



TERMS OF REFERENCE

THE APPOINTMENT OF A SERVICE PROVIDER FOR THE ACTUARIAL SERVICES – GRAP 25 VALUATION OF THE NON-FUNDED POST RETIREMENT MEDICAL SUBSIDY BENEFIT

1. BACKGROUND

The purpose of this bid is to appoint a qualified and experienced actuary to prepare a GRAP 25 valuation of the non-funded Post Retirement Medical Subsidy (PRMS) benefit for the ARC. The appointed actuary will conduct a full actuarial valuation, set and just assumptions, perform sensitivity analyses, and prepare required disclosures for the Annual Financial Statements in compliance with GRAP 25.

2. PURPOSE OF THE BID

The purpose of this bid is to appoint a qualified and experienced actuary to prepare a GRAP 25 valuation of the non-funded Post Retirement Medical Subsidy (PRMS) benefit for the ARC.

3. SCOPE OF SERVICES

- Conduct a full actuarial valuation of ARC's PRMS liability in line with GRAP 25 as at the financial year-end.
- Develop demographic and economic assumptions with justification (mortality, retirement age, discount rate, inflation).
- Perform sensitivity analysis on key assumptions (discount rate, health care inflation, withdrawal rates).
- Ensure all GRAP 25 disclosures are addressed in line with AFS requirements.
- Project expected PRMS cashflows for the next 5 years.
- Review prior valuation reports and assess variances against actual outcomes.
- Engage with ARC Finance and HR to validate data and subsidy rules.
- Provide recommendations for liability management and risk mitigation strategies.

Fund details are as follows:

- Number of members: Approximately 222
- Fund assets in the previous year: Nil
- Fund obligation in the previous year: R 9 618 648

Deliverables

- Data and assumptions review report, which must be submitted within 2 weeks after each financial year-end (31 March 2026, 2027, and 2028).
- Draft actuarial valuation report with liability, sensitivities, and projections.
- Final signed GRAP 25 valuation report and actuarial certificate.
- Electronic sensitivity analysis workbook.
- Formal presentation of the GRAP 25 valuation report to the ARC Management.
- Supporting annexures, including member data summary, actuarial methods, and benchmarking.

4. DURATION OF SERVICES



- The valuation services should be performed for a period of three years.

5. PRICING SCHEDULE

- Bidders are requested to provide a detailed pricing proposal as per the pricing schedule below.



6. BID EVALUATION CRITERIA

This bid will be evaluated in four phases. The bid evaluation process will be conducted, and the bidder must qualify at each stage to be eligible to proceed to the next stage of the evaluation as follows:

- Phase 1: Compliance with the administrative bid requirements.
- Phase 2: Mandatory requirements.
- Phase 3: Technical/Functionality
- Phase 4: Price and BBBEE.

6.1 PHASE 1: ADMINISTRATIVE REQUIREMENTS

The following shall be submitted with the bid proposal or adhered to throughout the tender:

- Valid Tax Pin number from SARS
- Valid B-BBEE certificate or affidavit
- CSD report (Central Supplier Database report)
- Complete and sign all SBD forms

6.2 PHASE 2: MANDATORY REQUIREMENTS

- Bidders will be evaluated on mandatory requirements as indicated below, and failure to meet these requirements will result in disqualification, and bidders will not proceed to be evaluated on functionality.

No	Criteria	Description of the criteria
1.	Affiliation body of team members: Actuarial Society of South Africa	Please furnish certified copy (or copies) of actuarial qualification certificate(s), and proof of membership with an actuarial professional body.

6.3 PHASE 3: FUNCTIONAL/TECHNICAL EVALUATION

- The bidder must meet the following functional/technical criteria. Bidders who do not meet all the functional/technical criteria will be disqualified from further evaluation:
- Bidders who do not obtain a minimum score of **70% or more out of 100** threshold on functionality will be disqualified and will not be evaluated for price and BBBEE.



The functionality of the proposals will be evaluated in accordance with the criteria below:

FUNCTIONALITY EVALUATION CRITERIA	WEIGHT
<p>The rating will be as follows:</p> <p>Non-submission-1=poor; 2=Average;3=Good;4= Very Good and 5= Excellent</p>	
<p>1. Five contactable clients where the same or similar services were rendered within the past five (5) years. N.B. The reference letters must be on the company letterhead (Client) with contact details (Contact name, number, and address of the client). No appointment letters or Purchase Orders will be accepted as proof of a recommendation.</p> <ul style="list-style-type: none"> • 1 reference letter = 1 point • 2 reference letters = 2 points • 3 reference letters = 3 points • 4 reference letters = 4 points • ≥ 5 reference letters = 5 points 	35
<p>2. Project manager with relevant experience in GRAP 25 Valuations and affiliated to the Actuarial Society of South Africa– CV and registration certificate to be attached.</p> <p>The bidder must include a resume and a professional body certificate of the project manager who will be assigned to this work and will actually be working on the project for the duration.</p> <ul style="list-style-type: none"> • 1 – 3 years = 1 point • 4 – 5 years = 2 points • 6 – 7 years = 3 points • 8 – 9 years = 4 points • ≥ 10 years = 5 points 	30

3. Project plan detailing the process flow

The bidder shall provide a detailed level 5 tier project schedule. The schedule shall include the following aspects:

- Assumption Setting & Sensitivity Analysis
- Methodology & Data Handling
- Deliverables Quality & Presentation
- Resources to be used for the project
- Timeframe / Deadline & reporting

- **No project plan submitted = 1 point**
- **Project plan submitted with only two (2) aspects as stated above = 2 points**
- **Project plan submitted with only three (3) aspects as stated above = 3 points**
- **Project plan submitted with only four (4) aspects as stated above = 4 points**
- **Project plan submitted with only five (5) aspects as stated above = 5 points**

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Functional Total

100

Threshold

70%

6.4 PHASE 4: PRICE AND BBBEE

Bidders that do not meet the minimum threshold as indicated above will not be evaluated for pricing and BBBEE.

Technical Functional Criteria	Weightings
Total technical/functional	100
Minimum threshold	70
Points allocated for price	80
Points allocated for specific goals	20
Total points for price and specific goals	100



The 80/20 principle will apply in terms of the Preferential Procurement Policy FRAMEWORK Act.

Specific Goals

Specific Goals	Percentage Ownership (1%)	Points (20)	Points (10)
Ownership by HDIs	51%+	6	3
Ownership by Women	51%+	4	2
Ownership by Youth	51%+	4	2
Ownership by PwD	51%+	2	1
BEE Status	Level 1 - 4	2	1
RDP Goals	Points will be allocated to enterprises located in rural areas.	2	1
TOTAL POINTS		20	10