



TROPIK WOOD INDUSTRIES LIMITED

REQUEST FOR PROPOSAL

RISK AND INSURANCE ADVISORY SERVICES – INSURANCE BROKERAGE

(Material Damage and Business Interruptions)

TROPIK WOOD INDUSTRIES LIMITED

Risk and Insurance advisory Services

RFP document

1. OVERVIEW OF THE ORGANISATION

Fiji Pine Group is comprised of Fiji Pine Limited, Tropik Wood Industries Limited and Tropik Wood Products Limited. Considering the vertically integrated operations among the 3 companies, all the companies are managed from head office located at Vakabuli Village Road, Drasa, Lautoka. The total numbers of employees are around 400.

Fiji Pine Limited (FPL) – Is the ultimate holding company of the Group

The shareholders of FPL are Government of Fiji and Fiji Pine Trust. The beneficiaries of Fiji Pine Trust are the pine landowners.

FPL owns and manages 83,000 hectares of leased land for pine plantations. The forest areas are spread over 6 forest areas namely Nabou, Nadi, Lololo, Ra, Bua & Macuata. The core functions involve:

- Land lease for pine plantation
- Research on forest – plantation areas, seed type, growth rates, etc
- Pine planting operations – seed orchards, seed extraction, nursery and forest transplanting
- Forest Protection – Fire, stray animals, etc
- Forest Inventory exercise
- Forest Harvesting and cartage of logs to subsidiary companies.

Fiji Pine Limited's forest is 100% certified under Forest Stewardship Council™ and is a mark of responsible forestry.

Tropik Wood Industries Limited (TWIL) – Is 100% owned subsidiary company of Fiji Pine Limited.

TWIL's operations is located at Vakabuli Village Road Drasa, Lautoka. TWIL is Fiji's largest sawmiller, woodchip producer for export market and is an independent power producer exporting an average of 6 to 8% power to the national grid. The factory was built in 1987.

Since 2016 the entire factory has been transformed to almost entirely a brand-new facility. Major capital expenditure that forms part of this transformation includes:

- Soderhamn Erickson's fully automated sawmill
- Windsor state of art fully automated kiln
- Weining Planning and moulder machine
- Paul high precision docking machine
- Bezna Round Wood processing machine
- Water treatment facility
- Co-generation plant efficiency improvements
- HV switchgear upgrade at Cogeneration

Current Upgrade in progress

- New mahild low temp kiln
- New timber treatment plant

Woodchips that is produced at Drasa factory is stocked piled at Lautoka wharf. These are carted on specialized chip trailers. The Lautoka wharf facility includes wood chip pile and woodchip vessel loading conveyor system.

TWIL only processes pine logs that is supplied by its parent company, Fiji Pine Limited, into value added sawntimber, roundwood (posts/poles) and woodchips.

Logs are also brought from FPL's forest in Vanua Levu on barge. For this, FPL sells logs to Tropik Wood Products Products Limited who then sells to TWIL.

TWIL also purchases fuelwood (various) species specifically to be chipped for fuel for the cogeneration power plant.

Tropik Wood Products Limited (TWPL) – Is 100% owned subsidiary company of Tropik Wood Industries Limited.

TWPL's factory is based in Wairiki, Bua, Vanua Levu however is managed from Drasa office (TWIL). This facility is only a woodchip milling facility for export market. The factory premises is comprised of:

- Woodchipping mill
- Woodchip storage pad
- Wharf for woodchip vessel
- Woodchip conveyor and loading tower for loading woodchip vessels

Since there is no grid around this area, the entire facility is run on diesel gensets.

An average of six vessels is exported annually. Below are details of major upgrades done to the factory in year 2018 and 2019:

- New chipmill building
- Installation of new chipper motors
- Certified fire sprinkler system for the factory
- Connection of 2MW genset to the Jetty power reticulation system
- New Weighbridge

Due to nature of the 3 entities, the only TWIL and TWPL form part of MD/BI insurance program. FPL's policies are on the general policies.

2. PURPOSE

The purpose of this RFP is to give opportunity to tenders to provide their capability to render Broker Services to Tropik Wood Industries Limited **(for the whole group – TWIL manages the group)**. At this stage, as this is a conceptual tender, brokers are not required to provide any pricing.

3. SCOPE OF OPPORTUNITY

Tropik Wood Industries (Tropik) is taking the opportunity to review Risk & Insurance Advisory Services, including (but not limited to) risk management, insurance coverage review, insurance broking and day-to-day services.

This document serves to provide information and data to assist in understanding the scope and size of the opportunity at hand.

4. BACKGROUND

Tropik wishes to invite suitably qualified insurance brokers to submit proposals to provide Risk & Insurance Advisory Services.

Tropik is seeking proposals from brokers who have the risk management and insurance knowledge and experience, claims management, and transactional capability to bring innovation to the table to help Tropik maximise coverage and minimise insurance costs.

Tropik plans to appoint one advisor (broker) for these services.

5. GENERAL TERMS AND CONDITIONS OF TENDER

5.1. Scope of services

This tender relates to the provision of risk and insurance advisory services for Tropik Wood Industries Limited (Tropik).

The list of entities in the (Tropik) Group to be part of the Tender are:

- Fiji Pine Limited (currently is not part of MD/BI program)
- Tropik Wood Industries Limited
- Tropik Wood Products Limited

It is incumbent upon each tenderer to acquaint themselves with the business, operations and activities of Tropik and its related risks, exposures, insurance and risk management requirements and to obtain all necessary underwriting and claims information.

5.2. Period of appointment

The successful tenderer will be engaged by Tropik to provide services for a period of 3 years.

5.3. Confidential and intellectual property

All information contained in this tender document and in related verbal and written communication with tenderers is confidential to Tropik and the tenderer. No part of it may be reproduced or disclosed to third parties without prior written approval.

5.4. Contact information

All enquiries, correspondence and other communications pertaining to this tender must be directed to:

Sareen Prasad	Telephone	+679 9995742
Financial Controller	E-mail:	Sareen.prasad@tropik.com.fj

And copied to:

Joeli Waqa	Telephone	+679 9995788
Senior Manager Internal Audit	Email:	Joeli.waqa@tropik.com.fj

Yvonne Hicks	Telephone	+679 9995399
Executive Secretary	Email:	yhicks@tropik.com.fj

No enquires, correspondence and other communications pertaining to this tender shall be directed to any other person.

5.5. Written tender response

Each tenderer is required to provide a written submission to comprehensively address the requirements of the Conforming Tender Specification outlined in this tender document.

Tenderers are also invited to submit alternative (non-conforming) proposals. These may be submitted as an appendix to a conforming tender, not in lieu thereof.

5.6. Tender costs

Tenderers shall be responsible for all costs which they incur in connection with their participation in the tender process, including site visits and all other costs associated with the preparation and lodgement of their submission in response to this tender.

5.7. Site visits

Tenderers who wish to conduct site visits for the purposes of this tender can arrange these through Tropik upon request, subject to operational constraints.

Tropik will notify individual tenderers if it wishes to make site visits to the tenderer in the course of its tender evaluation.

5.8. Tender lodgement

All tender submissions must be submitted by no later than 4.00 p.m. on 17th April 2020.

Tender submissions can either be emailed to Yvonne Hicks - yhicks@tropik.com.fj or hand delivered to our head office located at Vakabuli Village Road, Drasa, Lautoka.

Upon lodgement, the tender responses become the property of Tropik. Tenderers shall be deemed to have agreed to the conditions set out in this tender document by submitting tender responses.

Tropik Wood Industries Limited reserves the right to reject any late tender responses.

5.9. Oral presentation

If an oral presentation is requested by Tropik, the personnel who will be responsible for delivery of the tenderers services to Tropik, will be expected to actively participate in the oral presentation.

5.10. Tender acceptance

Tropik will notify tenderers in writing of the outcome of this tender process as soon as practicable.

Tropik Wood Industries Limited shall not be bound to accept the lowest offer of any submission and no submission shall be deemed to have been accepted until a formal written agreement is executed between the parties.

The decision of Tropik to accept or reject a written tender response shall be final. Tropik is under no obligation to provide any reasons for its decision, nor is it under any obligation to disclose its evaluation or decision-making processes or enter into any correspondence or engage with any tenderer or any other party in connection therewith.

5.11. Indicative tender timetable

Task/ activity	Date
Tender documentation submitted to tenderers	2/03/2020
Written tender responses received from tenderers	17/04/2020
Oral presentations (if required)	24/04/2020
Appointment of successful tenderer	18/05/2020
Annual renewal placement	31/08/2020

This indicative timetable is provided to tenderers to assess their planning processes. Tropik will notify tenderers of any changes.

5.12. Additional information

Tenderers may be requested to supply additional information to support their tender responses including information and/or documentation to authenticate and support undertakings contained in their written or oral submission.

5.13. Reservation of rights

Tropik Wood Industries Limited reserves the right to:

- 5.13.1. Amend the nature, scope, terms, conditions and requirements of this tender without notice at any time;
- 5.13.2. Limit or extend the list of potential tenderers beyond those who respond to this tender or to exclude any tenderer from any future process;
- 5.13.3. Discontinue to engage or negotiate with any tenderer without notice at any time and is under no obligation to disclose the reason(s) for its decision to do so;
- 5.13.4. Enter into post-submission discussions or negotiations with tenderers on any matter prior to the selection for the successful tenderer;
- 5.13.5. Abandon or postpone the tender process at any time before or after the receipt of written and/or oral submissions from the tenderers;
- 5.13.6. Make enquiries of any person, company or organisation regarding the tenderer and/ or its written and/or oral representations;
- 5.13.7. Take any other action it considers necessary or appropriate in relation to this tender.

5.14. Accuracy and completeness of information

Tropik Wood Industries Limited makes no representation or warranty, whether express or implied, as to the completeness or accuracy of any information provided in relation to this tender process. Tropik shall not be liable, whether in negligence or otherwise, for any loss or damage which may result from a contractor acting on any information contained in this tender document. Each tenderer should, before submitting a response, undertake all such further investigations as it considers appropriate.

Conforming Tender Specification

Each tenderer is required to provide a written submission which comprehensively addresses the following key topics:

5.15. Team and experience

5.15.1. Client and industry experience

Please provide a schedule of your company's major clients within the same industry segment as Tropik Wood Industries Limited.

5.15.2. Service Team

Please provide details of the individuals comprising the proposed account serving team and, in respect of each, provide a brief curriculum vitae of their role, responsibilities, qualifications and experience. Curricula vitae can be included as an appendix to your submission.

5.15.3. References

Please provide the name and contact details of three (3) references who may be contacted by Tropik. Details should include:

- Name, role, phone number and email address of contact person
- Relevance of reference to Tropik.

5.15.4. Value Added Client Outcome

Please provide details of major value added achievements (over the last 5 years) for clients during an insurance claim with several grey areas. Detail how the claim was managed (both underwriter and client) to get the best outcome.

5.16. Insurance programme

5.16.1. Programme review

Tenderers are required to provide comments on any suggestions or improvements that you would consider appropriate, and to provide your rationale in support of such comments.

Please describe your process for assessment of risk and design of an insurance programme. Please also provide a draft service plan for the next insurance period.

5.16.2. Premium

No premium is required to be submitted.

5.16.3. Market contact

Tenderers are not authorised to approach any insurance markets directly or indirectly in regard to any aspect of this tender, with the exception of the current broker in the discharge of its current service requirements. Failure to adhere to this may result in automatic disqualification.

5.17. Broker services

5.17.1. Insurance broking

Please provide an outline of the client servicing methodology your company proposes, plus the day-to-day, marketing and placement, technical and claims

services which your company considers to be relevant to Tropik. Please evidence the value each of these services would deliver to Tropik.

5.17.2. Claims Management Ability

As outlined in 5.15.4

5.17.3. Risk management and other service

Please specify the risk management and other services and initiatives which your company would recommend to Tropik and the rationale behind your recommendations. Please evidence the value each of these services would deliver to Tropik.

5.17.4. Information technology

Please provide details of computer/ internet-based systems which you have available that you feel would be beneficial to both Tropik and your general service delivery.

5.18. Remuneration and disclosure

5.18.1. Remuneration

Our preference is to remunerate the appointed insurance and risk management service provider on the basis of a fee for service.

Please provide a service fee proposal for the provision of the insurance broking, risk management and other services which your company proposes to provide to Tropik. If any alternative form of remuneration is proposed, these need to be fully disclosed and transparent.

5.18.2. Transparency standards

Please outline your company's general approach to transparency.

5.19. Credentials and capabilities

5.19.1. Company profile

Please provide a brief outline (further details can be included as an appendix) of your company, including:

- Details of services provided in Fiji
- Details of parent and/or subsidiary companies (if applicable)
- Approximate annual premium placed in Fiji, Pacific and Worldwide
- Details of turnover in Fiji for the last five (5) years.
- Please provide a brief outline of your organisation and services in Fiji and globally.

5.19.2. Differentiating factors

Please outline the key factors that differentiate your company from your competition that are relevant to this tender.

5.19.3. Outsourcing

If any component(s) of your company's service offering to Tropik is to be outsourced to any third party, please advise which component(s) of your service offering will be outsourced together with full details of the third party organisation(s) to whom it will be outsourced.

5.19.4. Insurer security

Please provide an overview of the procedures and methodologies that your company employs to monitor the solvency of insurers, underwriting agencies and other risk carriers with whom your company transacts business in Fiji and elsewhere in the world.

5.19.5. Quality control

Please provide an overview of the systems, procedures and methodologies that your company utilises to guarantee and monitor the standards and quality of its service offerings. In particular, please provide details of the resources utilised in the control of quality.

5.19.6. Conflicts of Interest

Please provide details of how your company manages conflicts of interest.

5.19.7. Accountability

Please detail how does your company respond to losses arising out of your negligence. For example, if your clients claim is rejected arising out of your negligence. Has there been any similar case in the past?

5.20. Transitional arrangements

[Not applicable to incumbent broker]

Please advise the procedures and protocols that your company would implement to ensure an orderly transfer to you of service provider responsibilities in relation to Tropik Wood Industries insurance and risk management affairs.

[Applicable only to incumbent broker]

Should your company be unsuccessful in this process, please confirm your willingness to conduct an orderly transfer to the new service provider.

Please summarise what you have achieved for Tropik over the time that your company has been appointed.