

# PUNJAB SKILLS DEVELOPMENT FUND

## REQUEST FOR PROPOSAL (RFP)

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HIRING OF CONSULTING FIRM FOR ENTERPRISE-WIDE  
RISK MANAGEMENT

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**January, 2018**



**Submission Date for Bid/Proposal 7<sup>th</sup> February 2018**

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## **1. BACKGROUND**

Punjab Skills Development Fund (PSDF) is a section 42, not-for-profit Company set up under the Companies Ordinance 1984 by the Government of the Punjab in partnership with Department for International Development (DFID) UK. Punjab Skills Development Fund is governed by an independent Board of Directors.

PSDF's vision is to improve income generation opportunities for the poor and the vulnerable population of Punjab by enabling skills development through promotion of a competitive skills training market. From January 2016, PSDF expanded its operations in all thirty-six (36) districts of Punjab with the assistance of Government of the Punjab, DFID, and World Bank respectively.

## **2. INVITATION TO BIDS: -**

Punjab Skills Development Fund (PSDF), invites sealed bids/ proposals for the hiring of Consulting Firm having sound knowledge of Enterprise-wide Risk Management (ERM). A technical and financially qualified Consulting Firm will be engaged following a competitive bidding process for a period of five months.

## **3. INSTRUCTIONS TO CONSULTING FIRM**

PSDF procurement rules 2016 will be applicable for the entire bidding process. The selection of Consulting Firm will be based on Quality and Cost Based Selection (QCBS) method where 80% weightage will be given to quality and 20% to cost.

PSDF will adopt Two Stage Bidding Procedure. In first instance, the Consulting Firm shall submit according to the required specifications, a technical proposal without quoting price.

The bidders shall submit a technical proposal as per requirements without quoting price. The technical proposal of the bidders fulfilling the eligibility criteria shall be evaluated in accordance with the specified criteria, and may be discussed with the bidders regarding any deficiencies and unsatisfactory technical features. After such discussions, if required, all the eligible bidders shall be permitted to revise their respective technical proposals to meet the requirements. The bidders, whose technical proposals or bids have not been rejected and who are willing to conform their bids to the revised technical requirements of PSDF, may submit a revised technical proposal.

The revised technical proposal (if required) will be evaluated based on evaluation criteria and qualified bidders will be asked to submit the financial proposal. Proposals scoring highest score based upon quality and cost based selection will be shortlisted. Financial bids will be opened for those Proposals who achieve minimum 65% or above marks.

## **4. CONDITIONS FOR ELIGIBILITY**

The successful Consulting Firm, fulfilling the following criteria, will be considered eligible for the bidding process of ERM consultancy:

- (a) Affiliated with Reputable Global Firm;
- (b) Have at least five (05) years of professional experience in undertaking Enterprise-wide Risk Management assignments;

- (c) Have at least ten (10) partners and twenty (20) qualified accountants as full-time employees of the firm (ACA, CPA, ACMA & ACCA);
- (d) Signed affidavit indicating that firm is not blacklisted by any government, semi government or autonomous body;
- (e) Provide NTN and GST/ PST number, (if applicable) in the name of the bidding firm.
- (f) Firm must have annual turnover of PKR 100 million.

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

Annex – A: Organization Information (Form ‘A’)  
Annex – B: Eligibility Response Checklist

## 5. OBJECTIVE OF THE ASSIGNMENT

The objectives of the assignment are to:

- a) Develop a clear understanding of business objectives and identify risks involved in achieving the same;
- b) Identify risks at strategic level and across all departments of PSDF;
- c) Gauge the severity of risks and their impact on achieving the strategic business and departmental objectives;
- d) Identify existing controls and, where necessary, make recommendations for improvement to manage risks cost-effectively;
- e) Categorize events, if occurred, could affect PSDF’s ability to achieve its business objectives; and
- f) Train management and staff in identifying and mitigating risks related to their work.

## 6. SCOPE OF ASSIGNMENT

PSDF requires performing Enterprise-wide Risk Management (ERM) activity at:

- Strategic level;
- Department level; and
- Functional/Business Unit level.

