five-year economic development program (the “Program”) in Nepal. The Compact funds investments in electricity transmission and road maintenance

Pursuant to the Compact and the Program Implementation Agreement between MCC and the Government (the “PIA”), Millennium Challenge Account Nepal (“MCA-Nepal”) is responsible for managing the implementation of the Compact program on behalf of the Government. MCA-Nepal is governed by its Board of Directors (“Board”). The management unit of MCA-Nepal (the “Management Unit”), which reports to the Board, manages the day-to-day operations of Board and will have responsibility to ensure that the Program is implemented in a timely, effective, efficient, and results-oriented manner in accordance with the terms of the Compact. The Management Unit is headed by the Executive Director.

MCC and the Government may enter into additional supplemental agreements (“Supplemental Agreements”) to facilitate implementation of the Program.

##### **2. Objective of the Assignment**

In line with its mandate, MCA-Nepal would like to engage third party insurance service provider (“Insurance Provider”) to ensure insurance of all physical assets in the asset register with insurance coverage for each additional asset as and when they are procured by MCA-Nepal (Annex -1).

##### **3. Scope of Work**

The service provider will be expected to provide insurance coverage for the following items for fire, forceful entry, theft, Riots & Disturbance and loss due to natural hazards like earthquake:

<b>SN</b>	<b>Categories of Assets</b>	<b>Approximate Insured Sum as per Assets procured up to 31 October 2019 (Purchase value with VAT in NPR)</b>	<b>Remarks</b>
<b>1</b>	<b>Property Insurance</b>		
1.1	Fixed Office Assets	36,749,017	
1.2	Fixed Electrical/Electronic Equipment’s	4,062,013	

1.3	Movable electronic Equipment (Camera, Laptops, GPS)	19,718,300	
1.4	Machinery Items ( Like Generator)	945,000	
	<b>Sub Total 1</b>	<b>61,474,330</b>	
<b>2</b>	Vehicles (Refer below table for Detail)	86,000,000*	Insurance will be effective from September 2020
	<b>Sub Total 2</b>	<b>86,000,000</b>	
	<b>TOTAL of 1&amp; 2</b>	<b>147,474,330</b>	

\*This figure is for total approximate market value, however MCA-Nepal procured these vehicles under the VAT, duties and taxes exemption rule

Details of vehicles are as follows:

Description	Unit	Quantity	Per Unit Approximate Market Value (NPR)	Approximate Total Market Value (NPR)
Vehicle: Mitsubishi Pajero (GLS 4WD 3.2L, Make year 2018)	No.	4	19,500,000.00	78,000,000.00
Vehicle: Mitsubishi L200 4WD, 2.1L, 4WD, Make year 2018) Pickup	No.	1	8,000,000.00	8,000,000.00

#### 4. Insurance Coverage

The above-mentioned assets will be insured against following risks

- Combination of Fire, lightning, thunderbolts, subterranean fire, explosions, implosions, spontaneous combustion, fermentation, charring, smoke, storm, wind, water, hail or snow, earthquake, earth tremor, aircraft, impact and accidental damage due to sanitary ware, riot, strike damage, malicious damage, terrorism, electric shock
- Third Party Insurance: Loss or damage to third party property or injury/death to third parties due to negligence of MCA-Nepal employees
- Electronic equipment - Physical loss or damage to property belonging to MCA-Nepal or held by MCA-Nepal in trust or on commission for which they are responsible
- Burglary insurance of movable electronic equipment

- Comprehensive Motor Insurance for vehicles against any loss or damage caused by accidents and your legal liability to own vehicle or to third party for bodily injury or property damage
- Insurance Company should provide "No Claim Discount" for insurance of Vehicles
- Claims Support - Dedicated Claims support with claims settled within 30 calendar days turn-around time for outcome of claim from the date of submission of the claim
- Client service Support – Dedicated client service support

Deductibles: MCA Nepal will not claim for amount up to NPR 1000. Insurance provider would reimburse full amount less the deduction specified. **MCA-Nepal should have the option to opt in or opt out assets purchased during the contract period at pre-specified rates or where it is not specified at negotiated rates.**

### 5. Qualifications and Experience

These services should be provided by an insurance provider with verifiable track record of providing similar services to at least 3 international non-profit organizations and which has been in existence for at least 5 years in operation.

