Annexure B: Format for fee proposal (Pricing Example)

1. Bidders are required to submit their fee schedule (quotation) using the example below (the quotation must be on the letterhead of the bidder). The proposed fee must include all costs for providing outsourcing services to the ECIC as described in this bid.

Table 1

Pricing: HAF Services	**Year 1**	**Year 2**	**Year 3**	**Once-off**
	Rand	**Rand**	**Rand**	**Rand**
1. Review and HAF sign-off on the relevant sections of the Annual Solo QRT, and for expressing an opinion to the board of directors on the reliability and adequacy of the calculations of the Corporation's technical provisions, and minimum and solvency capital requirements.				N/A
2. Review and expressing an opinion on the adequacy of reinsurance and other forms of risk transfer arrangements.				N/A
3. Fulfilling HAF responsibilities for an in-cycle annual ORSA exercise.				N/A
4. Attending quarterly board and/or board sub-committee meetings (estimate: two sub-committee meetings per quarter i.e. a total of eight meetings per year, each meeting being 4 hours).				N/A
5. Evaluate and advice on the actuarial soundness of the terms and conditions of insurance contracts.	N/A			
6. Review and express an opinion on the Asset-liability Management Policy, Underwriting Policy, and Reinsurance Policy. Evaluate and providing advice to the board of directors, management and other control functions (where relevant) on the Corporation's investment policy.	N/A			
Sub Total (excluding Value Added Tax)				
Value Added Tax (where applicable at 15%)				
Total (including Value Added Tax, where applicable)				

2. Provide an estimate of the costing to provide IFRS17 related services.

Table 2

Pricing: IFRS 17 review	**Year 1**	**Year 2**	**Year 3**
The annual review conducted at each financial year end.			
Sub Total (excluding Value Added Tax)			
Value Added Tax (where applicable at 15%)			
Total (including Value Added Tax, where applicable)			

3. Total bid price (Table 1 + Table 2)

Table 3

	Year 1	**Year 2**	**Year 3**	**Once-off**
1. HAF Pricing (Table 1 above including VAT)				
2. IFRS 17 Pricing (Table 2 above including VAT)				N/A
Total including VAT				

4. Indicate the hourly rates applicable, per resource seniority level, for each of the three years. The rates should allow for a fixed contracted annual inflationary increase. These rates will apply for ad-hoc projects or work items e.g. unplanned out-of-cycle ORSA or additional policy reviews. An allowance of 100 hours for ad-hoc projects or work items have been allocated for this contract, which will be divided equally across the three years and the resource seniority levels for bid evaluation purposes.

Table 4

Hourly rates (inclusive of VAT)	**Year 1**	**Year 2**	**Year 3**
1. Senior level: HAF/Director/Partner			
2. Manager level: senior analyst or actuary			
3. Analyst level: actuarial analyst or junior actuarial analyst			

5. Bidders are required to provide their quotation using the example above as a basis.

6. The quotation must be on the letterhead of the bidder and must be in South African Rands.