

PUNJAB SKILLS DEVELOPMENT FUND

INVITATION FOR EXPRESSION OF INTEREST (EOI)

TO CONDUCT PSDF CORPORATE GOVERNANCE REVIEW

October, 2018



Submission Date for EOI: November 01, 2018 before 3:00 PM

21-A, H-Block, Dr. Mateen Fatima Road, Gulberg-II, Lahore Pakistan

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1) Background

The Punjab Skills Development Fund (PSDF) was established in 2010, through a partnership between the Government of Punjab (GoPb) and the Department for International Development (DFID). PSDF is the only skills financing fund in the country. Its aim is to finance vocational training for the poor and vulnerable (in particular women) in order to enable them to earn improved incomes. PSDF designs skill schemes based on market research and evidence and then contracts out their delivery on a competitive basis through predominantly private skill providers. The Fund is increasingly engaging businesses as trainers and as co-financiers of training.

PSDF is registered with the Securities and Exchange Commission of Pakistan as a Section 42, not-for-profit company. The Fund has a competitively engaged private sector management and a Board comprising of private entrepreneurs, policy experts, social activists and ex-officio representatives of the GoPb. Board members are proposed by DFID and the Planning and Development Department (P&DD) of the GoPb to the Chief Minister's secretariat. Decision regarding choice of the Board members rests with the Chief Minister's office.

The Fund exceeded its targets for the first five year of its operations which ended in, June 2016. In addition, the Fund's achievements have created political appetite for skills sector reform and making public sector delivery of skills more effective. DFID and the GoPb agreed to finance PSDF for a further five-year period that will end in June 2021. A major objective during this time is for PSDF to become an effective sustainable organization that can continue to function once DFID exits in June 2021.

PSDF's sustainability implies that the Fund has recourse to resources and an enabling regulatory and policy environment so that it can: i) further strengthen its transparent and efficient business operations ii) have adequate and diversified financial resources that enable it to meet skills gaps across Punjab while catering to the learning needs of the poor, and iii) maintain an autonomous and robust Board that can provide strategic direction and oversight.

2) Invitation to Expression of Interest

PSDF is soliciting Expression of Interest from consulting firms to conduct a corporate governance review of the Fund. In this regard, the consulting firm will assess PSDF board, corporate governance arrangements and make recommendations for maintaining an autonomous and effective board with sound policies and practices.

a. Conditions for eligibility (qualification criteria)

The Consulting firm should have prior experience and expertise in conducting corporate governance reviews. The Consulting firm submitting proposals should have the following eligibility for qualifications:

- i. Be a legal entity registered in country of origin and must have a corporate office in Pakistan.
- ii. Affiliated with reputable institute/professional body for example ICAP, PICG etc.
- iii. Active tax payer in FBR and registration in PRA (if applicable) in the name of the consulting firm.
- iv. Must not have been blacklisted by any government authority or any bi-lateral/multi-lateral financial institution

b. Required Expertise

The consulting firm should have a robust mix of the following expertise.

- i) Extensive experience of corporate governance reviews, board evaluations and experience of advising board's on governance issues and practices. Experience of not-for-profit, Section 42 companies is particularly required as is experience of having served as a board member.
- ii) Extensive understanding and knowledge of policies and regulations governing companies, and setting up companies, in particular Section 42 companies.
- iii) Sound experience of and comfortable in working with senior government officials, CEOs, board members/chairpersons, and policy makers.
- iv) Ability to think and present ideas clearly and concisely, and excellent analytical, and negotiation skills.
- v) Excellent ability to write in plain and concise English.

c. Prequalification Document

The Interested firm can obtain EOI document containing all details, shortlisting criteria and terms & conditions, from PSDF website (<http://psdf.org.pk/downloads/#procurement>) and PPRA website (www.ppra.punjab.gov.pk).

d. Acceptance or rejection of EOI

The competent authority/committee may reject all EOI at any time prior to the Request for Proposal (RFP). The procuring agency shall upon request communicate to any interested consulting firm, the grounds for its rejection of expression of interest, but shall not be required to justify those grounds.

e. Time schedule for submission of Expression of Interest (EOI)

Complete EOI containing all required information & documentary evidences (one original & one copy) must be delivered to **Procurement Department**, PSDF, 21-A, H-Block, Dr. Mateen Fatima Road, Gulberg-II Lahore in a sealed packet and submitted before **03:00 PM November 01, 2018**. EOI will be publicly opened on the same day i.e. **November 01, 2018 at 3:30 PM** in the presence of consultant firm representatives who wish to attend the EOI opening.