The ability and experience of the service provider to provide the required insurance will be assessed on the “pass fail system” basis, as follows:

- At least two (2) years of experience providing full Assets Insurance in Nepal. **(Pass/Fail)**
- Demonstrated experience in last two (2) years of supplying similar insurance services to similar international non-profit organizations. Supplier shall provide **at least three (3) reference letters** from the clients. They also must provide information indicating key clients (and their reference details) for reference checks on quality of service and quality of claims processing. **(Pass/Fail)**

The Insurance service provider may offer any other additional services and coverage relevant to assets insurance without any additional cost. However, the contract will be awarded to the lowest evaluated quotation/lowest priced combination.

**Discount offered methodology is applicable:** As MCA-Nepal is simultaneously requesting quotations for "Procurement of Health/Medical Insurance for MCA-Nepal - Nepal (including Options for Five years) the Insurance Service provider, at its own discretion, may offer a discount to get awarded both procurements. MCA-Nepal will choose the best lowest priced combination after including in the review the offered discount, if any.



**Annex 2**

**Quotation Submission Form**

**Procurement of Asset Insurance for MCA-Nepal Asset**

**Bidder/Insurance Provider:** \_\_\_\_\_

**Date:** \_\_\_\_\_

Item #	Description of Goods	Unit	Quantity	Service Provider's Quotation Price for One year		Amount in NPR	Basis for Rate: (Use extra sheet to describe, if needed)
				Cost of Premium in Nepalese Rupees (NPR)			
				In Figure	In words	In Figure	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	<b>Service required</b>						
1	Asset Insurance for <b>one year</b> for all MCA-Nepal Asset listed under Terms of Reference as per requirements for Terms of Reference as described in Annex 1 and Conditions of Contract <b>(provide the breakdown of the price as necessary)</b>	Lump Sum	As per Annex 1, Section 3, Scope of Work of ToR				
2	Asset Insurance for official vehicles as described in Annex 1	Lump Sum	As per Annex 1, Section 3, Scope of Work of ToR				
				<b>Total Excluding VAT</b>			
				<b>Value of VAT</b>			
				<b>Grand Total</b>			

**Note:**

1. Payment shall be only after approval of the deliverables and submission of a valid invoice with approval of the deliverables. In case VAT is not mentioned, it will be assumed the cost does not include VAT. The Bidder is required to provide breakdown of the cost showing that they have quoted for all items required under Terms of Reference.
2. Item # 2 applies only in third quarter of 2020 (i.e. effective from September 2020).

Evaluation and Comparison of bids shall be carried out excluding VAT.

Our Quotation is valid for 60 days from the date of Submission.

**Discounts:** If our Quotation is accepted, ..... % discount on the above-mentioned price shall apply in case awarded both contracts, Assets Insurance for MCA-Nepal Asset and Health/Medical Insurance for MCA-Nepal Staff.

We are attaching herewith the documentary proof in support as authorization for the person signing the quotation (Attach Letter of Authorization Accordingly).

Name of the Person Authorized to Sign the Quotation: \_\_\_\_\_

Position of the signatory in Organization: \_\_\_\_\_

Signature of the Authorized Person: \_\_\_\_\_

Date: \_\_\_\_\_

Physical Address: \_\_\_\_\_

Email id: \_\_\_\_\_

### **Annex 3**

#### **Insurance service provider's offer and coverage**

**(To be Completed by the Supplier Accordingly)**

**Service Providers Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_

Note: Insurance Service Provider should provide their offer, coverage and proposed terms in this annex. The minimum required coverage is mentioned in the Terms of reference.

