



**REQUEST FOR PROPOSAL**

**For**

**SETUP AND IMPLEMENTATION OF SOLID WASTE MANAGEMENT PROJECT**

**At**

**TEHSIL MUNICIPAL ADMINISTRATION, CHARSADDA**

**February 28, 2009**

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[A Company Established under  
Section 42 of the Companies  
Ordinance 1984]

**Infrastructure Project  
Development Facility (IPDF)**  
2, Street 59, F-7/4, Islamabad,  
Pakistan  
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Ministry of Finance

## Section 1. LETTER OF INVITATION

M/S \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dated:

Dear Mr. / Ms.:

### Invitation for Request for Proposal on Charsadda Solid Waste Management

The Tehsil Municipal Administration, Charsadda (TMA) hereby invites proposals for Setup and Implementation of an integrated Solid Waste Management Project (“the Project”) at TMA limits, Charsadda in North West Frontier Province (NWFP) of Pakistan under the Public Private Partnership (“PPP”) modality.

Infrastructure Project Development Facility (“IPDF”) is a company established under the aegis of Ministry of Finance, to foster development of Infrastructure Projects in Pakistan. IPDF is acting as a facilitator on behalf of TMA and is providing professional support on the Project and has appointed M. Yousaf Adil Saleem & Co. Chartered Accountants, a member of Deloitte Touche Tohmatsu as the Transaction Advisors.

The project shall be implemented under the PPP modality and shall be setup and operated under Build, Operate and Transfer (BOT) concept.

You are requested to submit your proposal in compliance with Request for Proposal (RFP) package thereof. Your proposal complete in all forms should be submitted in triplicate (one original and two copies) on or before April 17, 2009 to:

**Chief Coordinator  
Infrastructure Project Development Facility (IPDF)  
House No. 2, Street No. 59, F-7/4  
Islamabad**

A firm will be selected in accordance with the evaluation criteria described in this RFP. If selected, your proposal would form the basis for future negotiations and ultimately a concession agreement between TMA and your organization.

For the purposes of providing any explanations or clarifications on the RFP or on the Project, a pre-bid meeting has been planned on March 31, 2009 at the IPDF Office.

Thanking you.

Yours sincerely,

Chief Coordinator  
Infrastructure Project Development Facility

## **Section 2. BACKGROUND AND GENERAL INFORMATION**

### **2.1 Introduction and background information**

Solid Waste Management (SWM) is one of the major challenges that developing countries are facing today. Outbreak of various epidemics and deteriorating environmental conditions are examples of the growing need of proper and scientific sanitation for urban and rural areas. SWM in developing countries remains an issue of concern for the masses and governments alike. It is often non-existent or unsatisfactory. On the other hand most developed countries have adopted effective SWM policies, plans and measures to achieve objectives and targets at national and local levels.

Typically SWM comes under the preview of municipal services and most of the municipal as well as city administrations neither have the technical competence nor the financial resources to provide this vital service on their own. Resultantly, SWM services are now being provided with the assistance of private sector throughout the world. The involvement of private sector has brought remarkable changes in SWM systems, dumping and burning of solid wastes in open pits is not encouraged now a days and waste can now be recycled. The recent trends include, waste segregation and collection at source, material recovery, composting, waste - energy conversion, environment friendly landfills etc. In fact efficient waste management system not only complements clean environment, but it has now evolved as a profitable business, creating employment and enhancing income generation opportunities for the communities involved.

However a waste management system can not be successful without active participation and involvement of the communities, who are the main source of waste generation. Communities have the prime responsibility to reduce the quantity of waste generated, segregation of waste at source, financial contribution to waste management system and last but not the least monitoring of the service levels being provided.

### **2.2 TMA Charsadda's Needs, Goals and Objectives**

Recognizing the need for a clean environment and improving the level of municipal services, the NWFP Government has accorded high priority to provide an integrated community based SWM system, which is self sustainable through recycling and processing of municipal waste. It had initiated a programme under the umbrella of NWFP Urban Development Project (NUDP), which covers 24 urban towns for the provision of SWM system.

Tehsil Municipal Administration, Charsadda (TMA) has been actively perusing their endeavor to improve level of municipal services to the public and has taken some concrete steps in this regard. In addition to acquiring a suitable piece of land for landfill and SWM processing facilities, two technical studies were conducted under NUDP, one by the Associated Consulting Engineering – ACE (Pvt.) Ltd. (Technical Feasibility) and other by Carl Bro International. Core thrust of these studies was implementation of a SWM system in the public sector. However, in view of the lack of technical capacity, financial constraints and fruits of PPP, TMA has decided to implement the project with the participation of private sector. In this respect, IPDF was approached by TMA to provide Technical Assistance in the Feasibility and Procurement Phases of the Project. In turn, IPDF engaged M. Yousuf Adil Saleem & Co., a member of Deloitte Touche Tohmatsu.

TMA does not have the requisite resources or the capacity of providing effective SWM services to the general public. Current waste collection levels are around 38% and the city is littered with an estimated 30,000-40,000 tons of solid waste. Indiscriminate dumping of solid waste and failure of

collection system in populated communities has caused numerous public health related problems. Existence of odors, flies, rats, cockroaches, crickets, street dogs, cats, and fires dispel any remaining doubts of the importance of proper SWM at Charsadda.

In view of the above mentioned issues, TMA intends to establish an integrated SWM system in accordance with the Provisions of Local Government Ordinance 2001 under PPP modality for the benefit of the society at large and protection of environment. The SWM system should be designed to be self sustainable, cost effective and affordable, and should meet waste collection, processing and disposal objectives of TMA. The project shall create additional employment opportunities as well for residents of the area.

The main objectives and goals of the project are:

1. Collection and disposal of existing waste littered throughout the project area.
2. Achievement of 90% waste collection efficiency within 18 months of commercial operations of the project.
3. Public participation.
4. Enforcement of strict environmental and municipal laws.
5. Collection and transportation of solid waste.
6. Waste reduction through extraction of recyclable material (Material Recovery) and composting.
7. Final disposal at the landfill site.
8. Improvement in city's environment and aesthetics.

### 2.3 Service area and its dynamics

The project area comprises of urban core of four Municipal Councils (MC) of Tehsil Municipal Administration Charsadda and Utmanzai MC; and is located in NWFP, in Charsadda District. Total area of Charsadda MCs is 1,201 hectares and built up area is 455 hectares (38%). According to 1998 census the population count was 87,218 persons. Likewise, the population of Utmanzai MC was 18,931 according to 1998 census. Assuming a growth rate of 2.53% per annum for four MCs of TMA Charsadda and 1.61% per annum for Utmanzai MC, based on the average of population growth rates of 1971 census and 1998 census, the population of service area in 2007 was approximately 131,000 persons. Average household comprises of eight (8) persons bringing the estimated total of households to 16,750. The average estimated literacy rate for TMA Charsadda is 40%, whereas for male it is 55% and female is 22% as per UK Department for International Development (DFID) report. In addition the service area currently houses more than 8,000 shops and businesses. Average solid waste generation (SWG) from households and commercial areas within the project area has been estimated at 0.38 kg/ person/day and 1.97 kgs/shop/day bringing it to 0.50 kg/ person/day. The table below presents projection of SWG from the service area:

**Table 2.1**

Year	Population	Estimated SWG in tons/day
2008	134,174	67.087
2009	137,354	68.677
2010	140,610	70.305
2011	143,942	71.971

2012	147,353	73.676
2013	150,846	75.423
2014	154,421	77.210
2015	158,080	79.040
2016	161,827	80.913
2017	165,662	82.831
2018	169,589	84.795
2019	173,068	86.804
2020	177,170	88.584
2021	181,369	90.684
2022	185,667	92.833
2023	190,067	95.033
2024	194,572	97.286

(Source: NUDP-ACE-Consultant Report)

Composition of waste generated from the project area can be characterized as follows:

Organic waste	60%
Inorganic waste	28%
Dust/Ash/Inert	12%

The above estimates have been presented for initial assessment of the private parties. The private parties must conduct their own assessments of all the estimates for developing their proposals. Neither IPDF nor MYASCO shall assume any responsibility of liability for accuracy of these estimates and projections.