The scope of work shall consider at minimum, but not limited to, the following:

### 6.1 Internal Environment: -

The Consulting Firm should analyze the internal environment of the Company and obtain an understanding of the business, Board’s and Management approach towards risk management and

governance matters. The Consulting Firm also needs to develop risk appetite statements(s) of the Company while taking into account the risk universe in which the business operates.

## **6.2 Objective Setting: -**

The Consulting Firm should evaluate the objective setting process of the Company and determine whether strategy devised to achieve them is consistent with the risk appetite of the Company. Recommend action plan, if required, to align strategy with risk appetite.

Also, deliberate with the Head of Departments and take into account, if their departmental/functional (i.e. operational, reporting, compliance etc.) objectives have been devised to achieve overall business objectives of the Company.

## **6.3 Event Identification: -**

The Consulting Firm should perform risk analysis exercise and identify risks and opportunities from external and internal sources that best relates to the business of the Company. Define appetite of each risk so that response of the same could be devised accordingly.

Opportunities identified should be translated into strategies to achieve the business objectives.

## **6.4 Risk Assessment: -**

The Consulting Firm should conduct meetings with Head of Departments to obtain understanding of business processes and identify risks at functional/business unit level, which when consolidated will translate into departmental risks. The risks should be identified at two levels namely:

- *Inherent risk*: that is built into process or function prior to the application of internal controls; and
- *Residual risk*: the risk remaining after the application of internal controls.

The Consulting Firm should also measure the risks from the perspective of likelihood and impact of occurrence. Qualitative and quantitative measures need to be considered while evaluating the likelihood and impact of risks.

## **6.5 Risk Response: -**

The Consulting Firm should identify and select possible responses to risk, but not limited to, as below:

- *Mitigate*: take action to reduce the risk;
- *Avoid*: change strategy or plans or remove the cause;
- *Transfer*: shift liability to third party;
- *Share*: distribute risk among different teams; and
- *Accept*: decide to take the risk.

While developing risk responses, the Consulting Firm should consider at least cost vs. benefit of potential response along with alignment of the same with risk tolerance and appetite of the Company.

## **6.6 Control Activities: -**

The Consulting Firm should review the current control activities at PSDF and benchmark them

against industry best practices. Recommend additional/improved controls, where required. Recommend policies, procedures, techniques and mechanisms that will support management in implementing the responses to the risks identified at risk assessment process.

#### **6.7 Information and Communication: -**

The Consulting Firm should design mechanism for obtaining relevant information and communicating the same internally and externally for the purpose of risk management. For the purpose, the Consulting Firm should at minimum provide the following:

- Key Risk Indicators (KRIs);
- Escalation procedures including timeframe, for new risks identified or change in existing risks;
- Develop reporting procedures defining role and responsibilities of individuals; and
- Methods of communications e.g. hard copy, electronic format, meetings etc.

#### **6.8 Monitoring: -**

The Consulting Firm should recommend procedures for continuous and effective monitoring of risks identified. For this purpose, the Consulting Firm should provide guidelines for on-going and separate evaluation technique to ensure that risk management components/internal controls are working effectively.

#### **6.9 Extend of Coverage: -**

List of all departments of PSDF is given below:

- a) Human Resource;
- b) Administration;
- c) Finance Program;
- d) Program Development;
- e) Monitoring & Evaluation;
- f) Procurement;
- g) Partnership & Placement;
- h) Marketing & Communication;
- i) MIS & IT Department; and
- j) Research and Planning.

#### **6.10 Deliverables: -**

Key deliverables of the assignments are:

- a) ERM Framework (including risk classification) and Risk Management Policy;

- b) Risk Appetite Statement(s);
- c) Risk Registers/Databases;
- d) Detailed Gap Analysis Report against benchmarked Industry Practices;
- e) Risk Maps, Risk Scorecards/Key Risk Indicators (KRI); and
- f) Detailed Project Plan including objectives, methodology and approach to conduct risk assessment.