**Annex 4**  
**Sample Contract**

## Contract Agreement

This CONTRACT AGREEMENT (this "Contract") is made as of the **[day]** of **[month]**, **[year]**, between **Millennium Challenge Account Nepal** (the "Purchaser"), on the one part, and **[full legal name of Service Provider]** (the "Insurance Service Provider"), on the other part.

***[Note: If the Service Provider consists of more than one entity, the following should be used]***

This CONTRACT AGREEMENT (this "Contract") made as of the **[day]** of **[month]**, **[year]**, between **Millennium Challenge Account Nepal** (the "Purchaser"), on the one part, and **[full legal name of lead Service Provider]** (the "Consultant") in **[joint venture / consortium / association]** with **[list names of each joint venture entity]**, on the other part, each of which will be jointly and severally liable to the Purchaser for all of the Service Provider's obligations under this Contract and is deemed to be included in any reference to the term "Service Provider."

### RECITALS

WHEREAS,

- (a) The Millennium Challenge Corporation ("MCC") and the Government of **Nepal** (the "Government") have entered into a Millennium Challenge Compact for Millennium Challenge Account assistance to help facilitate poverty reduction through economic growth in Nepal on 14 September 2017 (the "Compact") in the amount of approximately US\$500 million ("MCC Funding"). The Government, acting through the Purchaser, intends to apply a portion of the proceeds of MCC Funding to eligible payments under this Contract. Payments made under this Contract will be subject, in all respects, to the terms and conditions of the Compact and related documents, including restrictions on the use, and conditions to disbursement, of MCC Funding. No party other than the Government and the Purchaser shall derive any rights from the Compact or have any claim to the proceeds of MCC Funding; and
- (b) The Purchaser invited bids for the provision of certain non-consulting services identified in this Contract and has accepted a bid by the Service Provider for the supply of those services on the terms and conditions set forth in this Contract.

NOW THEREFORE, the parties hereto agree as follows:

- (a) In consideration of the payments to be made by the Purchaser to the Service Provider as set forth in this Contract, the Service Provider hereby covenants with the Purchaser to provide the Services and to remedy defects therein in conformity in all respects with the provisions of this Contract.
- (b) Subject to the terms of this Contract, the Purchaser hereby covenants to pay the Service Provider in consideration of the provision of the Services and the remedying of defects therein, the Contract Price (as defined below) or such other sum as may become payable under the provisions of this Contract at the times and in the manner prescribed by this Contract.

IN WITNESS whereof the parties hereto have caused this Contract to be executed in accordance with the laws of **Nepal** on the day, month and year first indicated above.

For **the Purchaser:**

Millennium Challenge Account Nepal  
("MCA-Nepal")

Signature

Name

For **the Service Provider:**

**[full legal name of the Service  
Provider]:**

Signature

Name

***[Note: If the Insurance Service Provider consists of more than one entity, all these entities should appear as signatories, e.g., in the following manner:]***

For and on behalf of each of the Members of the Service Provider

**[Name of Member]**

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**[Authorized Representative]**

**[Name of Member]**

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**[Authorized Representative]**

The following annexes will be the part of Contract:

Annex A: General terms and Conditions of this Request for Quotation Document.

Annex B: Terms of Reference/ Terms of Services

Annex C: Services and Coverage offered by the Insurance Service Provider

Annex D: Quotation submitted by [Service Provider Name] on [date of submission]

## Annex A: General terms and Conditions of this Request for Quotation Document.

- 1) Detail of Insurance Service:** You are required to provide Full Coverage (Comprehensive) Insurance Service as detailed below:

MCA-N/PM/SH/019		Date:			
Purchaser: Millennium Challenge Account Nepal (MCA-Nepal)		Procurement of Assets Insurance for MCA-Nepal Asset			
Service Provider/Service Provider:					
Address:		Tel:		Fax:	VAT No:
Email Address:		Cell No:			
Contact Name:					
ORDER					
Item #	Description	Unit	Quantity	Unit price (NPR)	Total price (NPR)
	<b>Service required</b>				
1	Assets Insurance for all MCA-Nepal Asset listed under Terms of Reference as per requirements for Terms of Reference as described in Annex 1 and Conditions of Contract	Lump Sum	As per Annex 1, Scope of Work of ToR		
2	Asset Insurance for official vehicles as described in Annex 1	Lump Sum	As per Annex 1, Scope of Work of ToR		
<b>TOTAL AMOUNT EXCLUDING VAT</b>					
<b>VAT</b>					
<b>TOTAL AMOUNT WITH VAT</b>					
<b>STAMP PRICE</b>					
<b>GRAND TOTAL</b>					

- 2) Contract Sum:** NPR XX (insert amount in words) including local taxes and VAT.

- 3) Tax:** Except as may be exempt pursuant to the Compact, MCA-Nepal and all Providers, Covered Providers, Project Partners, contractors (prime contractors and subcontractors), consultants, and other entities and individuals that receive MCC funding directly or indirectly in furtherance of the Compact are exempt from Taxes or will be refunded equal amount of Taxes paid in respect of the MCC funding in accordance with Section 2.8 of the Compact available at: <https://assets.mcc.gov/content/uploads/compact-nepal.pdf>.

- 4) Effective Date of Coverage:** Immediately after payment for the contract amount is done.

- 5) **Contract term:** The insurance service will be valid for one year which may be renewed for next 5 years (or more at the solely discretion of MCA-Nepal) from the date of the signing of this contract and issuance of the formal policy to MCA-Nepal until it matures. The insurance premium shall be paid annually if MCA-Nepal finds the service acceptable,
- 6) **Level of Service for Claims:** The Insurance Provider is committed to settle any claim in no more than **ten (10) working days** from the date of submission of all required documents with survey report (if any).
- 7) **Contract Manager:** For the purpose of management of the contract/purchase order from the purchaser's side, the Contract Manager is:

**Admin Specialist**

Millennium Challenge Account Nepal (MCA-Nepal)  
Yak and Yeti Hotel Convention Center,  
Durbar Marg,  
Kathmandu, Nepal.  
Email: xxx

MCA-Nepal may delegate any of the duties of Contract Manager and responsibilities to other people, after notifying the Contractor, and may cancel any delegation after notifying the Contractor. Also, MCA-Nepal may, by written notice to the Consultant and without amending this contract, replace the MCA-Nepal Contract Manager. After signing this Purchase Order, the Service Provider shall have all communications related to contract implementation through the Contract Manager.

Contact person of Insurance Company:

Name:  
Designation:  
Email:  
Contact (mobile):  
Phone:

**8) Payment Conditions:**

Upon submission of a valid invoice and receipt of the corresponding Coverage Policy, payment will be made in full.

The following documentation must be supplied for payments to be made:

- i). Original Proforma Invoice and Specimen of the Policy, acceptable to MCA-Nepal (Submitted invoice should include PAN number of MCA-Nepal);
- ii). The consultant shall comply with any other payment instructions as may be reasonably given by MCA-Nepal.



The invoice should include the VAT registration number and the name of the account holder, the account number (IBAN), bank name, bank branch and SWIFT code. The Invoice (s) must be submitted to the following address:

Millennium Challenge Account Nepal (MCA-Nepal)  
Yak and Yeti Hotel Convention Center, Durbar Marg  
Kathmandu, Nepal.  
Attn: Executive Director  
Email: XXX

**9) Bank Details of Insurance Service Provider:**

Name of the Bank:  
Branch Address:  
Name of the Account:  
Account No:  
SWIFT Code:  
IBAN: (if applicable)

**10) Failure to Perform:** The Purchaser may cancel, at any time, this Purchase Order if the Service Provider fails to deliver the Services in strict accordance with the above terms and conditions. Failure to perform in this contract may be the reason for rejection of the quotation/bids in future bidding process and service provider will return the premium paid for the duration no service has been provided.

## **Annex B: Terms of Reference/ Terms of Services**

## **Annex C: Services and Coverage offered by the Insurance Service Provider**

**Annex D: Quotation submitted by [Service Provider Name] on [date of submission]**