## 2.4 Existing situation of SWM in Charsadda

The existing waste collection and disposal model of the project area is discussed below:

### 2.4.1 Waste segregation at source and collection by resource collectors and scavengers

Usable materials in household wastes, like paper, plastics, bones, bread, metals and glass etc. are either separated at source by the household and sold to resource collectors or is extracted by the scavengers from the streets and open heaps. The material thus collected is sold to the kabarias. There are about 35 small and big shops of kabarias in Charsadda city dealing with the recovered materials, who in turn sell the materials either to the whole sellers or industries in other cities. Estimated number of resource collectors and scavengers in the project area are around 500. Technical feasibility estimates that informal recycling of solid waste is 20% of the waste produced in Charsadda.

### 2.4.2 Street sweeping arrangement

Street sweeping is being performed by sweepers and the waste is stored at the pick up points which may be called filth heaps. Filth heaps are open places on street sides. Tractor trolleys are used to lift the wastes from these filth heaps manually, which is then taken to the nearest disposal site.

### 2.4.3 Primary and secondary collection

Primary collection of solid waste is invariably performed by the sanitary workers of TMA. Household members or shop keepers bring the waste to the self designated dump points, mostly a small area on the narrow street or round the corner of a bigger street or dump the waste indiscriminately. From these points sanitary workers take the waste in wheel barrows to primary collection points mainly along the road sides, having vehicle access. The primary points are old masonry filth depots or just undesignated spots on the ground. Municipal tractor trolleys and crew of four (4) picks up the waste from primary points and dumps at the nearest disposal site. The collection frequency from various points is between daily to once a week.

### 2.4.4 Disposal and treatment of waste

As explained earlier waste generated by the population either remains uncollected or is disposed off indiscriminately by TMA. Further, no steps are taken to treat the waste, resulting in organic materials, hazardous and dangerous items finding their way into open areas.

### 2.4.5 Industrial and hazardous waste

Charsadda is predominantly agricultural and commercial city with limited industrial activity. The only dominant industry in Charsadda is Flying Craft Paper Mills which is understood to be operating at 25% of the capacity. The mills have their own waste recycling system at their respective premises. The minor industries in the vicinity are tanneries and slaughterhouses as well as garages, filling stations and repair shops, which present potential hazards to the environment. According to environmental regulations of Pakistan all these entities are required to arrange for safe on-site disposal of their own waste.

The city also has a District Headquarters Hospital with 200 beds along with a number of small private hospitals and clinics. There is no hospital waste collection and disposal system in place, neither at the District hospital nor at private clinics. Most of the recyclable materials are taken out by the scavengers and the residual hospital waste is taken out by the TMA staff and disposed off along with the municipal waste.

Disposal of hazardous industrial and hospital waste is the responsibility of the respective industries and hospitals. However, the private party shall be at liberty to negotiate separate contracts with these organizations for safe collection and disposal of hazardous waste.

Current SWM at the project area can be summarized as follows:

- (a) Insufficient official waste collection points.
- (b) Insufficient waste collection equipment.
- (c) Non-availability of a waste consolidation and transfer site.
- (d) Inadequate transportation system.
- (e) Lack of formal waste segregation, recycling and resource recovery system.
- (f) Non-availability of a final disposal site.
- (g) Inadequate funds, for equipment, operations and maintenance.
- (h) Hygiene issues.
- (i) Lack of an effective SWM methodology; and
- (j) Lack of public awareness about positive impacts of a good SWM project.

## 2.5 Readily available background information

This RFP package contains the following readily available background information:

- Preliminary Information Memorandum on the project developed by MYASCO
- Appraisal Report Solid Waste Management System (Technical Feasibility) developed by Associated Consulting Engineers – ACE (Pvt.) Ltd.
- Report on North West Frontier Province Urban Development Project (NUDP)-PP-TA 2940-Pak developed by Carl Bro International and Associates.

## 2.6 Procurement Framework and Timeline

Key activities and respective completion dates for the RFP process are provided in the ensuing table:

Activity	Timeline
Step 1. Invitation of Bids	February 28, 2009
Step 2. Due-diligence by Potential Bidders	March 27, 2009
Step 3: Pre-bid Meeting	March 31, 2009
Step 4. Submission of Proposals by Potential Bidders	April 17, 2009
Step 5. Technical, Legal and Financial Evaluation	May 18, 2009
Step 6. Selection of Top Ranked Private Party	May 22, 2009
Step 7. Concession Agreement between TMA Charsadda and Private Party	May 29, 2009

### Section 3. INSTRUCTIONS TO BIDDERS

#### 3.1 Submission Requirements

The potential bidders are required to submit their sealed bids clearly stating the bidder's legal name and address containing separate sealed envelopes in the manner given hereunder:

S.#	Proposal reference	Requirements for submission
1.	Technical Proposal	In triplicate (one original and two copies) placed in a sealed envelope clearly marked "Technical Proposal – Setup and Implementation of Solid Waste Management Project at Tehsil Municipal Administration Charsadda". The envelope must also clearly state the bidder's legal name and address.
2.	Financial Proposal	Original shall be submitted in a separate sealed envelope clearly marked "Financial Proposal – Setup and Implementation of Solid Waste Management Project at Tehsil Municipal Administration Charsadda". Financial Proposal shall include an electronic copy of workable Financial Model in Excel format, preferably on a compact disk (CD). The envelope must also clearly state the bidder's legal name and address.

The proposals should reach on or before the close of business day on **Aril 17, 2009** at the following address:

**Chief Coordinator**  
**Infrastructure Project Development Facility (IPDF)**  
**House No. 2, Street No. 59, F-7/4**  
**Islamabad**  
**Tel: 92 51 2270771-2 Fax: 92 51 2270773**

Proposals must be prepared in English language and shall be submitted in hard form except the Financial Model for which a workable electronic copy in Excel format shall be submitted as well. Proposals received through fax or via emails shall not be accepted. IPDF reserves the right, at any time without assigning any reasons, to:

- Cancel the bidding process
- Cancel or disqualify any bid submitted by the bidders
- Change/ alter any of the provisions of this RFP
- Reject any bid submitted after the expiry of time and date for submission of bids

The bidders shall protect and defend unconditionally as well as indemnify and hold IPDF, or any other relevant government body/agency, its employees, directors, officers and MYASCO free and harmless from and against any and all liabilities, losses, claims, liens, demands, damages against any and all causes of action of every kind and character, including without limitation any

*M. Yousuf Adil Saleem & Co. Member of Deloitte Touche Tohmatsu Infrastructure Project Development Facility*

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 document. IPDF or MYASCO shall not be liable, in any case, for contingent or consequential, special or indirect damages.

### **3.2 Bid Bond / Bid security**

Prospective Bidders shall be required to submit a Bid Security of Rs. 500,000 (Rupees Five hundred thousand only) along with their proposal in the shape of a bank draft/pay order in favor of IPDF or a Bid Bond in favour of IPDF. The bid security shall be refundable to all unsuccessful bidders at the time of opening of Financial proposals and declaration of the name of the successful bidder, and to the successful bidders upon signing of the concession agreement and furnishing of a performance guarantee as shall be required under the terms of the concession agreement.

### **3.3 Bid validity**

Proposals submitted by bidders must remain valid for six (6) months after the proposal submission date. During this period the bidders shall maintain the availability of resources nominated in their proposals. IPDF will make its best effort to complete negotiation within this period. Should the need arise; however, IPDF may request bidders to extend the validity period of their proposals. Bidders who do not agree have the right to refuse to extend the validity of their proposals.

### **3.4 Clarification process and briefing notes**

In case of any queries or clarifications regarding this RFP package, please write to the Transaction Advisor at:

**Mr. Arshad Abbasi**  
**Director Consulting**  
**M. Yousaf Adil Saleem & Co.**  
**Chartered Accountants**  
**1<sup>st</sup> Floor Rashid Plaza**  
**Blue Are, Jinnah Avenue**  
**Islamabad, Pakistan**  
**Tele: 92 51 2872148**  
**Fax: 92 51 2274136**  
**Email: [aabbasi@deloitte.com](mailto:aabbasi@deloitte.com)**

Enquiries through phone or faxes shall not be entertained. In the interest of fairness, any clarifications issued to any bidder shall be posted on IPDF's official website ([www.ipdf.gov.pk](http://www.ipdf.gov.pk)).

In case where IPDF shall require any explanations or clarifications on the proposals submitted by the bidders, IPDF will contact the bidders in writing and the bidder shall be bound to respond within 10 days of the date of the communication. Such written responses received from the bidders shall become part of their proposals.

### **3.5 Pre-bid meeting**

As part of the bidding process a pre-bid meeting has been planned on March 31, 2009 at the Head Office of IPDF. Participation of potential bidders in this meeting though not mandatory, however, is encouraged. This meeting will be aimed at providing an opportunity to the potential bidders on seeking any clarifications or explanations on the bid documents, scope of services to be provided, bidding process or any other matter important to the bidders.

In the interest of productiveness of the pre-bid meeting the bidders are requested, as far as possible, to submit any questions in writing, to reach the Financial Advisor not later than one week before the date of meeting. Minutes of the meeting, including the text of the questions raised and the responses thereof shall be transmitted without delay to all bidders.

### **3.6 Participation in more than one consortium**

In order to avoid any potential conflict of interest, no party to any consortium shall be a member of, or in any way participate or be involved, whether directly or indirectly, in another consortium at any stage of the bidding process. IPDF may lift this restriction for:

1. Any bidder if the restriction leads to a severely limited number of consortia. (Note: this obviously does not apply to bidders who are not consortium members);
2. Any non-core services provider; and
3. Any commercial entity whose role is limited purely to lending money or advancing credit to the bidding consortium.

### **3.7 Cost of proposals**

The bidders shall bear all costs associated with the preparation and submission of the proposals in response to this RFP, TMA and IPDF will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the solicitation. Hence the costs of preparing the proposal/offer as well as of negotiating the concession agreement, including expenses incurred in connection with visits to project site, due diligence, participation in an interview will not be reimbursable.

### **3.8 Confidentiality issues**

Information relating to the examination, clarification, evaluation, and comparison of bids, and recommendations for the award of a contract, shall not be disclosed to bidders or any other persons not officially concerned with such process until the award to the successful bidder has been announced. Any effort by a bidder to influence IPDF's processing of bids or award decisions may result in the rejection of the bidder's proposal.

Bidders authorize IPDF to release any information that is reasonably required as part of the proposal evaluation process, which would otherwise be prevented by IPDF from releasing due to confidential nature of such information.

The winning bidder shall not, during or after the term of concession agreement, disclose any proprietary or confidential information relating to the project, the services, the concession agreement, or the IPDF's or TMA's business or operations (other than for the purposes of

provision of requisite services) without prior written consent of the IPDF and TMA, unless such disclosure is required by Applicable Laws or regulations or such information is required for research purposes or has entered the public domain other than by a breach of the concession agreement, or was already in public domain, or was already lawfully in the possession of the successful bidder at the time of such disclosure to them. Successful bidder shall protect such information from inadvertent disclosure to any third party in the same manner that they protect their own confidential information. Upon completion of the term of the concession agreement, the provisions of this paragraph shall remain in force.

### **3.9 Due diligence by bidders**

The information contained in this RFP package as well as any information appended hereto is being supplied to the bidders for their guidance only and the bidders at their own discretion may or may not use the information for the purposes of developing their proposals. IPDF, TMA and MYASCO shall not assume any responsibility of liability for completeness, accuracy or updation of such information. Similarly IPDF, TMA and MYASCO assume no responsibility of liability for completeness, accuracy or updation of the studies listed under section 2.5. In this respect the bidders are requested to conduct their own due diligence involving their technical personnel to verify or develop their own assumptions for the purposes of bid development and submission.

Further, investigation into project area, population, number of households, shops, industry and hospitals, waste quantum and composition, landfill site, socio economic impact, physical and the ambient conditions including climatic, hydrological, hydro geological, ecological, environmental, geotechnical, geological, palaeontological and archaeological conditions of the project area shall be the sole responsibility of the prospective bidders. Bidders, for this purpose, are encouraged to visit the project area and conduct their due diligence before submitting their proposals. In order to facilitate potential bidders in conducting their due diligence TMA shall provide all possible logistic assistance in site visits or investigations desired to be conducted by the bidders.

Further the potential bidders will inter alia, conduct technical, legal and financial due diligence and surveys for the purposes of developing their own feasibility and determining the most viable project implementation and operations plan. Accordingly, on submission of proposals, the potential bidders shall be deemed to have carried out all necessary investigations of all aspects of project development and operations.

Potential bidders intending to conduct their due diligence will request TMA, at least six (6) weeks before proposal submission date, in writing to allow access to project area and information in possession of TMA. All costs associated with this exercise shall be borne by the private party and no amount shall be borne by the TMA or shall be chargeable to the project. Written request for this purpose shall be sent to:

**Chief Coordinator  
Infrastructure Project Development Facility (IPDF)  
House No. 2, Street No. 59, F-7/4  
Islamabad  
Tel: 92 51 2270771-2 Fax: 92 51 2270773**

Potential bidders shall verify the accuracy, reliability and completeness of the information in this RFP, perform project due diligence and wherever necessary obtain independent advice from

appropriate sources. IPDF, TMA or MYASCO make no representation or warranty and shall incur no liability under any law, statute, rules or regulations as to the accuracy, reliability or completeness of the project information. Each bidder shall conduct its own studies and analysis and is advised to collect and obtain any other information that may be necessary for evaluating the project and preparing the bid, at its own responsibility and cost. The bidders shall be deemed to have satisfied themselves before submitting their bids, as to the risks, contingencies and all other circumstances, which may influence or affect the project and subsequently their bids.

### **3.10 Changes to the composition of the consortium**

There shall not be any change in the composition of the consortium under the normal circumstances during the bidding process. However, under special circumstances, substitution/addition may be considered by IPDF only once for one substitution/addition in the members of the consortium of the bidder. The decision of IPDF either to approve or disapprove such substitution/addition shall be final and binding on the bidder.

IPDF may permit change in the composition of a consortium during the bid process, only where:

1. the lead member continues to be the lead member of the consortium;
2. the substitute is at least equal, in terms of technical capacity and financial capacity, to the consortium member who is sought to be substituted and the modified consortium shall continue to meet the prequalification and short-listing criteria for the applicants; and
3. the new member(s) expressly adopt(s) the application already made on behalf of the consortium as if it were a party to it originally, and is not an applicant/member/associate of any other consortium bidding for this project.

### **3.11 IPDF's right to terminate the process**

Notwithstanding anything contained in this RFP, IPDF reserves the right to accept or reject any proposal and to annul the bidding process and reject all proposals/bids, at any time without any liability or any obligation for such acceptance, rejection or annulment, and without assigning any reasons therefore.

### **3.12 Grounds for disqualification**

1. IPDF reserves the right to reject any proposal and/or bid without assigning any reasons, if:
  - i. at any time, a material misrepresentation is made or uncovered, or
  - ii. the bidder is found to be insolvent, or
  - iii. any key personnel of the bidding organization or the consortia are found to be a proclaimed offender, or
  - iv. the bidder does not provide, within the specified time, the supplementary information sought by IPDF for evaluation of the proposal.

Such misrepresentation/ improper response shall lead to the disqualification of the bidder. If the bidder is a consortium, then the entire consortium shall be disqualified.

2. If such disqualification/ rejection occurs after the Financial bids have been opened, but before signing of the concession agreement, IPDF reserves the right to:

- i. invite the remaining bidders to submit their revised Financial proposals in accordance with the provisions of this RFP; or
  - ii. take any such measures as may deem fit in the sole discretion of IPDF, including annulment of the bidding process.
3. IPDF reserves the right to verify all statements, information and documents submitted by the bidders in response to the RFP. IPDF's failure to undertake such verification shall not relieve the bidder of its obligations or liabilities hereunder nor will it affect any rights of IPDF there under.

### **3.13 Proposal processing fee**

The bidders can obtain the RFP package after payment of non-refundable proposal processing fee of Rs. 10,000 (Rupees Ten thousand only). However, the potential bidders who have already paid this processing fee at the time of submission of their Expression of Interests (**EOI**) shall be exempted from such payment of proposal processing fee.

### **3.14 Manner of opening of proposals**

The technical proposals will be immediately opened after the end of deadline for submission of the proposals by an evaluation committee and the financial proposals shall remain sealed and securely stored. Upon completion of the technical evaluation process, bidders receiving raw technical score (Str) of 70% or higher will be short listed and shall be invited to attend the opening of sealed financial bids. Only Financial proposals of short listed bidders shall be opened by the Head Projects of IPDF or his/her nominee in front of authorized representatives of the bidders and Financial bids of all unsuccessful bidders shall be returned unopened, along with the bid security. In case, the highest rank bidder fails to meet the requirements of RFP, the agreement will be awarded to the second highest bidder.

### **3.15 Proposal considerations**

#### **3.15.1 Charsadda TMA rights**

In issuing this RFP through IPDF, TMA retains the following rights:

1. Issuing addenda to the RFP, including extending or otherwise revising the timeline for submitting proposals.
2. Withdrawing, reissuing, or modifying the RFP.
3. Requesting clarification and/or additional information from the bidders at any point in the bidding process.
4. Executing a concession agreement with a bidder on the basis of the original proposals and/or any other information submitted by the bidder during the bidding process.
5. Rejecting any or all proposals as may be deemed to be in the best interest of TMA and the project.
6. Accepting and negotiating with a bidder any combination of services; the services and combination to be chosen by IPDF on behalf of TMA Charsadda in its sole discretion.
7. Accepting a proposal that does not offer the best possible, cost effective solution or offers the best overall value, which IPDF determines is in the best interest of the citizens of TMA, based

on the bidder's qualifications, technical proposal, financial strength, willingness to accept contractual terms as well as its cost of proposal.

8. Discontinuing its negotiations after commencing negotiations with a selected bidder, if progress is unsatisfactory in the judgment of IPDF, and commencing discussions with another qualified bidder.

### **3.15.2 Consequence of submission of proposal**

The submission of a proposal shall not, in any way, be deemed an agreement between the bidder and TMA. Specifically, the following provisions apply upon submission of proposals by bidders:

1. IPDF or TMA shall not be obligated to respond to any proposal submitted nor be bound in any manner by the submission of a proposal.
2. Acceptance of a proposal by IPDF on behalf of TMA obligates the bidder to enter into good faith agreement negotiations based on the proposal submitted.

#### **Section 4. SCOPE OF REQUIRED SERVICES**

Broad parameters of scope of services the Private Party shall be required to render under the SWM project are as follows:

1. The project shall be implemented under the modality of Design, Build, Finance, Operate and Transfer (DBFOT). All project assets will be transferred to TMA at the end of term of concession period.
2. Collection, transportation and disposal activities in respect of solid waste will be performed by the private party, so as to achieve waste collection efficiency of 90% within 18 months from the commencement of commercial operations of the project.
3. The private party shall be responsible for the provision of all of requisite intangible assets, technical input and manpower for the project at no cost to TMA.
4. The private party shall be responsible for the provision of requisite plant, machinery and other equipment essential for efficient operations of the project.
5. TMA shall provide the private party with rights to operate in the service area under the terms of the concession agreement, sublease 80 kanals of land at Dheri-Zardad, Charsadda for landfill, waste processing and administrative facilities. In addition, TMA will also provide appropriate and suitable land for the construction of transfer station within Charsadda city limits.
6. The private party will be required to construct an environmental friendly sanitary landfill.
7. The private party shall have exclusive right of setup and operation of composting and manual or mechanized material recovery facility at Dheri Zardad landfill site.
8. The private party shall be required to transport waste collected from project area and consolidate it at transfer station before onward transportation of such waste to processing facilities at the landfill site.
9. Street sweeping arrangements and responsibility of waste collection from public places including parks, bus stands, etc. will rest with TMA. However, waste collected from such activity shall be handed over to the private party at the transfer station and the private party at its own costs shall be responsible for transportation, processing and safe disposal of the waste handed over by TMA.
10. The private party shall be responsible for stage wise collection, transportation processing and disposal of 30,000-40,000 tons of existing solid waste littered within the project area.
11. The private party shall be responsible to design, construct, operate and maintain the facilities in such a manner that does not cause corrosion or interference to either the facilities itself, or to any third party infrastructure.

12. The private party shall be responsible to confine construction activities, including storage of plant and materials to the worksites. Where worksites cease to form part of the permanent works, these areas shall be reinstated to the reasonable satisfaction of the relevant third party/landowner as soon as practical after cessation of construction activities at the location.
13. The private party shall be responsible to design, construct and maintain project assets so as to perform within specified limits for various environmental conditions.
14. The private party shall be responsible to design, construct, operate and maintain project assets so as to minimize vandalism, graffiti and degradation of environment.
15. The private party shall be required to operate and maintain the SWM system so as to achieve high level of service in terms of coverage of area as mutually agreed with TMA.

A detail of required services is as follows:

#### **4.1 Removal of existing solid waste**

Approximately 30,000 – 40,000 tons of solid waste has been littered in open plots and around the town graveyard. The private party at no cost to TMA shall be responsible for safe collection, transportation, processing and disposal at the landfill of this waste. In this respect the private party shall elaborate a stage wise implementation plan on specified form provided in this RFP.

#### **4.2 Residential collection services**

The private party shall provide door to door collection services to the households so as to achieve 90% collection efficiency within the project area. For this purpose the private party will devise and agree with TMA a waste collection plan for stage wise coverage of the project area. The collection services shall be performed on daily basis for six days a week or under any plan agreed with TMA.

#### **4.3 Commercial collection services**

Commercial collection services shall include collection of solid waste from shops and offices residing within the project area. For this purpose the private party will devise and agree with TMA a waste collection plan for stage wise coverage of the project area. The collection services shall be performed on daily basis for six days a week or under any plan agreed with TMA.

#### **4.4 Industrial collection services**

Disposal of industrial and hospital waste is generally the responsibility of the respective industries and hospitals. Major concern area is the waste generated by industries like tanneries, slaughterhouses, garages, filling stations and repair shops which have no adequate waste treatment and disposal facilities.

TMA envisages SWM system to cater to the needs of local small industries which have no or insufficient waste disposal system of their own. The private party with the blanket approval of TMA shall be at liberty to negotiate individual rates with such organizations and to decide waste

collection mechanism as well as frequency on case to case basis. However, the private party shall be required to make arrangements for safe disposal of industrial and hazardous waste at the landfill site.

#### **4.5 Development and operation of transfer station**

Role of a transfer station is considered critical in the whole system of solid waste management. Private party will be responsible for the development/construction of transfer station facility and subsequently for its efficient operation for the period of concession agreement. Solid waste shall be transported from different locations of project area and consolidated at transfer station for onward transportation to the material processing facilities at the landfill site.

#### **4.6 Acceptance of solid waste from TMA and public at transfer station**

As mentioned before, TMA shall remain responsible for street sweeping and waste collection from public places including parks, bus stands, etc. within the project area. Any solid waste collected by TMA shall be delivered appropriately to the private party at the transfer station. In addition, certain elements of the general public shall also be delivering solid waste at the facilities, for which purpose the private party shall be obliged to receive the waste so delivered. At no cost to TMA the private party shall be responsible for safe handling, transportation and disposal of such waste on daily basis.

#### **4.7 Transportation of solid waste from transfer station to landfill**

Solid waste collected at the transfer station shall be transported to landfill facility for its processing, and final disposal. Private party shall be responsible for efficient loading of solid waste from transfer station, its hygienic transportation and unloading at landfill facility. Private party will employ necessary staffing, provide sufficient trolleys/vehicles and other equipment needed for this task and shall be responsible to provide for backup plan for incidental tasks such as cleaning of spillage during transportation, repair of trolleys/vehicles in case of breakup, etc. In order to safeguard the environment, at the end of any business day there shall be no waste left over at the transfer facility and it shall be responsibility of the private party to keep the premises hygienically clean.

#### **4.8 Development and operations of material recovery facility**

Under the terms of this RFP, the private party shall be required to reduce the quantity of waste at the landfill. For the purposes of providing additional revenue stream, the private party shall be required to recover recyclable materials from the solid waste at the landfill site. At a minimum the private party shall be responsible for developing manual material recovery facilities where recyclable materials shall be recovered for onward sales in the open market. In this case, the private party shall be at liberty to use any mode of recovery of recyclable materials, however, subcontracting of the task to the local Kabarias or resource collectors or scavengers shall be encouraged.

Alternately, the private party may at its sole discretion decide to develop a mechanized material recovery facility at no cost to TMA.

The private party shall be responsible for safe and effective operations and maintenance of the material recovery facility on day to day basis.

Recruitment and training of necessary staff, provision and maintenance of required equipment and machinery, marketing and sale of recovered material shall be the responsibility of private party. Private party shall aim at maximum recovery to increase its revenues and to ensure that minimum waste is disposed off at landfill facility resulting in a longer life for landfill as well as reduced environmental impact.

#### **4.9 Development and operation of composting facility**

The private party is encouraged to develop and operate a composting plant at the landfill site in order to improve project's revenue stream besides reducing environmental impact of the waste to be processed at the plant. Composting operations shall result in extended useful life of the landfill as well due to reduction in quantity of residual waste to be disposed off. Private party at no cost to TMA shall be responsible for the development and subsequent operations of the composting facility.

The facility shall be designed and constructed keeping in view the volume and composition of the compostable materials available within the project area. Provision of requisite plant, machinery, equipment, other assets, and trained manpower at the composting plant as well as environment friendly operations of the facility shall be the responsibility of the private party.

#### **4.10 Development and operation of landfill**

TMA has acquired on lease a piece of land measuring 80 kanals at Dheri-Zardad some 12 kilometers from Charsadda city for the development of landfill site. Landfill site will be sub-leased to the private party soon after signing of the concession agreement.

It is understood that for a project of this size design and development of a completely environment safe sanitary landfill shall not be feasible. However, the private party shall be required to design and construct a cost effective, environment friendly landfill which will also include improving the access road.

Design and construction of the landfill shall be carried out with a view to minimize environmental damage as far as possible. Measures may be taken to reduce the amount of Leachate seepage to the ground by compacting and filling the base of landfill, may be, with construction waste or other hard debris etc. The landfill and its operations shall be designed keeping in view the available area as well as amount and type of the residual waste fit for landfill disposal.

Effective and efficient operations of the landfill shall be the responsibility of the private party and the private party shall deposit the waste into the landfill in layers and shall constantly compact and cover areas already filled. At the end of the lease term, the private party shall be responsible for covering and plantation of all the area used for disposal of the solid waste.

#### **4.11 Public education**

Active involvement of community in this project is considered vital for its success. For this purpose the private party with the assistance and no cost to TMA, will develop and launch a campaign that will be run towards the end of completion of project construction. The campaign will facilitate public education, participation and solicitation of contribution towards the SWM system. The campaign will focus on:

1. Public health and aesthetic values of a clean environment, and how each individual can contribute towards the system
2. The need and ways to reduce rate of waste generation at source
3. The need for users to pay for the waste management and disposal services
4. How the cost could be reduced by community participation in waste collection and disposal process
5. The campaign will provide a platform for feedback from the users to the TMA regarding shortcomings in the service or possible improvements.

The campaign will be run using print media, public meetings, posters, and special campaigns in schools and in mosques. Involvement of civil organization and NGOs will also be considered.

All public education activities will be a collaborative effort between TMA and the private party. The private party shall prepare an initial public education plan and shall include cost of such plan in the project cost. Depending upon the need and level of participation subsequent campaigns may also be lodged with the mutual consent of TMA and the private party.

#### **4.12 Customer service**

The private party shall be responsible for provision of an effective, efficient, professional and courteous customer services. For which purpose the private party shall be responsible for setting up a customer services function at the transfer station, equipped with dedicated telephone lines and trained staff. The function shall be responsible for prompt and effective dealing with the customer complaints and needs. The private party shall also devise a complaint collection, resolution and reporting mechanism for smooth operations of the function. Reports so generated on prescribed forms shall be sent to TMA on monthly basis and TMA shall ensure effective monitoring of levels of customer services being provided by the private party. In this connection both private party and TMA will meet periodically to review customer services and related issues seeking continuous improvement.

Bidders will submit and agree Customer Services Operations Plan, with TMA on an annual basis, aiming at ensuring appropriate levels of customer satisfaction.

#### **4.13 Billing and collection of user charges**

The private party shall be solely responsible for billing and collection of user charges from the public. However, TMA by enforcing strict municipal and environmental laws shall assist the private party in this regard. TMA will also ensure that the general public instead of joining the SWM system does not dispose off waste in the open areas or at any place within the project area. The private party shall develop and agree a billing and collection mechanism with TMA based upon the following guidelines:

1. The private party shall design, develop and agree a billing and collection mechanism with TMA.
2. The private party shall only have the right to bill residential, commercial and other users of the SWM facilities at agreed rates, which have been serviced during a billing period.
3. All bills shall be raised by the private party on the last day of each calendar month and users shall be obliged to pay the charges by 7<sup>th</sup> day of following month.
4. The private party shall devise its own billing and collection mechanism and shall keep track of defaulters and late payers. In this respect list of defaulters shall be submitted to TMA on monthly basis and TMA in turn shall take appropriate measures to assist recovery of outstanding dues.
5. Private party shall maintain, for inspection by TMA, copies of billings and receipts, in chronological order, for a period of three (3) years after the date of service. Private party shall also maintain these records in electronic format and TMA staff or representatives shall be given access to such records upon request.
6. Private party shall allow customers to suspend service and billings when said service is not in use.
7. Private party has two options to handle delinquent payment;

**Option 1:** Private party may discontinue service to any account, if payment is not received after two (2) months of the billing month in which the bill was issued. Private party must provide all accounts with written notice of its intent to discontinue service at least fifteen (15) calendar days prior to such discontinuance.

**Option 2:** Private party may enforce a late fee, at a rate not to exceed 10% of the monthly outstanding balance beyond the period of two (2) calendar months. As explained earlier, TMA shall provide all possible assistance to the Private party for recovery of outstanding dues within reasonable timeframe.

TMA, for the purpose of ensuring transparency and effectiveness of the billing process shall require the private party to adhere to the conditions laid down hereunder:

1. **Annual billing audits:** TMA reserves the right of conducting annual audits of the billing records, either through its own staff or through engagement of a qualified third party. In this respect the private party shall be required to furnish all necessary records and information within reasonable timeframe upon written request by TMA.
2. **Access to billing records:** Private party will provide access to billing records of customers to TMA and shall be required to comply with such requests within a reasonable timeframe

#### **4.14 Other proposed services**

Private party shall provide a summarized list/report of additional services, if any, beyond those required by this RFP document that it proposes to furnish to TMA and its customers.

#### **4.15 Reporting requirements**

Private party shall be required to prepare and submit various reports to meet TMAs' requirements. Reports to be submitted and frequency thereof has been listed below:

##### **Monthly reports:**

1. Number of household, shops and other organizations serviced and billed against agreed service levels.
2. Tonnage information on solid waste collection, extraction and details of recyclable materials, and composting.
3. Tonnage information on waste disposal into the landfill.
4. Monthly gross revenue broken down into user charges and sale of recyclable materials and compost.
5. List of defaulting customers.
6. Complaints and inquiry data.

##### **Quarterly reports:**

1. Quarterly summary of all monthly reports.
2. Educational activities (If any).
3. Tonnage information and description of disposal of hazardous waste materials.
4. Operational data.

##### **Annual reports:**

1. Annual summary of all monthly reports.
2. Operational information.
3. Customer account information.
4. Customer service operations.
5. Financial information including profit and loss statement, balance sheet and cash flow statements.

6. Annual review of public educational activities.

Private party shall also provide Event Specific Reporting, such as:

1. Accumulated solid waste; unauthorized dumping.
2. Hazardous waste.
3. Reporting adverse information

In addition the private party shall also be required to provide any reports on any frequency at the discretion of TMA.

#### **4.16 Emergency services**

Private party shall provide emergency services at TMA's request in the event of a major accident, disruption, or natural calamity. Emergency services may include, but are not limited to, assistance handling, salvaging, processing, composting, or recycling materials; or, disposing of solid waste following a major accident, disruption, or natural calamity. If the private party cannot provide the requested emergency services, TMA may request possession of private party equipment for the purpose of providing emergency services.

#### **4.17 Closure of project**

At the expiry of concession agreement period private party will handover all the project assets to TMA in good working condition. These assets shall be unencumbered and free of any charges and mortgages etc. Further, at the end of lease term the private party shall hand over the landfill site fully compacted and covered with suitable plantation.

## **Section 5. RESPONSIBILITIES OF TMA CHARSADDA**

### **5.1 Award of concession**

TMA Charsadda in consultation with IPDF is responsible for award of concession to the successful bidder. During the process of awarding concession, TMA and IPDF will perform following functions:

1. Undertake competitive bidding process.
2. Design the bid evaluation process to facilitate evaluation and comparison of proposals for choosing the successful bidder.
3. Develop rules and procedures for bidding process to ensure transparency and economically efficient outcome.
4. Evaluate technical and financial proposals of the bidders to assess their capacity to undertake and operate the concession successfully.
5. Carry out the bidding process and to negotiate concession agreement with the successful bidder.

### **5.2 Lease of land for development and operation of transfer station**

Transfer station facility is critical for the successful operations of a solid waste management system. TMA will be responsible to acquire and sublease adequate piece of land within Charsadda city limits to the private party for the development and operations of transfer station.

Transfer facility will mostly be used for consolidation of waste from the project areas at one point. Such consolidation is considered necessary for efficient scheduling and deployment of resources. Waste will be transported to the facility by tractor trolleys, and will be further transported to the material recovery facility, composting facility within landfill site on dump trucks.

### **5.3 Sub-Lease of land for development and operations of landfill, material recovery facility, composting plant and administrative and allied facilities**

TMA has leased a piece of land measuring 80 kannals at Dheri-Zardad about 12kms from Charsadda city for the purposes of facilitating development and operations of landfill. This piece of land shall be sub-leased to the private party at lease rates being paid by TMA, without any loading. In addition to developing landfill at the site, TMA shall authorize and the private party shall setup material recovery facility, composting plant as well as all requisite administrative and allied facilities at the same piece of land sub-leased by TMA.

### **5.4 Enforcement of environmental and municipal laws**

TMA Charsadda will monitor SWM activities of the private party to ensure its compliance with environmental laws and regulations. Primary responsibility for SWM project's compliance with environmental laws and regulations rests with the private party. Further, TMA undertakes to strictly enforce municipal laws to encourage general public to join the SWM system, penalize indiscriminate littering of waste within the project area and assist the private party in collection of user charges.

### **5.5 Public education**

TMA and private party will make a collaborative effort, at no cost to TMA, to carry out efforts for public education and will be responsible for creating awareness about solid waste management project in the project area. TMA and private party will develop public education and promotion strategy and implementation schedule thereof. TMA will assist the private party in development of guidelines, principles and policies with regards to public education. TMA will monitor private party's performance in this area and provide feedback helpful in achieving desired results.

TMA staff will meet periodically with the private party to review progress and make changes in efforts, if needed, directed towards educating public concerning waste management.

### **5.6 TMA to support in collection of charges**

Private party will bill its customers and collect payments from them on monthly basis. On non-payment by customers, the private party will send notices to the customers requesting prompt payment and notifying the possibility of termination of service as a consequence of non-payment. Private party will forward monthly lists of customers under default to TMA for extensive follow-up and prompt recovery of dues. In this respect TMA may use alternative tactics to collect payments from defaulting customers, which may include community pressure by publishing names and addresses of such customers in the local newspapers, impose fines and penalties etc.

## **Section 6. PRIVATE PARTY REVENUE STREAMS AND PENALTIES**

The selected private party shall have multiple revenue streams, including user charges, sale of recyclable material and sale of compost as explained below:

### **6.1 User charges**

All the bidders responding to this RFP are required to quote their user charges separately for residential and commercial customers. It is extremely important for the bidders to evaluate and quote the minimum possible user charges in the financial part in their bids as such charges shall carry substantial weight for proposal evaluation.

#### **6.1.1 Residential service charges**

Private parties will quote per household service charges for providing waste collection services to residential customers.

#### **6.1.2 Commercial service charges**

Typically commercial service charges shall be applicable to shops and small businesses and private parties will quote their per shop service charges for providing waste collection services to commercial customers.

### **6.2 Sale of recyclable material**

For the purposes of reducing quantity of solid waste deposited into the landfill and to provide additional revenue stream, the private party shall be required to extract as far as possible the recyclable material contained in the waste collected from the project area. The private party shall be at liberty to sell the recyclable material so extracted in any manner suitable.

Private party will be responsible for the risks connected with changes in market situation with respect to recyclable materials or the contents of recyclable material recovered.

### **6.3 Sale of compost**

Production of compost from the organic material by the private party is encouraged by TMA as composting of organic materials shall greatly reduce the amount of waste deposited in the landfill besides improving private party's overall revenue stream from the SWM project. Proposals reflecting bidders' intentions to develop composting plant for the project shall be given preferential consideration during proposal evaluation process. The private party shall be responsible for all of the risks and rewards associated with the composting activities. The private party shall also be responsible for deciding on appropriate methodology for composting (windrow technology shall be preferred), maintaining quality of the product for marketing and sales of the compost produced.

### **6.4 Penalty mechanism**

TMA will enforce a penalty mechanism in case the private party fails to meet its obligations on completing project construction within stipulated time and on achieving agreed service levels under the concession agreement. Details of such penalties shall be finalized with the private party

at the time of negotiation of concession agreement. Penalties may be imposed as a percentage of cost of relevant element of construction during construction phase of the project or a percentage of revenues during operational phase.

#### **6.4.1 Self reporting by private party**

During the project development phase, private party shall report its project development/construction progress to TMA on periodic basis. Private party's performance in terms of project construction progress will be measured against the time period allowed for different elements/phases of construction. TMA may levy penalties on private party on its failure to meet timelines for different construction elements.

Upon commencement of commercial operations of the project the private party shall submit periodic reports to TMA on the provision of waste collection services against agreed service levels. TMA may levy penalties on the private party on its failure to meet the agreed service levels.

#### **6.4.2 Monitoring by TMA**

TMA will have its own system to monitor performance of private party. TMA shall have the right to deploy its staff or engage a third party to monitor and analyze project development and operations of the SWM system.

#### **6.4.3 Reporting by users**

Direct feedback from customers of private party would be another source of reporting for TMA. TMA will devise a system for customers, in consultation with private party, to enable them to lodge their complaints, make suggestions for improvement, participate in the establishment of SWM project, etc. This will enable TMA to analyze private party's performance through customer feedback.

## **Section 7. INFORMATION REQUIRED FROM BIDDERS**

IPDF requests certain information to be submitted by bidders for the project in order to assess and evaluate bidders' commitment and capacity to develop and operate the project. Such information includes the following:

### **7.1 Bidder capability and strength**

IPDF needs following information to assess and evaluate suitability of bidders' capability and strength:

#### **7.1.1 Composition and structure of consortium**

Bidders may form a consortium in order to increase their eligibility and participate in bidding process of the project. All such consortia shall provide a copy of consortium agreement or memorandum of understanding (MoU) duly signed by all the members of the consortium.

One of the members of the consortium shall be nominated by the other members thereof as the lead member being the main sponsor of the consortium. This authorization shall be evidenced by submitting a power of attorney signed by legally authorized signatories of all the members of consortium. The lead member must hold a minimum of 51% of equity stake in the bidding consortium which should be reflected in above mentioned consortium agreement or MoU. The lead member is not allowed to transfer equity stake in the consortium without the consent of TMA during the period of concession agreement.

#### **7.1.2 Roles of parties in the consortium**

1. Consortium agreement or MoU shall clearly state the responsibilities, proposed to be shared, among the members of consortium during project execution and implementation.
2. The lead member shall be authorized by all members of the consortium to incur liabilities and receive instructions for and on behalf of any and all members of the consortium.
3. The lead member along with financially significant consortium members shall be jointly liable for the execution of the contract in accordance with the contract terms, and a statement to this effect shall be included in the consortium agreement or MoU as mentioned above and shall be agreed to in the other contracts, to be entered between the bidder and other contractors/sub-contractors, agents, should the bidder be selected.
4. The bid shall be legally binding on all the members of the consortium.

#### **7.1.3 Skill and experience of bidders including consortium organisations, sub-contractors and assigned management personnel**

The bidders will furnish the details of their relevant qualification, skill and work experience. It will include the same information in respect of following if applicable:

1. Consortium organizations.
2. Sub-contractors.

3. Assigned management personnel.

#### **7.1.4 Capability and strength**

All bidders are required to submit their capability and strength statement as part of their proposals. Bidders are required to mention their capability and strength in terms of:

1. Management
2. Technical
3. Financial
4. Legal

##### **Management capability:**

Bidders will give a comprehensive demonstration of their relevant experience and capability to undertake the assignment and provide the services envisaged under the project. In case of a consortium such a demonstration is to be made by the lead member of the consortium. This section of the proposal shall include the following:

- a) Experience and capability of efficiently managing a business similar to the project. For all relevant operations, information on the size of the workforce should be submitted for the last 3 (three) years.
- b) In case, if a party does not have relevant experience, the experiences in similar sectors like construction and transportation, etc. may be provided.
- c) Other relevant information relating to management experience and capabilities that would be material for the future management of the project.
- d) The potential bidder must demonstrate adequate managerial capabilities and the required management strength to effectively manage the project.

##### **Technical capability:**

The technical capability section of the proposal shall include the information listed below with respect to the experience of the potential bidder/consortium to manage the project:

- a) Experience in managing SWM activities or similar business.
- b) Experience in managing similar infrastructure development activities like construction and/or transportation operations. For all relevant operations the length of time that the potential bidder has been responsible for managing the business (es).
- c) Experience of operating in a competitive environment. For all relevant operations, information on the number of competitors and its market share over the last 3 (three) years.

##### **Financial capability:**

Bidders must demonstrate their financial capability in the proposal, the bidder shall submit:

- a) In case of partnership firms, the tax returns filed for the most recent three (3) years together with the tax assessment orders (if applicable) of the relevant income tax authorities.
- b) In case of a company, details of financial and operating background for the last three (3) years demonstrating financial viability, including audited financial statements duly audited by a firm of chartered accountants. Financial statements should include consolidated balance sheet and profit and loss statements (if applicable).
- c) Similar financial and operating information for any parent company, affiliates and associated undertakings/companies should also be included.
- d) An upto date statement showing the outstanding liabilities (both fund based and non fund based i.e., bank guarantees, letter of credit etc.) to banks and financial institutions in or outside Pakistan.
- e) Bank credit references from at least two (2) banks acceptable to the IPDF.
- f) Any other relevant information regarding financial track record and capabilities of the bidder that it believes would be helpful to IPDF or TMA.

**Legal capability:**

Each bidder or bidder's authorized legal person(s)/entity(ies) must submit the following documents/information:

- a) List of majority shareholders/partners.
- b) A copy of the constitutive document (for example, memorandum and articles of association for a company, certificate of incorporation, partnership deed for a partnership).
- c) Copies of all material and relevant regulatory filings for the last three (3) years, under the applicable jurisdiction(s) in which it/they operate.
- d) Details of all pending threatened or contemplated litigations in any jurisdiction that can affect the ability of the bidder or any of its directors to setup and exercise management and operations of the project.
- e) Details of adverse information in any award, report, litigation, investigation by regulatory bodies, governmental or law enforcement agencies in any jurisdiction that can affect the ability of the potential bidder or any of its directors to setup and exercise management and operations of the project.

**7.1.5 Financial and market standing**

The bidders will provide proof of their financial and market standing to undertake and successfully complete the project. Following may be submitted to support bidders' financial and market standing:

1. Audited financial statements for the past three (3) years including most recent fiscal year.
2. Current bank reference(s).
3. Financial projections for the next two (2) years.
4. Evidence of access to lines of credit and availability of other financial resources.
5. Bidders' percentage share of total revenues of the industry in which they operate, etc.

#### **7.1.6 Equity, ownership and directorship**

Bidders, if corporate entities or partnerships, will furnish following information with their proposals:

1. Total equity of company or partnership.
2. Shareholders or partners information and their ownership interest.
3. Information on officers of company or partnership including their ownership interest.

#### **7.1.7 Ability to raise debt and equity and to provide security**

Bidders are required to demonstrate their ability to raise debt and equity funds, and to provide security if the need arises. It includes:

1. Financial statements of the organization.
2. Proof of good relationship with lending institutions.
3. Proof of expansion and revenue generating capabilities of the organization.
4. Information on financial standing of affiliated entities of bidders.

Organizations can raise funds through shareholders in case of a corporate entity or in case of a partnership firm from partners, as the case may be, in the form of a debt or additional equity. Thus bidders may submit information reflecting their shareholders or partners financial position enabling them to raise additional funds.

#### **7.1.8 Past relationship with Government**

Bidders will enclose details of their past business relationships with Government Departments along with their proposals. Details of such relationships include period of previous relationship, nature and amount of transaction involved, status of transaction, contact information, etc.

### **7.2 Deliverability**

Bidders will provide following information to demonstrate their sincerity and ability to develop SWM project and subsequently run the operations of the same efficiently:

### **7.2.1 Commitment / capacity to meet project timeline**

Interested private parties will submit information establishing their capabilities and commitment to develop and operate this SWM project. They will include all such information supporting their case with their proposals. Examples of such information would be bidder's construction or operational expertise of similar types of projects, business relationship with technology supplier in the similar industry, homework done by bidders in connection with the project, etc.

### **7.2.2 Current workload of consortium members**

In response to this section, bidders will furnish information on their current workload as a part of their proposals. They will submit information such as nature and amount of project, project timeline, percentage of completion, customer contact information, etc. about the projects/clients they are currently working on.

### **7.2.3 Project management capability**

Bidders will furnish information to demonstrate their project management capabilities to undertake SWM project. They may furnish information about their past projects, work experience of their proposed project managers, etc. to demonstrate their project management capabilities.

## **7.3 Project awareness**

In this section the bidders will demonstrate their knowledge and understanding of the SWM project. They will explain their understanding of key project elements, objectives of the project, envisaged complexities, expected output, etc.

### **7.3.1 Demonstrated understanding of key project demands/complexities**

Bidders will explain their understanding of the objectives of the project, key demands of the project, envisaged complexities, expectations of TMA, the expected outcome, etc. Bidders will highlight the problems that will need to be addressed and their importance, and explain the approach that will be adopted to address them.

### **7.3.2 Work plan**

The bidders will list the main activities of the assignment, their content and duration, phasing and interrelations, milestones, etc. This information will also be presented by bidders in the form of a work plan. The proposed work plan will be consistent with the technical approach and methodology, showing understanding of the output specifications and ability to translate them into a feasible working plan.

### **7.3.3 List of similar projects and contact information**

Bidders will furnish a list of similar projects, if any; they have undertaken in the past and will include their client contact information as well.

**Section 8. PROPOSAL STANDARD FORMS**

**8.1 Technical Proposal Forms**

As mentioned in section 3.1 of this RFP the proposal shall comprise of technical as well as financial aspects of the project. The minimum technical proposal requirements are listed below;

**FORM TECH 1      TECHNICAL PROPOSAL SUBMISSION FORM**

Date: \_\_\_\_\_

To: Head Projects  
Infrastructure Project Development Facility (IPDF)  
House No. 2, Street 59, F-7/4,  
Islamabad  
Pakistan

Dear Sirs;

We, the undersigned offer our services to Design, Build, Finance, Operate and Transfer of Charsadda Solid Waste Management Project in accordance with your Request for Proposal dated February 28, 2009 and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal and Financial Proposal sealed under a separate envelope.

(In case of proposal being submitted by a Joint Venture)

We are submitting our proposal in association with/as a Joint Venture (Insert a list with full name and address of each joint venture partner), Attached is the following documentation: (Letter(s) of association or joint venture agreement and joint venture power of attorney)

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.

If negotiations are held during the period of validity of the Proposal, i.e., before the date indicated in RFP, we undertake to negotiate our terms and conditions stipulated in our proposal. Our Proposal is binding upon us and subject to the modifications resulting from contract negotiations.

We undertake, if our Proposal is accepted and a Concession Agreement is signed with us, to commence, build and operate the project in accordance with the terms of Concession Agreement.

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature [In full and initials]: \_\_\_\_\_

Name and Title of Signatory: \_\_\_\_\_

Name of Firm or Joint Venture: \_\_\_\_\_

Address: \_\_\_\_\_

**FORM TECH 2 BIDDER'S ORGANIZATION, EXPERIENCE AND CAPABILITIES**

**A- Bidders Organization**

[Provide here a brief description of the background and organization of the Company, equity, ownership and directorship for each joint venture partner for this Project]

**Section I**

- 1) Name
- 2) Year of Incorporation:
- 3) Legal Status: (Sole Proprietorship / Public Limited Company/ Private Limited Company/ Partnership)
- 4) Address of principal business office
- 5) Telephone Number
- 6) Fax Number
- 7) Website:
- 8) Primary areas of business

**Section II**

[Provide the following information for shareholder(s) of the company or partner(s) of the partnership, whichever is applicable. In case of a foreign controlled company following information on representative(s) in Pakistan of the said company needs to be provided:

- 1) Name
- 2) Nationality
- 3) Address
- 4) Telephone Number
- 5) Mobile Phone Number
- 6) E-mail Address
- 7) Brief background of Partners/Directors/Representatives
- 8) Number of years with the organization

[Apart from the above the bidder is to provide the composition and structure of consortium, roles of parties in the consortium as mentioned in Section 7.1.]

**B- Bidder's experience**

[Provide information on each project for which your firm and each joint venture partner for this assignment, was legally contracted either individually as a corporate entity or as one of the major companies within a joint venture. Provide the following information, in light of requirements of Section 7.1 and 7.3]

- a. Carrying out projects of similar to the ones requested under this RFP
- b. Previous relationship with Government
- c. Skill and experience of consortium organization or subcontractor and assigned management personnel

**C- Bidder strength and capabilities**

1. Describe bidder's strength and capabilities in terms of following, in light of Section 7.1.4
  1. Management
  2. Technical
  3. Financial
  4. Legal
2. Financial and market standing of the Company, their joint venture partners (For guidance refer Section 7.1.5)
3. Ability to raise debt equity and to provide security (For guidance refer Section 7.1.7)
4. Profiles of lead personal involved in the project

**D- Deliverability**

Provide in detail the commitment / capacity to the project dead line, Current workload, Project Management Capability and Risk Management Capability (For guidance refer Section 7.2)

**E- Project awareness**

Provide detailed understanding of the project scope, awareness and how will you achieve the objectives of the project (for guidance refer Section 7.3)

**FORM TECH 3 PROJECT CONCEPT, DESIGN AND PHYSICAL LAYOUT**

[Please provide your preliminary project concept, design and physical layout with respect to administrative facilities, recycling facilities, composting facilities, transfer station and landfill].

**FORM TECH 4 LIST OF FIXED ASSETS**

[Please provide section wise itemized of list plant, machinery, equipment and vehicles along with their respective estimated costs envisaged to be used for the project]

<b>Sections/Description of assets</b>	<b>Nos.</b>	<b>Estimated Costs</b>
<b>Waste Collection:</b>		
<b>Transfer Station:</b>		
<b>Waste Transportation:</b>		
<b>Material Recovery Facilities:</b>		
<b>Composting:</b>		
<b>Landfill:</b>		
<b>Administrative and Allied Facilities:</b>		

**FORM TECH 5 PROJECT DESIGN AND CONSTRUCTION PLAN**

Provide itemized plan for each of the project activities listed below:

No .	Activities	Months											
		1	2	3	4	5	6	7	8	9	10	11	12
1.	<b>Project Design:</b>												
2.	<b>Project Construction:</b>												
3.	<b>Procurement, Installation, Testing and Commissioning of Plant Machinery, Equipment, Vehicles and Other Assets:</b>												
4.	<b>Project Completion</b>												

**FORM TECH 6 PROJECT OPERATIONS AND IMPLEMENTATION PLAN**

**A- Overview of operational methodology/workflow and implementation plan**

[Please provide an overview of your SWM Operations and Implementation Plan for the Project]

**B- Detailed operational methodology/workflow**

[Please provide detailed SWM Operational methodology/workflow for the Project, with respect to the following]

- a. Removal of existing Solid Waste
- b. Residential Collection Services
- c. Commercial Collection Services
- d. Industrial Collection Services
- e. Transfer Station
- f. Acceptance of Solid Waste from TMA & Public at Transfer Station
- g. Transportation of Solid Waste from Transfer Station to Landfill
- h. Material Recovery Facility
- i. Composting Facility
- j. Landfill
- k. Public Education
- l. Customer Service
- m. Customer Billing



**FORM TECH 7      Comments and suggestions**

[Present and justify here any modifications or improvements or suggestions with respect to the provisions of RFP]

## **8.2 Financial Proposal Forms**

As mentioned in section 3.1 of this RFP the proposal shall comprise of technical as well as financial aspects of the project. The minimum financial proposal requirements are listed below;

**FORM FIN 1            Financial proposal submission form**

Date

Head Projects  
Infrastructure Project Development Facility (IPDF)  
House No. 2, Street 59, F-7/4,  
Islamabad  
Pakistan

Dear Sir,

We, the undersigned offer our services to Design, Build, Finance, Operate and Transfer of Charsadda Solid Waste Management Project in accordance with your Request for Proposal dated February 28, 2009 and our Proposal. We are hereby submitting our Proposal, which includes this Financial Proposal sealed under a separate envelope.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal, i.e. before the date indicated in RFP.

We understand you are not bound to accept any Proposal you received.

We remain,

Yours sincerely,

Authorized Signature [In full and initials]: \_\_\_\_\_  
Name and Title of Signatory: \_\_\_\_\_  
Name of Organization: \_\_\_\_\_  
Address: \_\_\_\_\_

**FORM FIN 2 Service charges**

[Quote Service Charges and yearly rate of escalation thereon which you propose to charge from:]

Nature of Customers	Proposed Service Charges
Residential	Rs. __/month/household
Commercial	Rs. __/month/shop
Yearly rate of escalation in service charges	%

**FORM FIN 3      Proposed term of the concession**

[Please indicate your proposed term (Number of years) for grant of Concession for SWM Project by Tehsil Municipal Administration.]

CONCESSION TERM
_____ YEARS

**FORM FIN 4 Financial model**

[Provide Financial Model of the proposed project for the duration of your proposed lease term, using terminal value in the eighth year at 3% growth:]

- a. Project summary (Encompassing summary of the financial model)
- b. Model calculator (Basis and assumptions used in the development of the model)
- c. Projected Balance Sheet
- d. Projected Income Statement
- e. Projected Cash flow Statement
- f. Project Revenues (Detailing year wise revenues from each revenue stream, i.e. user charges from each type of customer, sale of recyclable materials and sale of compost)
- g. Operating costs (Detailing year wise operating costs in line with revenue streams)
- h. Project Cost (Providing details of each of the component including interest during construction period)
- i. Financing Plan
- j. Taxation
- k. Sensitivity analysis (Covering sensitivity on the project of various variables)

**Financial model must:**

- a. Have a base date as specified in the RFP
- b. Be presented in electronic (compact disk) and hard copy formats and be compatible with Ms-Excel
- c. Disclose clearly all macro, micro and general assumptions
- d. Provide a thorough and detailed explanation of the model and how to operate the model

## Section 9 Proposal Evaluation Process

### 9.1 Evaluation procedures

The evaluation of proposals shall commence immediately after the deadline for submission of proposals. Both technical and financial proposals will be evaluated by IPDF. Any proposal not in strict conformity with the format prescribed in this RFP will be disqualified. The proposal ultimately leading to signing of formal contract shall be evaluated based on criteria set in this RFP and the successful bidder will be responsible for all activities incidental and ancillary to the successful completion of the project.

A two-stage procedure shall be adopted in evaluating the proposals. The technical evaluation shall be carried out first whereas the financial evaluation will be done in the second stage. Head of Projects will open the sealed Technical Proposals in front of the bidders and circulate the same to the evaluation committee. The evaluation committee shall carry out its evaluation, applying the evaluation criteria and point system specified below. Each responsive proposal shall be attributed a score out of a total of 100 points. The technical proposal shall carry a maximum of 60 points whereas the financial proposal 40 points. The firms scoring less than 70 percent in technical proposal shall be rejected and their financial proposals shall be returned unopened. Thereafter Financial proposal will be opened for the evaluation in front of the representatives of short listed bidders. After complete evaluation of both technical and financial proposals, the bidder with the highest aggregated score comprising of both technical and financial proposal's points will be awarded the contract. In case, the highest rank bidder fails to meet the requirements of RFP, the agreement will be awarded to the second highest bidder.

### 9.2 Evaluation criteria

#### 9.2.1 Technical evaluation criteria

Each technical proposal shall be evaluated using the following categories and weights below:

Area of Evaluation	Evaluation Criteria	Maximum Score
Experience	Experience of Bidder in SWM activities or similar businesses	Maximum Score=05
Strength and Capabilities	Strength and Competence of the Bidders	Maximum Score=05
Project Concept, Design and Physical Layout	Detailed physical layout design of the project	Maximum Score=10
Project design and Construction Plan	Design and construction plan envisaged for the project	Maximum Score=10
Project Operations and Implementation	Proposed project operations and implementation plan.	Maximum Score=25
Manpower Induction Plan	Manpower plan of induction during the initial period of concession	Maximum Score=05

### 9.2.2 Financial evaluation criteria

Each Financial Proposal shall be evaluated using the following categories and weights below:

<b>Area of Evaluation</b>	<b>Evaluation Criteria</b>	<b>Maximum Score</b>
Concession Period	Project concession period to be granted by TMA.	<b>Maximum Score=15</b>
Service Charges	Proposed services charges from the residential and commercial users	<b>Maximum Score=15</b>
Yearly Escalation in Service Charges	Proposed yearly increase in services charges throughout the concession period	<b>Maximum Score=05</b>
Financial Model	Completeness and quality of information contained in the Model.	<b>Maximum Score=05</b>

**ATTACHMENTS:**

Attachments enclosed separately.