## 7. TYPE OF CONTRACT & TERMS

Consulting Firm has to comply the following terms:

- (a) The duration of the contract is anticipated to run for a period of five (05) months. If PSDF chooses to cancel the contract during the contract period, a notice period of 1 month will apply.
- (b) Consulting Firm may be required to work at the PSDF premises. In some instances, where necessary, work may be extended to where skill schemes are being implemented.
- (c) All applicable taxes (direct & indirect taxes) will be deducted in accordance with the provisions of Government Rules amended time to time.
- (d) Successful Consulting Firm will sign a contract and will provide the agreed services within the stipulated agreed time of issuance of the service order. While delay in providing services, a penalty at the uniform rate of 5% of contract value on each day delay will be charged in case of delay.
- (e) If the firm completely fails to provide the services within prescribed period of service delivery and doesn't comply with the reminders, Firm may be put to relevant authorities to declare the Firm as "Black Listed".
- (f) In case of any dispute regarding services; the decision of the PSDF shall be final & binding.
- (g) The competent authority may reject all bids or proposals at any time prior to the acceptance of a bid or proposal. PSDF shall upon request communicate to any firm, the grounds for its rejection of all bids or proposals, but shall not be required to justify those grounds.
- (h) The PSDF undertakes to pay the valid invoice within thirty (30) days after the submission of invoice.
- (i) The payments shall be made based on specified deliverables as and when produced and accepted as per the mutually agreed contract clauses.
- (j) The bid shall remain valid for the period of **120 days** from the date of opening.

## 8. CONFIDENTIALITY

- (i) In consideration of the Company agreeing to allow the Consulting Firm to access the Confidential Information, the Consulting Firm agrees to keep in strict confidence all Confidential Information received and shall:

- (a) only use the Confidential Information for the purpose of preparing a Proposal; and
  - (b) Not disclose to any other person or entity any Confidential Information, or that discussions are taking place between the parties concerning the Confidential Information or a Proposal.
- (ii) The Consulting Firm:
- (a) may make the Confidential Information available only to those of its officers or employees (“Personnel”) having a “need to know” in order to prepare the Proposal; and
  - (b) Shall ensure that each of the personnel to whom Confidential Information is disclosed strictly complies with the terms of this Request, and shall take all steps available to enforce the obligations of confidentiality in this section 8.
- (iii) The Consulting Firm agrees to use the same degree of care, but no less than a reasonable degree of care, to protect against the unauthorised disclosure of Confidential Information as it uses to protect its own confidential information. The Consulting Firm agrees to disclose Confidential Information only to its Personnel who are bound by obligations of confidentiality no less restrictive than the provisions of this section 8.
- (iv) The Consulting Firm acknowledges that the provisions of this section 8 are intended to impose an immediately binding legal obligation on the Consulting Firm and the obligation to maintain the confidentiality of the Confidential Information shall continue whether or not the Consulting Firm Quotation is accepted by the Company.

## **9. CONDITIONS FOR PROPOSAL**

Services of successful Consulting Firm will be secured in accordance with the PSDF’s Procurement Policy subject to the following conditions:

- a) Bidders who fail to complete and attach all relevant documents will be disqualified;
- b) All prices quoted must be included of all the applicable taxes.
- c) No proposal document shall be accepted, if not properly sealed and marked;
- d) The PSDF reserves the right to award or not to award this contract.
- e) The PSDF will enter into a formal contract with the successful consulting firm. PSDF reserves the right to terminate the contract should the performance of the consulting firm be unsatisfactory;
- f) The PSDF has the right to verify the information provided in the tender documents, if required;
- g) It is the responsibility of prospective bidders to ensure that their bid documents are submitted before the closing time and date of the tender. Bids received after closing time and date are late and will NOT be considered;
- h) Although adequate thought has been given in the drafting of this document, errors such as typos may occur which the PSDF will not be responsible for;



- i) Any change of information provided in the tender document that may affect delivery should be brought to the PSDF's attention as soon as possible. Failure to comply may result in the contract being terminated; and
- j) Consulting firm presenting information intentionally incorrect or fraudulent will be disqualified.

## 10. EVALUATION CRITERIA

The proposal will be evaluated in accordance with eighty percent (80%) of the technical proposal as well as twenty percent (20%) of the financial proposal.

## 11. GUIDELINES

- a) All documents and information received by PSDF from applicants will be treated in strictest confidence and documents submitted to PSDF will not be returned;
- b) All expenses related to participation in this proposal document shall be borne by the applicants;
- c) All bids/proposals must be accompanied by Call Deposit Receipt (CDR) of PKR 25,000 in the form of Pay Order or Demand Draft favouring Punjab Skills Development Fund. The CDR should be valid for a period not less than 8 months;
- d) Proposals received after due dates, will not be accepted;
- e) PSDF reserves the right to request submission of additional information from applicants to clarify/further understand aspects of technical proposal, if required;
- f) Successful firm will submit a performance guarantee 5% of contract value at the time of signing the contract which will return after completion of contract.

### Postal Address

Procurement Department  
Punjab Skills Development Fund  
21-A, Block H, Dr. Mateen Fatima Road Gulberg II, Lahore  
Phone: +92-42-35752408-10  
Fax: +92-42-3575219

## 12. TECHNICAL PROPOSAL EVALUATION CRITERIA

This document is governed by the procedure approved by PSDF management. The technical proposal of eligible organisations will be evaluated using the scoring guide attached as Annexure – C for first stage. Score will be awarded based on the following details;

Technical proposal should contain following and any additional information and the **copies of all required documents** should be attached in technical proposal for evaluation.

Sr. No.	Category	Marks
1	Overall Capabilities of the Consulting Firm	25

2	Professional Team	35
3	Proposed Methodology	40
<b>Total:</b>		<b>100</b>

**Note:** Technical qualification status shall be decided on the basis of Pass/Fail basis. The Consulting Firm must score at least 65 marks out of 100 for passing.

### 13. PRE-BID MEETING

A pre-bid meeting will be conducted on **31<sup>st</sup> Jan 2018 at 11.00 am** in PSDF office for clarification of queries and more understating of the assignment.

### 14. DECLARATION

Kindly provide the declaration as per format provided below at the end of proposal.

I, \_\_\_\_\_ hereby declare that:

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

Name	
Designation	
Signature	
Date and Place	

### 15. SUBMISSION OF TECHNICAL PROPOSALS

Complete bid containing technical proposals along with all required information & documentary evidences may be delivered to **Procurement Department, PSDF, 21-A, Block H, Dr. Mateen Fatima Road Gulberg II, Lahore** and submit till **7<sup>th</sup> February 2018 before 11.00 am**. Technical proposals will be publicly opened on the same day i.e. **7<sup>th</sup> February 2108 at 12.30 pm** in the presence of bidder's representatives who wish to attend the bid opening.

**ORGANIZATIONAL INFORMATION**

<b>Form A: Firm Profile</b>			
<b>Sr. No.</b>	<b>Required Information</b>	<b>Response</b>	
1	Legal name of the organization		
2	Year of Registration / Establishment of the Organisation		
3	National Tax Number		
4	Core business area(s) of the organization		
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 Organization'		
7	Mobile:		
	Phone/s:		
	Email:		
	Fax:		
	Address of organization:		
	Website address:		
8	Name and designation of 'Contact Person':		
	Phone/s:		
	Mobile:		
	Email:		
	Fax:		

**ANNEXURE – B**
**ELIGIBILITY RESPONSE CHECKLIST**

<b>Sr. No.</b>	<b>Eligibility Information</b>	<b>Available</b>	<b>Requirements</b>
1	Affiliation with reputable Global Firm.	Yes /No	Attach Proof
2	Have at least 5 years of professional experience in undertaking Enterprise-wide Risk Management assignment.	Yes /No	Provide Evidence
3	Have at least ten (10) partners and twenty (20) qualified accountants as full-time employees of the firm (ACA, CPA, ACMA & ACCA).	Yes /No	Attach list on (letter head)
4	Signed affidavit indicating that the firm is not blacklisted by any government, semi government or autonomous body.	Yes /No	Attach affidavit on stamp paper
5	Provide NTN and GST/ PST number, (if applicable) in the name of the bidding firm.	Yes /No	Attach relevant evidence
6	Must have annual turnover of PKR 100 million.	Yes /No	Provide copy of Tax return or audited financial report of last year

**ANNEXURE – C**
**TECHNICAL EVALUATION CRITERIA**

<b>Overall Capabilities of the Consulting Firm</b>				
<b>Sr. No.</b>	<b>Description</b>	<b>Category Points</b>	<b>Grand Total Points</b>	<b>Documents Required</b>
1	Prior knowledge and experience of the Industry: <ul style="list-style-type: none"> <li>• Development Sector</li> <li>• Skills Development Sector</li> </ul>	4 8	<b>8</b>	Attach list of clients of Development Sector and Skills Development Sector (if any) along with nature of assignment.
2	Past experience of the firm (Clientele): <ul style="list-style-type: none"> <li>• International experience</li> <li>• Local experience</li> </ul>	5 10	<b>10</b>	Provide details in Annexure E
3	Size and resources of the firm to conduct the assignment: <ul style="list-style-type: none"> <li>• Less than 150 professional staff</li> <li>• Between 200 to 250 professional staff</li> <li>• More than 250 professional staff</li> </ul>	2 4 7	<b>7</b>	Attach required document
<b>Sub Total</b>			<b>25</b>	
<b>Professional Team</b>				
<b>Sr. No.</b>	<b>Description</b>	<b>Category Points</b>	<b>Grand Total Points</b>	<b>Documents Required</b>
1	Experience of the key staff (Engagement Partner & Managerial Staff) assigned to the project: <ul style="list-style-type: none"> <li>• Greater than 5 and less than 7 years</li> <li>• More than or equal to 7 years</li> </ul>	5 7	<b>7</b>	Provide details in Annexure F
2	Requisite expertise including technical support and subject matter expert.	8	<b>8</b>	
3	Overall Experience and qualification of team deputed for this project: <ul style="list-style-type: none"> <li>• Less than 2 years</li> <li>• Between 2 to 4 years</li> <li>• More than 4 years</li> </ul>	3 6 10	<b>10</b>	
4	Sufficiency of resources allocated including number of hours committed by Engagement Partner, Quality Review Partner, managerial staff and team in-charge etc.	10	<b>10</b>	Provide detail of number of hours committed by project team
<b>Sub Total</b>			<b>35</b>	

<b>Understanding of Assignment &amp; Proposed Methodology</b>				
<b>Sr. No.</b>	<b>Description</b>	<b>Category Points</b>	<b>Grand Total Points</b>	<b>Documents Required</b>
1	Interpretation of scope and objectives of the assignment.	10	<b>10</b>	Provide details in Proposal.
2	Understanding of assignment deliverables.	10	<b>10</b>	
3	Overall methodology adopted and approach to conduct ERM.	15	<b>15</b>	
5	Benchmarking with best practices	5	<b>5</b>	
<b>Sub Total</b>			<b>40</b>	
<b>Grand Total</b>			<b>100</b>	

**ANNEXURE – D**

**RELEVANT EXPERIENCE**

<b>Assignment Sheet 1*</b>		
<b>Sr. No.</b>	<b>Required Information</b>	<b>Response</b>
1	Name of the Client	
2	Scope of work performed	
3	Approach & Methodology used to perform assignment	
4	Key Deliverables	
5	Sector/Industry	
6	Duration of the Assignment	

**\*Note:** For more than one assignment, please use more than one sheets and mark them as Assignment Sheet 2 and Assignment Sheet 3.

**KEY STAFF INFORMATION**

<b>Sr. No.</b>	<b>Required Information</b>	<b>Response</b>
1	Name	
2	Position	
3	Qualification(s)	
4	Number of years of experience	
5	Years of association with the Consulting Firm	
6	Core professional area of work	
7	Details of work experience	
8	Name of similar assignments undertaken	
9	Any other detail	



## **Cover Letter for the Submission of Proposal**

*[Consulting Firm 's letterhead]*

*[Date]*

To

Head of Procurement

*[Address mentioned in Data Sheet]*

**Re:** Proposal in respect of Enterprise-wide Risk Management

Dear Sir,

We offer to provide the consultancy for Enterprise-wide Risk Management in accordance with your Tender for Proposal dated *[Insert Date of Tender advertised]*. We hereby submit our technical proposals including the required documents in a sealed envelope.

We hereby declare that all the information and statements made in these proposals are true and accept that any misinterpretation contained therein may lead to our disqualification. Our proposal 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: