Selection of Debt Recovery Agency

Outsourcing Debt Recovery Services to Debt Recovery Agencies (DRAs) for State Mortgage & Investment Bank

1. Purpose

The purpose of this document is to invite proposals from qualified and experienced Debt Recovery Agencies to assist the Bank in recovering Non-Performing Loans (NPLs) / overdue credit facilities. The selected agency will support the Bank in improving recovery performance while ensuring compliance with regulatory and ethical standards.

2. Background

Due to the increase in overdue and non-performing loan portfolios, the Bank intends to engage professional Debt Recovery Agencies to assist in recovery activities. The agency will operate under the supervision of the Bank and follow all regulatory guidelines issued by the Central Bank of Sri Lanka.

The recovery agency is expected to maintain professionalism, confidentiality, and compliance with all applicable laws while conducting recovery activities.

3. Scope of Work

The selected Debt Recovery Agency will be responsible for:

- Contacting and follow-up borrowers with overdue loans assigned by the Bank.
- Negotiating repayment arrangements with delinquent customers.
- Settlement negotiation and restructuring support
- Conducting field visits to borrowers where necessary.
- Tracing borrowers and guarantors.
- Tracing and verification of Addresses
- Skip tracing and debtor intelligence gathering
- Asset identification and verification
- Notice/Letter service, Pre-litigation recovery actions and Repossession coordination
- Supporting legal recovery actions when required.

- Submitting periodic recovery progress reports to the Bank.
- Ensuring ethical recovery practices without harassment or coercion.
- Case investigation Report and recovery reports.
- Maintaining confidentiality of customer information.

4. Document with eligible criteria

The Chairman of Procurement Committee (Minor) on behalf of State Mortgage and Investment Bank now invites from eligible and qualified suppliers to register Debt Collection Companies on Outsourced basis for recovery of Non performing Category Loans.

Description of Procurement	Selecting Debt Collection Companies on Outsourced Basis for two years period to the State Mortgage and Investment Bank (Island Wide): Head Office Corporate division, Recovery Division, and 25 Branches
Registration fees	2000/-
Registration Form Closing Date & Time	15-September-2026 at 3.00 p.m
Pre-registration form meeting	08-September -2026 at 10.30 a.m

Basic eligibility criteria for suppliers should be:

- Supplier should submit only one form covering all 25 branches and Head Office Corporate and Recovery Division.
- The supplier who have been placed in the List of Defaulting Contractors of the Government of Sri Lanka or any Statutory Government Corporation or Board are not eligible of this registration form.
- Registered in Sri Lanka under the Business Registration or incorporated under the Companies Ordinance to provide debt collection service on outsourced basis
- At least three (3) years' continuous experience in debt collecting in 02 or more banks/Financial company with minimum 01 institute which have island wide branch network covers.

- The supplier shall provide Audited Financial Statements for the last three (03) financial years and shall demonstrate financial soundness and adequate working capital to perform the contract.
- Minimum staff (Permanent) should be as follows,
    - Field officers - Minimum 10
- Ability to adhere to the Central Bank of Sri Lanka guidelines (Finance Consumer protection dated 08.08.2023 issued by the Central Bank of Sri Lanka)
- Submission of related party transaction declaration
- Ability to handle customers in all three languages (Sinhala, Tamil, English)

In addition to the above basic eligibility criteria, the supplier should further satisfy the criteria mentioned in the Registration Form.

1. It is mandatory for any person, who acts as an agent or sub agent, representative or nominee for and or on behalf of any tenderer, shall register himself before submitting the Registration Form under The Public Contract Act No 03 of 1987(PCA 03).
2. Contract Period - The selected agency will be appointed for an initial period of one (2) year, extendable based on performance and mutual agreement.
3. The Bank reserves the right to accept or reject any registration and to cancel or hold the procurement process at its sole discretion, without assigning any reason whatsoever.

5. Registration Form evaluation criteria and marking schemes

The evaluation is based on the supplier's ability, track record in debt collection for banks, and the cost to the Bank. The suppliers will be evaluated accordingly.

Suppliers are evaluated for their technical ability and track records according to the following criteria.

REGISTRATION FORM EVALUATION CRITERIA

Evaluation for Technical ability and track record of the Supplier

Evaluation Criteria		**Remarks – Documentary evident**
Business Registration	M	Documents related to business registration / business incorporation for providing manpower services
Minimum of 3 years continuous operation in debt collecting.	M	Last 3 years clientele
Debt collecting in 02 or more banks/Financial company including minimum 01 institute which have island wide branch network covers	M	Supporting Documents
Number of Staff (Permanent) ○ Field officers - Minimum 10	M	Certified by the authorized signatory and certified documents for EPF/ETF payment
Payment of EPF/ETF for the last 3 years	M	Documents to confirm payment of EPF/ETF of personnel for last 3 consecutive years
Ability to handle customers in all three languages (Sinhala, Tamil, English)	M	Declaration
Insurance policy to cover existing employees for compensation and accident / Injuries	O	Certified copies of existing insurance policies
Indemnity policy to cover existing Client's damages	O	Certified copies of existing insurance policies
Current litigations within last three years in relation to labour rights such as nonpayment of EPF/ETF and	O	Brief description confirmed by the supplier's lawyer with regard to existing litigations and completed litigations for the last 5 years

salaries and any other matters which has negative impact on firms business continuation		

M – Mandatory, O – Other

1. Technical Evaluation – Each of the following item's will be evaluated in selection process
    a. Legality, Experience and Reputation
    b. No of existing contracts with Banks and Financial Institutions
    c. Island wide covering strength
    d. Operational Capacity (Staff and system)
    e. Financial Strength

2. Financial Evaluation – Following criteria will be evaluated according to the rates or commission rates quoted.

Service Category	**Unit**
Customer/Guarantor Find, Address Verification & Skip Tracing	Per Assignment
General Visit / Inspection	Per Visit
Collections & Payment Arrangements	Amount collection/payment
Pre-Legal Recovery Action, Repossession support	Per Assignment
Investigation Reports, Asset Verification, Document Service Support & Other Recovery Reports	Per Report

Financial evaluation shall be evaluated separately for Mortgage Facilities and Non-Mortgage Facilities.

Registration Formding / Allocation for Branches/Region

- The steps given below will be followed by the suppliers.
- Suppliers shall submit only one registration form covering all 25 branches and Head Office Corporate and Recovery Division

- Evaluation of Registration Forms and Award of Contracts shall be based on technical and financial.
- In case of equal scores, preference will be given to the most experienced supplier.
- Allocating regions for selected suppliers shall be based on the outstanding balances, workload distribution and company’s staff strength.
- Notwithstanding the foregoing, the bank reserves the sole and absolute discretion to assign to the selected companies, based on operational requirements and overall effectiveness. Such decisions shall be final and binding and shall not be subject to challenge or dispute by any party.
- The successful suppliers are expected to enter in to a contract agreement.
- The performance Security acceptable to the Client shall be an unconditional form of Bank guarantee issued by a Bank approved by the Central Bank of Sri Lanka to an amount equal to 5% of the Contract Price.

6. Cost of the Bank

The cost to the Bank is calculated based on the commission rates quotes by the supplier.

7. Reporting Requirements

The agency must submit:

- ➢ Monthly recovery progress reports
- ➢ Details of accounts contacted
- ➢ Repayment commitments obtained
- ➢ Actual recoveries

8. Confidentiality and Compliance

The agency must strictly maintain customer confidentiality and comply with all regulatory and legal requirements applicable to banking recovery operations in Sri Lanka.

PRICING SCHEDULE

Service Category	**Unit**	**Mortgage Facility Rate (Rs.)**	**Non-Mortgage Facility Rate (Rs.)**
Customer/Guarantor Find, Address Verification & Skip Tracing	Per Assignment		
General Visit / Inspection	Per Visit		
Collections & Payment Arrangements	Amount collection/payment		
Pre-Legal Recovery Action, Repossession support	Per Assignment		
Investigation Reports, Asset Verification, Document Service Support & Other Recovery Reports	Per Report		

Documents Required

Evaluation Criteria		**Submitted (Yes/No)**
Business Registration	M	
Minimum of 3 years continuous operation in debt collecting.	M	
Debt collecting in 02 or more banks/Financial company including minimum 01 institute which have island wide branch network covers	M	
Number of Staff (Permanent) o Field officers - Minimum 10	M	
Payment of EPF/ETF for the last 3 years	M	
Ability to handle customers in all three languages (Sinhala, Tamil, English)	M	
Insurance policy to cover existing employees for compensation and accident / Injuries	O	
Indemnity policy to cover existing Client's damages	O	
Current litigations within last three years in relation to labour rights such as nonpayment of EPF/ETF and salaries and any other matters which has negative impact on firms business continuation	O	