Kindly fill the following necessary annexures required for the qualification criteria and attach the supporting documentary evidences as mentioned in each annexure;

Annex – A:	Firm Information
Annex – B:	Eligibility Response Checklist
Annex – C:	Evaluation Criteria
Annex – C-1:	Key Management Staff of the Firm
Annex – C-2:	CV of Proposed Technical Team
Annex – D:	Relevant experience of the Firm
Annex – E:	Cover Letter for the Submission of Expression of Interest

3) Instruction & guidelines for Consulting firms

- a) The purpose of this document is to provide orientation to enable Consulting firms to evaluate their interest in tendering and conducting assessment and is not a guarantee of the actual conditions under which the assessment services will be tendered or executed. Furthermore, it contains forms and list of required documents to be submitted.
- b) PSDF wishes to shortlist interested Consultancy Service providers who will be invited to submit proposals for PSDF Corporate Governance Review.
- c) Only short-listed firm(s) will be invited to submit Technical and Financial Proposals through RFP.
- d) All documents and information received by PSDF from applicants will be treated as strict confidential.
- e) Documents submitted to PSDF will not be returned.
- f) All expenses related to participation in this Expression of Interest shall be borne by the firm(s).
- g) The envelope containing hard copy of EOI shall be received in PSDF office at Lahore.
- h) EOI received after closing time shall not be accepted and returned without opening.
- i) PSDF reserves the right to request submission of additional information from applicants to clarify/further understand, if required.
- j) PSDF reserves the right to verify any information provided by prospective bidders. **False information will lead to disqualification and the organization will be barred for bidding in PSDF schemes/projects.**
- k) PSDF will evaluate the EOI of eligible organizations based on their capacity, previous experience, qualification and competence of key professional staff of core team **annexure B, C-1 & C-2.**
- l) PSDF will notify to the short-listed Consulting firms **(found eligible and scoring more than 65 marks in their evaluation)** and request for proposal (RFP) documents will be made available only to the short-listed entities.

- m) Any clarification requests may be made in writing or through e-mail to the following contact person.

Procurement Department

Punjab Skills Development Fund

21-A, H-Block, Dr. Mateen Fatima Road,

Gulberg-II Lahore –Pakistan

E-mail: Procurement@psdf.org.pk

Tel: 042-35752408-10

Fax: 042-35752190

4) **Scope, Duties and Responsibilities of the Consulting Firm**

a) **Review of current Governance practices**

The assignment will cover an objective analysis of PSDF's Governance practice including Board composition, structure, and Board policies and practices but not be limited to addressing questions covering the following key areas:

- i. **PSDF Constitution Vision:** Is PSDF constitution (Memorandum and Articles of Association) supportive of its future vision? What kind of changes are or will be required to provide legal cover to or support its future trajectory?
- ii. **Commitment to Good Corporate Governance (CG):** To what extent is the Board autonomous and does its constitution support its independence? Does the Board discuss corporate governance issues and demonstrate strong commitment to CG? Does PSDF have corporate governance codes or guidelines? Is PSDF aware of national regulatory CG principles/codes and ensure compliance therewith? Does PSDF disclose to its sponsors information demonstrating its commitment to corporate governance? Does PDSF have in place other pertinent codes such as Code of Conduct and policies including but not limited to Conflict of Interest, Fraud, Anticorruption, Whistle-blowing, Related Party Transactions, Communication with Stakeholders, Risk Management, Procurement of goods and services, Business marketing, Acquisition and Disposal of fixed assets, Corporate Social Responsibility, Authorization Matrix, Healthy and Safety, Capital Expenditure planning and control?
- iii. **Board Structure and Functioning:** Are the Board roles and authorities clearly defined? How adequate and transparent is the Board members' appointment and removal process? What incentives drive the Board and are these effective? Does the Board have appropriate composition and mix of skills? Who drives the Board agendas? Does the Board have adequate objectivity and financial literacy? Does the Board have formal, structured

working procedures in place? Are the Board proceedings effective, fair, and participative? Does the Board effectively oversee and challenge management (e.g., setting strategies, reviewing performance, monitoring risks)? Has the Board defined the level of materiality in view of the risk management? Are the Committees (Nomination, Procurement, Audit, Risk Management and Human Resource) well-defined with clear terms of reference and responsibilities? Are the Committees' functioning effectively and how do they communicate with the Board? Do the Committees have correct member composition, with strong independence? Is the 'register of interests' maintained to record all relevant personal, financial and business interests of Directors and Executives? Is a declaration given by the Directors and Executives that they shall not offer or accept any payment, bribe, favour or inducement? Are Board meetings held on quarterly basis? Are written notices of meetings, including the agenda, duly approved by the Chairman circulated before meetings? Are minutes of meetings of the Board are appropriately recorded? Are significant issues approved by the Board to formalize and strengthen the corporate decision-making process? Are all related party transactions recommended and approved by the Audit Committee and the Board respectively? Are quarterly financial statements placed before the Board for approval? Is the Board's Chairman role clearly defined and distinct from the role of CEO? Does PSDF have a clearly defined election process for the Board? Is it transparent and effective? Is there succession planning for the Board? What role did the Board play in the hiring of the CEO?

- iv. **Board Effectiveness and Performance:** Is the Board providing clear direction to PSDF? What role has the Board played in defining strategic vision of the organisation? Has the Board deliberated on the future of PSDF as an independent entity within the Government/ Planning and Development Department (P&DD)? What options have been discussed for operational and financial sustainability of PSDF? Does PSDF have a performance evaluation mechanism for the Board? Is it effective? Are orientation courses held, to enable Directors to better comprehend the specific context in which PSDF operates?
- v. **Management Control:** Is the hiring of CFO, CIA and Company Secretary as per corporate governance requirement? Is the Internal Control Framework established and working effectively? Does Internal Audit function have Audit Charter? Is the Internal Audit function working effectively and reporting independently to the Audit Committee? Is the independent external auditor reputable and conducts no other advisory services? Is risk management a formally structured arrangement? Is the Risk Management function working effectively and are there reporting lines to the Board? Are the in-house Financial Management and Control capabilities adequate (e.g., strategic planning, budgeting, and performance monitoring processes are working effectively)? Does the information and

communication within the organization flows adequately to support transparency and timely control?

- vi. **Disclosure and Transparency:** Is adequate financial information disclosed to donors and Board members? Is adequate non-financial information disclosed to Sponsors and Board members? Is the financial and non-financial information reliable, timely, useful, and accurate? Are the financials prepared according to appropriate standard? Does PSDF produce an informative, high-quality annual report and other forms of disclosure? Is information disclosure, at a minimum, in compliance with applicable laws and regulations?
- vii. **Donors and Members Relations:** Are donors rights (e.g., access to information, monitoring and evaluation, strategic input) formally recognized? Is there regular interaction with key donors and other stakeholders? Are donors and other stakeholders provided reliable, timely, and useful information about the company's performance and forward-looking strategies and risks?

Deliverables

a) State of PSDF Corporate Governance

The firm will deliver following reports in clear and simple English (in Arial Font 12):

- State of Corporate Governance & Gap Analysis Report of PSDF's existing governance practices. Report on PSDF's current state of compliance with Public Sector Companies (Corporate Governance) Rules, 2013 of the SECP. Report should present gaps, associated risks and recommendations for improving the effectiveness of the board. All recommendations will be made considering PSDF's Articles of Association, Public Sector Corporate Governance Rules 2013 and any other laws as may be applicable to PSDF as a legal entity. Based on organizational evolution of comparable international skills funds, make recommendations for improving the organizational vision and governance of PSDF. Based on the experience of other Section 42 companies (included but not limited to the Pakistan Poverty Alleviation Fund – PPAF) with a development mandate make recommendations for PSDF Board's independence, organizational sustainability and legal status within the parameters of a Section 42 company or whether PSDF should take another legal form.
- Share case studies of Best Practices of Corporate Governance, internationally as well as in Pakistan corporate and public sector. These examples should be relevant to PSDF's future aspirations and organisational development plans.

b) Development of CG policies and procedures

The consultant based on recommendations suggested in Gap Analysis Report will:

- Where required, revise existing policies, but not limited to, code of conduct, conflict of interest, disposal of fixed assets and procurement of goods and services and

recommend improvement plan for the existing structure of the Board, Committees and Functions.

- Develop and design following policies, procedures, framework and forms included but not limited to, whistle-blowing policy, anticorruption policy, fraud policy and related party transaction policy and provide orientation, where required.
- Prepare a **Board Charter** that provides guidance on areas not addressed in the regulations covering Section 42 companies. These include for example: How may senior private sector representatives, particularly entrepreneurs and policy experts be attracted to the board? Board composition and skill mix, board committees' composition and skill mix, role of the Board and Committees' Chair, board policies, procedures and practices, board's role and the relationship between the board and the senior Management, boards' role in providing strategic leadership to PSDF, board's role in risk oversight and improving internal controls, board's role in ensuring transparency and disclosures, board's evaluation and training, selection of board members and incentives for them.
- The consulting firm will also devise **Board Committees Charters** that will provide minimum but not limited to the purpose of the committee, skills required for the members, roles and responsibilities, decision making powers delegated to the committee by the Board, minimum number of times committee is required to hold meetings, meeting quorum, identify secretary of the committee.

Schedule for the deliverables will be as follows:

- i) Presentation to PSDF's Board and Senior Management on findings, recommendations on current state of compliance with corporate governance and gaps identified therein, within 5 weeks of signing the contract.
- ii) Based on feedback received by the consultant, draft reports on mentioned deliverables identified in section 4 (a) will be submitted to PSDF after 1 week of the presentation.
- iii) PSDF will provide its feedback to the consultant within 10 working days.
- iv) Final report to be submitted within 7 working days of PSDF providing its comments to the Consultant.
- v) Drafting of mandatory policies, procedures, framework and charter as mentioned in 4 (b) above, within 6 weeks after submission of final report.

c) Duration

This assignment is expected to take about 14 weeks, starting from the signing of the contract with PSDF.

5) Evaluation/Selection Criteria

The evaluation/selection criteria for consulting firms is given in Annexure B and C.

6) Declaration

Kindly provide the declaration as per format provided below.

I, _____ hereby declare that:

- all the information provided in the Expression of Interest (EOI) is correct in all manners and respects
- and I am duly authorised by the **Governing body/Board/Management** to submit this EOI on behalf of "[Click here and type the name of organization]"

Name	
Designation	
Signature	
Date and Place	

Note: Please attach documentary proof for authorization by the governing body/board/management.

Annexures

Annex – A “Firm Information”

Firm Profile			
Sr. No.	Required Information	Response	
1	Legal name of the Firm		
2	Year of Registration / Establishment of the Firm		
3	National Tax Number		
4	Core business area/s of the Firm		
5	What is the legal status of your organisation? Tick the relevant box (one box only). (Attach Copy/Copies of Registration Certificate/s)	Public Sector Organisation	
		Section 42 Company	
		Public Ltd. Company	
		Private Ltd. Company	
		Partnership Firm	
		Others (Please specify)	
6	Name and designation of 'Head of Firm'		
7	Mobile:		
	Phone/s:		
	Email:		
	Fax:		
	Address of Firm:		
	Website address:		
8	Name and designation of 'Contact Person':		
	Phone/s:		
	Mobile:		
	Email:		
	Fax:		

Annex – B “Eligibility Response Checklist”

Sr. No.	Necessary Eligibility Information	Response/Elaboration/Proof	
1	Be a legal entity registered in country of origin and must have a corporate office in Pakistan.		Copies of required documents are attached
			Copies not attached
2	Affiliated with reputable institute/professional body for example ICAP, PICG etc.		Copies of required documents are attached
			Copies not attached
3	Active tax payer in FBR and registration in PRA (if applicable) in the name of the consulting firm.		Copies of required documents are attached
			Copies Not Attached
4	Was your firm ever blacklisted by any government authority or any bi-lateral/multi-lateral financial institution? (Attach an undertaking by your firm’s authorised person with this EOI)		We solemnly declare that our Firm or any member of consortium has never been suspended/debarred or blacklisted.
			Our Firm has been blacklisted once or more than once.

Annex – C “Evaluation Criteria”

The firm who have not submitted the information required as in annexure B, shall be excluded and remaining complying firms would be evaluated according to following criteria.

Sr. No.	Evaluation Criteria	Total Marks	Marks Breakup	Response
1	Primary area of expertise of the consulting firm: <ul style="list-style-type: none"> General advisory (10) Corporate Governance advisory (5) 	15	10 +5	Attach relevant document.
2	Performed corporate governance reviews especially in section 42 companies. <ul style="list-style-type: none"> Any company/organization (15) Section 42 company (5) Public Company Sector (5) 	25	15 +5 +5	Attach list of clients and agreements where corporate governance review have been performed.
3	Have experience in: <ul style="list-style-type: none"> Assessing and recommending corporate governance requirements (10) Actual implementation of corporate governance requirements e.g. drafting corporate governance framework, advising board on governance issues, performed board evaluations etc. (10) 	20	10 +10	Attach scope of work performed along with list of deliverables or any other relevant document.
4	Highest Qualification and prior experience of professionals of core team (based on minimum 3 members): <ul style="list-style-type: none"> Graduate with minimum 5 years of experience (7) or Masters with minimum 5 years of experience (12) or Member of Professional & accountant & secretarial practice bodies with minimum 5 years of experience (15) 	15	7 12 15	Provide details in Annexure C-1 and C-2 for CVs of core team.
5	Actual experience of the consultants or core team in the boardroom as company secretary, business executive, director, consultant to board or committee with listed/public sector company.	10	10	Provide details & evidence.
6	Minimum annual turnover PKR 50 million as per the latest Income tax return or audited financial statements.	15	15	Provide copy of audited financial statements.

Annex – C-1 “Key Management Staff of the Firm”

Key Management Staff						
Sr. No.	Name of Management Staff	Designation	Qualification	Area of Expertise	Number of Years in Firm	Total Experience
1						
2						
3						
4						
5						

You may add more information, if applicable.

Annex – C-2 “CV of Proposed Technical Team” (Pl. also attach the detailed CV with the EOI)

1. **Proposed Position** [*only one candidate shall be nominated for each position*]: _____

2. **Name of Firm** [*Insert name of firm proposing the staff*]: _____

3. **Name of Staff** [*Insert full name*]: _____

4. **Date of Birth:** _____ **Nationality:** _____

5. **CNIC No** (if Pakistani): _____ **or Passport No:** _____

6. **Education:**

<i>Degree</i>	<i>Major/Minor</i>	<i>Institution</i>	<i>Date (MM/YYYY)</i>

7. **Membership of Professional Associations:** _____

8. **Other Training** [*Indicate significant training since degrees under 6 - Education were obtained*]:

9. **Languages** [*For each language indicate proficiency: good, fair, or poor in speaking, reading, and writing*]:

10. **Employment Record** [*Starting with present position, list in reverse order every employment held by staff member since graduation, giving for each employment (see format here below): dates of employment, name of employing organization, positions held.*]:

<i>Employer</i>	<i>Position</i>	<i>From (MM/YYYY)</i>	<i>To (MM/YYYY)</i>

11. Detailed Tasks Assigned

[List all tasks to be performed under this assignment]

12. Work Undertaken that Best Illustrates Capability to Handle the Tasks Assigned

[Among the assignments in which the staff has been involved, indicate the following information for those assignments that best illustrate staff capability to handle the tasks listed under point 11.]

1) Name of assignment or project & Location: _____ Cost of Project _____

Date of Start _____ Date of Completion _____

Actual Time Spent on the Project: _____ in months.

Client: _____

Main project features: _____

Positions held: _____

Activities performed: _____

2) Name of assignment or project & Location: _____ Cost of project _____

Date of Start _____ Date of Completion _____

Actual Time Spent on the Project: _____ in months.

Client: _____

Main project features: _____

Positions held: _____

Activities performed: _____

*Please must attach certificate/evidence to prove experience and working on project.

13. Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications, and my experience. I understand that any wilful misstatement described herein may lead to my disqualification or dismissal, if engaged.

[Signature of staff member or authorized representative of the staff] Date: _____
Day/Month/Year

Full name of authorized representative: _____

Annex – D “Relevant Experience of the Firm”

Relevant Experience		
Sr. #	Required Information	Response
1	Name of the Client	
2	Scope of work performed	
3	In no more than 100-150 words please elaborate your role in relevant consultancy assignment	Attach a separate Page
4	Sector/Industry	
	Key Deliverables	
	Duration of consultancy assignment	

* Please submit certificate/evidence that the work was successfully completed by the firm.

Annex – E Cover Letter for the Submission of Expression of Interest

[Firm letterhead]

[Date]

To

Chief Executive Officer

[Address mentioned in Data Sheet]

Re: Expression of Interest (EOI) in respect of [Insert title of assignment]

Dear Sir,

We offer to express our interest to conduct consultancy Services for [Insert title of assignment] in accordance with your EOI dated [Insert Date of Tender advertised].

We hereby declare that all the information and statements made in this expression are true and accept that any misinterpretation contained therein may lead to our disqualification. Our expression is binding upon us and subject to the modifications resulting from contract negotiations. We undertake that we will initiate the services as per the client's request if our proposal is accepted. We understand that you are not bound to accept any or all proposals you receive.

Thank you.

Yours sincerely,

Signature

Name and title of signatory: