



भारत हेवी इलेक्ट्रिकल्स लिमिटेड
कॉर्पोरेट वित्त
BHARAT HEAVY ELECTRICALS LIMITED
CORPORATE FINANCE

No. AA: FIN: INS: Consultant
Date: 7.01.2011

Closing Date: 28.01.2011

Dear Sir,

**Sub: Expression of Interest (EOI) for Engagement of Insurance
Consultant/broker firms to assist BHEL in management of its Insurance portfolio**

BHEL is the largest engineering and manufacturing enterprise in India in the energy related /infrastructure sector, today. BHEL was established more than 50 years ago and manufactures over 180 products under 30 major product groups and caters to core sectors of the Indian economy viz., Power Generation, Transmission, Industry, Transportation, Renewable Energy, Defence etc. The wide network of BHEL's 15 manufacturing divisions, 4 Power Sector Regional Centres, over 100 Project Sites all over India and abroad, 8 Service Centres, 18 regional Offices, 4 Overseas Offices and 1 subsidiary enables the company to promptly serve its customers and provide them with suitable products, systems and services efficiently at competitive prices.

BHEL's vision is to become a world-class engineering enterprise, committed to enhancing stakeholder value. The company is striving to give shape to its aspirations and fulfill the expectations of the country to become a global player.

BHEL is a "Navratna PSU" and a Limited Company registered under the Companies Act, 1956 and its stock is listed with BSE and NSE. Presently GOI holds 67.72%, FIIs hold 15.21% and balance is held by Mutual Funds, FIs and Public. The present Market capitalization of the company is over Rs. 1150 billion and Turnover is likely to cross Rs. 38000 crores in 2010-11.

Presently, BHEL's Insurance portfolio is being managed in-house. BHEL is arranging various Insurance Policies to cover itself against unforeseen hazards and natural calamities. BHEL desires to take assistance and offers opportunity to leading and reputed professional Insurance Consultant firms, meeting the qualification criteria, to advice on various aspects relating to Insurance as per the scope mentioned in this EOI.

BHEL invites Expression of Interest (EOI) from interested eligible, qualified, competent and professional Insurance consultancy/broker firms having adequate experience and requisite infrastructure as detailed in the EOI document. After evaluation of the EOIs received by BHEL, the eligible forms shall be shortlisted.



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The shortlisted firms/Cos. will have to make a presentation to the BHEL team. This will be followed by Techno-Commercial and Price Bids, based on which a consultant will be selected to advise BHEL on the same. The party so selected has to subsequently enter into separate contract with BHEL for carrying various activities as listed in the Scope of Work (Scope of Work will be listed in the tender for the contract).

Details of the objectives, scope of the assignment, eligibility and qualification criteria to be met with, data and documents required to be submitted along with EOI, criteria to be adopted for evaluation of the EOIs for preparation of the short list and other information is contained in the EOI document.

Your EOI, in the prescribed manner as detailed in Annexure and super-scribed with **'Expression of Interest for engagement of Insurance Consultant firms to assist BHEL in management of its Insurance portfolio'** should reach us **on or before 28.01.2011 , up to 3:00 p.m.,** at the following address:

Sr. Manager,
Corporate Finance (Administration),
Bharat Heavy Electricals Limited,
BHEL House,
IInd Floor, Corporate Finance,
Asian Games Village Complex,
Siri Fort, New Delhi – 110049.

Thanking You,

Your's faithfully,
for Bharat Heavy Electricals Limited


(Sumeet Salhotra)
Sr. Manager (Finance)

Corporate Finance – Admn.



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Annexure - A

PRE-QUALIFICATION REQUIREMENT (PQR) FOR CONSULTANTS

Expression of Interest shall be considered only from INDIAN, TECHNICALLY COMPETENT, EXPERIENCED and FINANCIALLY SOUND professional Insurance consultant/broker firms who meet the following PRE-QUALIFICATION REQUIREMENT:

A. GENERAL INSURANCE & REINSURANCE

Sl. No.	Parameter/Criteria/ Requirement	Minimum Requirement	Documents required in support of the requirement	Maximum marks
1	The firm should be Limited Company-Private/Public and an approved / registered Insurance Intermediary /Broker of IRDA with valid license to undertake Insurance Business.	Bidder should be holding Composite broking license granted by IRDA in continuation for the last 5 years as on the date of this advertisement	Copy of Certificate of Registration under Companies act and valid License issued by IRDA	5
2	The firm must be Composite Broker and have experience of operating as licensed direct insurance and reinsurance broker. "Composite broker" means an insurance broker who for the time-being licensed by the Authority to act as such, for a remuneration, arranges insurance for his clients with insurance companies and/or reinsurance for his client/s. Two Companies holding separate licenses for Direct Insurance and Re-insurance under the same management may also respond to this EOI.	For a minimum period of 5 years	Suitable Proof for the same The composition of the Board duly supported by documentary proof	6
3	The firm should have good clientele of big industries including reputed Pvt. & Government/PSU Undertakings of state/Central	The applicant should have a large clientele base of which at least 3 government/PSU Undertakings of which 2 must be having more than 10000 crores turnover. These clients must have availed general insurance broking services to be evidenced by an actual transaction during the current Financial year.	a) Copy of Latest Job Order or Letter of Engagement as Consultants specifying the complete scope of work (b) Copy of satisfactory performance/completion of services from these clients for the work undertaken	5



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4	The firm should have a Net Worth of minimum of Rs. 3 crores as on 31.03.2010	As per the latest Financial statements	Shall produce their audited Balance Sheet and Profit and Loss Accounts for the last year.	5
5	<p>a. Experience of handling minimum 5 single Policies having a premium of above 1 crore under each Policy during last 3 Financial Years ending on 31.03.2010</p> <p>b. The firm should have arranged Insurance Covers for a minimum annual premium amount of Rs.15 crores (for CAR/EAR, Marine & Liability Insurance) during last 3 Financial Years ending on 31.03.2010</p>		Same should be supported by necessary documents	8
5	<p>Having insured atleast one client for a sum of not less than Rs.2500 crores (under a single Insurance Policy) in Infrastructure Sector for major risks in the field of CAR, EAR or Mega Risk of any of their projects in the areas like construction/building , erection, commissioning etc. during the last/current financial year. For the purpose of this clause, "Infrastructure Sector" means projects pertaining:</p> <p>a) Power equipment/ generation/distribution/transmission, b) Port, Airport, Railways c) Logistics projects like warehousing, container yards etc d) Road, Highways, Shipping etc e) Oil Exploration, mining</p>		Suitable Proof for the same	6
7	<p>Having adequate experience in obtaining the best rates reducing Insurance Premium outgo from:</p> <p>(a) Indian Insurance Cos. (b) Indian/ International re-insurance market</p>	Adequate experience in directly dealing in direct and Re-insurance market	Copy of satisfactory performance/ completion for the same from clientele of big industries along with the details of coverage, premium finalized including reduction in premium achieved from last year/Policy.	15
8	<p>Have adequate experience in handling high value claims under Fire, Marine and Engineering Insurance</p> <p>a. For losses during transit, storage, erection or testing of equipment/material especially power equipment.</p> <p>b. Claims for losses during civil construction etc</p>	Atleast five high value claims (> Rs.1 crs each) finalized and payment received from Insurance Co. in the past three years.	Adequate supporting documents to be provided.	15



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9	Should have earned an average of Rs.10 crores as brokerage/commission/ consultancy/advisory fees/revenue from direct broking and/or Reinsurance broking in last three financial years, supported by audited balance sheet and CA Certificate	To provide value for which coverage arranged (including premium details) and brokerage/commission earned for the same in last three years	Supported by audited balance sheet and CA Certificate	5
10	The applicant must have an office establishment in all the metro cities of India including offices in major cities. There should be adequate number of qualified and experienced executives. Further, the firm should have requisite infrastructure including IT Structure	The firm should have an office in metro cities including offices in major cities and one office in Delhi/NCR.	Addresses of Principal place of business/ Registered Office and branch Offices along with the name, address and contact no. of the concerned officials	5
11	a. The firm/company should have dedicated services of key management personnel, either as a full time employee/ advisor, as on date of the advertisement b. Details of CEO/Directors/Partners	a.1) Minimum 1 No. Engineer with experience of not less than 10 years in General Insurance Industry a.2) Minimum 1 No. Chartered Accountant/ MBA/ Insurance professionals with experience of not less than 10 years in General Insurance Industry	a. Detailed CV and proof of employment/ appointment in the applicant's firm b. Following details in respect of CEO, directors/ partners- Qualification, Experience in Insurance broking services and related areas	8
12	There should be dedicated, experienced and qualified teams as per specific insurance areas /Industry specialization.		The firm should indicate the no. of regular full time employees as on the date of this advertisement. Department wise complete list may be provided.	5
13	Details of the key personnel who will be deployed on the assignment if awarded and their detailed curriculum vitae detailing their experience relevant to the proposed assignment;	The firm should be in a position to undertake the job and should have adequate qualified staff strength with qualifications like CA, Actuaries, Insurance qualification etc. to handle such responsibilities	Details of officials including no. of years experience and qualification to handle such responsibilities	7



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14	<p>The firm should not have been blacklisted/debarred/disqualified by any regulator/ statutory body or Government entity or any international/national agency for corrupt or fraudulent practices;</p> <p>The firm should not have an adverse litigation history or any disciplinary proceedings pending against them specifically in respect of professional services.</p>		Declaration as per Annexure D	1
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B. EMPLOYEE RELATED POLICIES:

Sl. No.	Parameter/Criteria/ Requirement	Minimum Requirement	Documents required in support of the requirement	Maximum Marks
1	Experience in handling Group Mediciam Policy and Group Personal Accident Policy for a large size group of minimum 10000 employees of big industries including reputed Pvt. & Government/PSU Undertakings of state/Central.	Details like Policies arranged/handled , Companies for which arranged, Policy period , Sum Insured, group size and premium details	Copy of satisfactory performance/ completion of services from these clients for the work undertaken	2
2	Experience in arranging/handling difference type of Life Insurance Policies for a large size group of minimum 10000 employees of big industries including reputed Pvt. & Government/PSU Undertakings of state/Central.	Details like Policies arranged/handled , Companies for which arranged, Policy period, Sum Insured, group size and premium details	Copy of satisfactory performance/ completion of services from these clients for the work undertaken	2

1. BHEL shall evaluate the consultants for short listing, inter-alia, based on their past experience, strength of their man power, financial strength of the firm and available infrastructure.
2. Maximum marks have been mentioned against each criteria of the PQR. BHEL will assign scores to the response of each consultant based on marks assigned to each of the criteria in EOI.
3. The minimum qualifying requirement is 60 marks- BHEL will shortlist the consultants who secure the minimum 60 marks for participating in the further tendering process.



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Annexure – B

SCOPE OF WORK

1. Evaluation of Risk Exposure: Assessment and identification of risks by understanding BHEL's overall requirements for Insurance from perspective of Risk Management
2. Risk Inspection: Arranging and coordinating with prior approval of BHEL Risk Inspections through reputed Risk Inspection Agencies
3. Assisting BHEL in deciding risks to be retained and risks to be transferred to insurers and making suggestions for control/minimization of risks. Advising the Company on installation of risk control equipments to minimize risks.
4. Ascertaining sufficiency of protection against losses
5. Vendor (Insurance Cos) Evaluation process and making recommendation for empanelment
6. Help BHEL obtaining the best rates from Indian/ International market thereby reducing Insurance Premium outgo.
7. Post award assistance in implementing Insurance programs
8. Liaison with Insurance Companies on Insurance related matters
9. Establish a mechanism to effectively report/monitor any losses. To design a robust claim settlement procedure wherein to advice the organization the best practices available to safeguard their interest in all stages.
10. Review of Excesses viz a viz Premium.
11. Claim management with an aim of expediting claim settlement. To seek redressal in case of disputes
12. To assist in preparing of Insurance Manual.
13. User training on insurance related matters
14. Maintaining detailed knowledge of insurance products as may be applicable and advising the BHEL thereon. To keep BHEL informed of the latest IRDA Regulations/guidelines and other Insurance related developments in India/internationally.
15. Vetting of tender documents
16. To assist for other Risk Management services for optimum benefit



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Annexure – C

TERMS & CONDITIONS

1.0 SUBMISSION OF EOI

The profile/proposal should be complete in all respects.

Profile/Proposals should be either typed or written legibly in English. Alterations/overwriting, if any, in the profile/proposal should be attested by the person signing the profile/proposal. The same is required to be given on Company's letterhead. Profile/Proposals with alterations etc. not authenticated as above may be rejected by BHEL.

2.0 ELIGIBILITY CONDITION

Only those firms who meet the **PRE QUALIFICATION REQUIREMENT (PQR)** as specified in Annexure A of the EOI document shall be eligible for appointment. Proposals not meeting the PQR shall be rejected.

3.0 COST OF DOCUMENT

NIL



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4.0 SELECTION PROCEDURE

The final firm shall be selected through a competitive bidding process.. For selection of the final firm to be appointed, the following procedure shall be adopted:

All the proposals received by BHEL would be scrutinized w.r.t the Pre-Qualification Requirement (PQR). Firms meeting the PQR shall only be considered. These firms shall be called as 'Eligible' firms. The firms may please note that mere meeting of the PQR does not entitle any firm the right for appointment.

The 'Eligible' firms would then be issued a detailed tender document containing detailed scope of work, terms and conditions, evaluation criteria, contract etc., for final selection of the firm to be appointed.

Firma may note the BHEL may call the eligible firms for meeting/giving presentation before/after issue of tender document.

5.0 ARBITRATION

Any dispute or difference, whatsoever arising between the firms out of or relating to the EOI shall be referred to the sole arbitration of the General Manager, Corporate Finance of BHEL whose decision shall be final, conclusive and binding. The arbitrator shall give reason (s) for the award.

Subject to the above, the provisions of Arbitration Act, 1996 and the Rules made there under shall be deemed to apply to the arbitration proceedings under this clause.

6.0 EFFECT AND JURISDICTION

The law applicable to this EOI shall be the laws in force in India. The courts in Delhi, India, shall have exclusive jurisdiction in all matters arising under and on account of this EOI.



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7.0 CONFIDENTIALITY

All the material sent to the firms shall be treated as confidential and should not be disclosed in any matter to any unauthorized person under any circumstances.

8.0 INCOMPLETE EOI

Incomplete EOIs, which do not contain all the information called for and/or any addition/deletion in tender document /Annexures are liable to be rejected.

9.0 PREBID MEETING

All the short listed firms will be called for a pre-bid meeting before calling for two part limited tender wherein the requirements of BHEL will be presented so that there is no ambiguity. The time and venue will be intimated subsequently.

10.0 CANCELLING THE EOI

BHEL reserves the right to cancel/scrap the EOI without assigning any reason whatsoever.

11.0 AUTHORISED OFFICER

General Manager (Finance)/BHEL, or any other officer nominated by him, shall be the authorized officer with regard to the EOI. The decision of the authorized officer shall be final and binding on the firm.

12.0 DURATION OF ENGAGEMENT PERIOD;

Engagement of the Insurance Advisor shall be for a period of two years from the date of engagement. However, initial engagement will be for a period of one year which will be renewed for another period of one year, on each occasion, on satisfaction performance of the Insurance Advisor and at the sole discretion of



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13.0 CONTACT PERSONS

For any clarifications/queries, the firms may contact the following officials of BHEL:

- Sh. Sumeet Salhotra – Sr. Manager (Finance-Admn)
Tel: 011-66337240
E-mail: finss@bhel.in

- Ms. Sangeeta Singh – Manager (Finance)
Tel: 011-66337255
E-mail: ssingh@bhel.in



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SUBMISSION OF EOI

Your EOI has to be submitted in as follows:

- (a) Documents and information required for ascertaining the qualification of the firm as per Annexure – A (**Pre Qualification Requirement**)
- (b) Acceptance of Terms & Conditions as per Annexure – B1, duly stamped and signed.
- (c) Check List as per Annexure – C
- (d) Declaration Statement as per Annexure – D
- (e) Firm Details as per Annexure – E
- (f) Deviation, if any, as per Annexure – F

Note:

1. Firms to ensure that their EOI's are complete in all respects.
2. Proposal/Profile and all certificates including Annexure C to F will be given on the firm's letter head only.

The offer is to be placed in a single sealed envelope, duly super scribed with:

1. Expression of Interest for Engagement of Insurance Consultant firms to assist BHEL in management of its Insurance portfolio
2. Due date and time of submission of EOI.
3. Name , address and contact no. of the Firm.
4. BHEL address as given in the covering letter.



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Annexure – C

CHECKLIST

Sl. No.	Description/Item	Enclosed Yes/No
1.	List of employees/partners in the firm along with their joining date, qualification and experience in the respective field.	
2.	List of Clients related to the scheme.	
3.	Copy of Latest Job Order or Letter of Engagement as Consultants from clients.	
4.	Copy of satisfactory performance/completion of services from these clients.	
5.	Copy of Attested Balance Sheet & Profit & Loss A/C of the last three years along with Income Tax Return.	
6.	Acceptance of Terms & Conditions as per Annexure – B1 duly Stamped and signed.	
7.	Declaration Certificate as per Annexure -D.	
8.	Firm Details as per Annexure – E	
9.	No Deviation Certificate as per Annexure – F	



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Annexure – D

DECLARATION CERTIFICATE

I/We do hereby declare that there is no case with the Police/Court/RBI/IRDA/SEBI/Regulatory authorities against the proprietor/firm/partner/employee. Also I/We have not been suspended/delisted/blacklisted by any other Govt. Ministry/Department/Public Sector Undertaking/RBI/IRDA/SEBI/Autonomous Body/Financial institution/Court. We also certify that neither our firm nor any of the partners are involved in any scam or disciplinary proceedings settled or pending adjudication.

(Signature & Seal of the firm)



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Annexure – E

FIRM DETAILS

Name of the Firm	
Communication Address	
Name of the authorized Partner/Director/Employee	
Telephone Nos.	
Fax Number	
Mobile Nos.	
E-mail Address	
Date of Establishment	
Web Site Address (if any)	

(Signature & Seal of the Firm)



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Annexure – F

NO DEVIATION CERTIFICATE

Notwithstanding anything mentioned in our EOI, we hereby accept all the terms and conditions of this EOI and we do not have any deviation to this EOI. We hereby undertake and confirm that we have understood the scope of work properly and shall carry out the work as mentioned in this EOI.

(Signature & Seal of the Firm)