

**REQUEST FOR PROPOSAL
FOR
HIRING VALUATION CONSULTANT TO CARRY OUT
COMMERCIAL VALUATION
OF
A PUBLIC SECTOR ENTITY**

April 2018

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Letter of Invitation

Dear Sir/Madam,

1. Introduction

Infrastructure Project Development Facility (“IPDF”), a company established under Section 42 of the Companies Ordinance, 1984 (now Companies Act, 2017) hereby invites proposals from interested parties (the Bidder or Bidders or the Bidders’ consortium as the case may be) to carry-out commercial valuation of a Lahore based Public Sector Entity’s entire range of tangible and intangible assets, herein after called as ‘the Assignment’, as per the terms of Reference (TORs) provided for in Annex 1 to this RFP.

Reference to ‘Valuation Consultant’ means the Bidder declared successful in accordance with the terms of this RFP and includes the successful Bidder’s entire valuation team and the relevant members thereof as the case may be, including its associate(s) under management of a single lead Valuation Consultant who shall enter into contract for the Assignment.

2. Technical & Financial Proposals

2.1. Technical Proposal

The Bidder must fulfil the following minimum requirements to technically qualify for the Assignment:

- a) It must be a company registered with Securities and Exchange Commission of Pakistan or registered partnership firm.
- b) It must be registered with Pakistan Engineering Council as consultant
- c) It must exist on the panel of Pakistan Banks Association, and
- d) It must have at least 7 years prior valuation experience for a range of tangible and intangible assets including but not limited to land, plant, machinery, equipment, buildings, civil structures, stores, stock-in-trade, moveable assets and goodwill/brand-name etc

The Technical Proposal shall be prepared and submitted in accordance with the formats attached at Annex 2 and Annex 3 to this RFP and shall contain, at minimum, the following information:

- a) Bidder's complete profile, contact details and other relevant information including the similar details about Bidder's non-lead associate(s) for the Assignment
- b) Demonstration of the Bidder's capability and experience to effectively undertake the Assignment in accordance with the attached TORs
- c) Complete description of the work-methodology to undertake each task specified in the TORs
- d) Time-line for undertaking and completing each activity incidental to the completion of the Assignment, including but not limited to time-period required for undertaking the Assignment, submission of first draft report and so on
- e) Valuation staff details proposed to be deployed for the Assignment along with their relevant qualifications

2.2. Financial Proposal

The Financial Proposal shall also be prepared and submitted in accordance with the formats specified in Annex 2 and Annex 3 respectively and shall stipulate the fees/remuneration in PKR only (inclusive of all the taxes) for carrying-out the full-scope Assignment.

The Financial Proposals of only technically qualified Bidders shall be opened and the technically qualified bidder with the minimum financial quote shall be declared as the successful Bidder.

3. Negotiations

The contract negotiations for the Assignment shall be carried out in terms of the criteria given in Annex 2 and based on the Draft Valuation Services Agreement ('DVSA') attached as Annex-4.

4. Clarifications

The request for any clarification(s) on this RFP may be forwarded to Muhammad Awais, Senior Legal Advisor/ Company Secretary at m.awais@ipdf.gov.pk. In the interest of fairness, any clarification(s) issued will be posted on IPDF's website (www.ipdf.gov.pk).

5. Other Terms

This RFP and the Annexes hereto are subject to the overriding conditions set forth in Annex 5.

Yours sincerely,

Muhammad Awais

Senior Legal Advisor/
Company Secretary

Attachments:

- Annex 1: Terms of Reference and deliverables
- Annex 2: Procedures for Submission & Evaluation of Proposals
- Annex 3: Format for Submission of Proposals
- Annex 4: Draft Valuation Consultancy Services Agreement
- Annex 5: Conditions

**TERMS OF REFERENCE AND DELIVERABLES
FOR THE VALUATION CONSULTANT TO
CARRYOUT
COMMERCIAL VALUATION OF THE
PUBLIC SECTOR ENTITY**

Terms of Reference

The Valuation Consultant in accordance with terms of this RFP shall be required to carry-out, inter-alia, the following tasks:

- f) Determine the commercial/market value of the entire land of PSE and to carryout legal due diligence to ensure all the land record is in place and the land is transferable by PSE without any material impediments
- g) Carryout valuation of all the physical structures housed within the premises of PSE including but not limited to factory buildings, administrative offices, staff colony, allied structures, school(s), park(s) etc.
- h) Carryout valuation of the entire range of the plant, machinery and equipment keeping in view their import value, foreign exchange rate, inflation, obsolescence factor, physical conditions, replacement value and other relevant factors
- i) Carryout valuation of the movable assets of PSE
- j) Estimate the value of other assets housed within PSE such as items of furniture and fixtures, equipment, IT hardware etc.
- k) Estimate of the value of intangible assets such as goodwill, brand-name, product development etc.
- l) Consider any other matters deemed necessary to yield reliable commercial valuation results for entire PSE

Deliverables:

A valuation report fully supported by reliable data, forecasts and projections duly rationalized and in accordance with the best industry practices, including the following:

- a) Description of the purpose, use and scope of the valuation analysis; the methodologies employed; and the results of the work performed for each category of tangible and intangible assets
- b) Strategy deployed in carrying out the Assignment
- c) Statement of the assumptions and limiting conditions

Time period for completion of the Assignment:

The time period for completing the entire Assignment, including submission of all the deliverables specified above, shall be not more than 3 weeks from the date of entering into the contract for the Assignment.

**FORMAT FOR PREPARATION OF
TECHNICAL AND FINANCIAL PROPOSALS**

FORMAT FOR TECHNICAL PROPOSAL AND FINANCIAL PROPOSAL

FROM:

TO:

Sir/Madam:

Subject: Carrying-out Commercial Valuation of a Public Sector Entity
(the Assignment)

I/We [The Bidder] herewith enclose the sealed Technical Proposal (3 copies) and sealed Financial Proposal (1 original) of my/our firm(s)/organization(s) as the Valuation Consultant for the Assignment

Yours faithfully,

Signature _____

(Authorized Representative)

Full Name _____

Designation _____

Address _____

FORMAT FOR TECHNICAL PROPOSAL

The Technical Proposal shall provide information regarding how the Bidder is technically qualified to undertake and timely complete the Assignment. The Bidder, for it to be technically qualified and its proposal be responsive, shall be required to demonstrate the following through documentary evidence regarding:

- a) It is a company registered with Securities and Exchange Commission of Pakistan or registered partnership firm.
- b) It is registered with Pakistan Engineering Council as consultant
- c) It exists on the panel of Pakistan Banks Association, and
- d) It has at least 7 years prior valuation experience for a range of tangible and intangible assets including but not limited to land, plant, machinery, equipment, buildings, civil structures, stores, stock-in-trade, moveable assets and goodwill/brand-name etc. The Bidder is encouraged to list its flag-ship similar valuation assignments.

In addition to the above the Bidder shall also be required to demonstrate the following:

a) Relevant experience of the Bidder:

The Bidder shall give a comprehensive explanation of its experience of undertaking the similar assignments and their respective values. For the Bidder's proposal to be responsive, it shall have at least 7 years prior valuation experience.

b) Competence and qualification of team

The Bidder shall be show-casing its team of experts capable of undertaking and timely completing the Assignment in accordance with the TORs given in Annex 1 and shall briefly mention their roles and qualifications.

c) Work Plan and Methodology

The Bidder shall be presenting its tentative work approach to the Assignment determining the number of staff to be deployed, explaining the roles assigned to each staff and assigning time-lines to each of the activity mentioned in the TORs and total time that will be taken to complete the Assignment.

The Technical Proposal shall, at minimum, contain the following information:

- a) Bidder's complete profile, contact details and other relevant information including the similar details about Bidder's non-lead associate(s) for the Assignment
- b) Demonstration of the Bidder's capability and experience to effectively undertake the Assignment in accordance with the attached TORs
- c) Complete description of the work-methodology to undertake each task specified in the TORs
- d) Time-line for undertaking and completing each activity incidental to the completion of the Assignment, including but not limited to time-period required for undertaking the Assignment, submission of first draft report and so on
- e) Valuation staff details proposed to be deployed for the Assignment along with their relevant qualifications

FORMAT FOR FINANCIAL PROPOSAL

The Bidder shall be required to submit in a separately sealed envelope a Financial Proposal describing the amount of its fees/remuneration in PKR only (inclusive of all the taxes) in the following format:

Total Bid Amount =	PKR amount

Note:

The Bidder shall be paid the total fees/remuneration amount in the following manner:

- a) 20% at the time of execution of the contract
- b) 20% at the time of submission of first draft of the valuation report
- c) 30% at the time of approval of first draft of the valuation report, and
- d) 30% at the time of submission of the final valuation report.

**PROCEDURE FOR SUBMISSION AND EVALUATION OF
TECHNICAL AND FINANCIAL PROPOSALS**

PROCEDURE FOR SUBMISSION & EVALUATION OF PROPOSALS

1. Submission of Proposals

The Technical Proposal shall be submitted in triplicate (one original and two copies) and placed in a sealed envelope clearly marked AS “Technical Proposal for hiring Valuation Consultant for a Public Sector Entity”.

The Financial Proposal (one original) shall be submitted in a separate sealed envelope clearly marked “Financial Proposal for hiring Valuation Consultant for a Public Sector Entity”.

The Bidders are requested to submit their Technical and Financial Proposals in separate sealed envelopes enclosed in one larger sealed envelope addressed correctly and legibly to Senior Legal Advisor/Company Secretary, IPDF (please refer section 4 below, for precise address and date of submission).

The Financial Proposal shall be signed by a duly authorized representative and in case of firm/consortium the Proposals should include a power of attorney / letter of authority authorizing such representative to sign and submit the Technical and Financial Proposals to IPDF

2. Evaluating the Proposals

On expiry of the date for submission of the Proposals, the evaluation process will begin.

A two-stage procedure shall be adopted in evaluating the Proposals. The technical evaluation shall be carried out first, followed by the financial evaluation. The evaluation of the Technical Proposal shall be carried out using the technical evaluation criteria and point system specified below. Each responsive proposal shall be attributed a technical score (Str). Firms scoring less than 70 points shall be rejected and their Financial Proposals will be returned unopened.

2.1. Technical Proposal

Each Technical Proposal shall be evaluated against the following criteria: and the weights assigned to them:

Criteria	Sub-criteria	Marks allocation basis	Marks allocated
Relevant experience of the Bidder (having 7 years prior experience)	Experience of similar assignments	5 or more	30
		More than 1 and up to 4	20
		One	10
		Less than 1	5
	Value of valuation assignments carried out	> = PKR 2 billion	20
		> = PKR 1 billion and up to PKR 2 billion	10
< PKR 500 million		5	
Competence and qualification of team	The Bidder with the team of qualified and experienced civil and other relevant field experts will be given preference		20
Work Plan and Methodology	This will be tested against Bidder's practical approach towards the Project and the realistic time-lines proposed by the Bidder. Preference will be given to the Bidders proposing to complete the Assignment at the earliest		30

2.2. Financial Proposal

Short-listed Bidders that receive a raw technical score (Str) of 70 points or higher shall stand equal and will be informed of their technical qualification and all other Bidders shall stand disqualified and their sealed Financial Proposals will be returned to them unopened. IPDF will open the sealed Financial Proposals of only technically qualified Bidders on a pre-determined date which will be intimated in advance. The Bidder with the lowest financial quote shall be declared successful.

3. Contract Negotiations

The contract negotiations for the Assignment will be conducted with the authorized representatives of the Successful Bidder and will primarily focus on issues related to the work plan, deliverables and mechanism for payment disbursements. The Assignment duration shall remain the same as specified in Annex 1. A copy of the document conferring authority in this regard will be made available prior to commencing the Assignment negotiations. In case the negotiations with the Successful Bidder are unsuccessful, negotiations with the authorized representatives of second Successful Bidder may be carried out, and so on and so forth.

IPDF is under no obligation to select any of the firm / consortium submitting the proposal, and have the right to cancel the procurement process at any time, without assigning any reason.

4. Address and Date of Submission

The Proposals should be delivered to the “Senior Legal Advisor/Company Secretary, Infrastructure Project Development Facility, # 611, Street # 37, E-11/3, Islamabad, Pakistan”, by Friday, May 4, 2018. Failure to deliver the Proposals as aforesaid shall mean immediate disqualification.

5. Exclusion and Prohibitions

The Valuation Consultant will be prohibited from using any of the proprietary information without the express approval of IPDF, for a period of two (2) years after the completion of the Assignment.

**DRAFT VALUATION CONSULTANCY AGREEMENT
FOR
CARRYING OUT COMMERCIAL VALUATION
OF A
PUBLIC SECTOR ENTITY
(TO BE PROVIDED LATER)**

**CONDITIONS OF
REQUEST FOR PROPOSAL
FOR HIRING VALUATION CONSULTANT
FOR
A PUBLIC SECTOR ENTITY**

CONDITIONS

- a) IPDF shall have the right at all times to:
 - i. Cancel the process for selection of Valuation Consultant
 - ii. Vary any of the terms set out in the RFP or any of the Annexes attached thereto
 - iii. Reject any Proposal which is not responsive and/or which is not delivered in the prescribed format and at the prescribed venue at the prescribed time

- b) The Valuation Consultant shall protect and defend unconditionally as well as indemnify and hold IPDF and PSE, or any other relevant government body/agency, its employees, directors, officers and agents free and harmless from and against any and all liability, losses, claims, liens, demands, damages against any and all causes of action of every kind and character, including without limitation any judgments, penalties, interest, court costs and any legal fees incurred in enforcing this indemnity, arising under this Agreement. IPDF makes no representation, covenants, warrants or guarantees, express or implied, other than those expressly set forth in this Agreement. In no case shall IPDF be liable for contingent or consequential, special or indirect damages.

- c) All the costs incidental to the preparation and submission of proposals, and carrying-out negotiations with IPDF/PSE shall be exclusively borne by the Bidder and shall not be reimbursable in any case whatsoever.