

ORIGINAL



GOVERNMENT OF KHYBER PAKHTUNKHWA
PAKHTUNKHWA ENERGY DEVELOPMENT ORGANIZATION (PEDO)

COMBINED TECHNICAL & FINANCIAL EVALUATION REPORT

FOR

Hiring of Consultancy Services
as Lenders Technical, Legal and Insurance Advisors

(Quality Cost Based Selection)

August 2022

Combined Technical & Financial Evaluation Report
FOR
Hiring of Consultancy Services as Lenders Technical, Legal and Insurance Advisors

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HIRING OF CONSULTANCY SERVICES AS LENDERS TECHNICAL, LEGAL AND INSURANCE ADVISORS

EXECUTIVE SUMMARY

1. INTRODUCTION

Provincial Cabinet in its 58th meeting held on 13th August, 2021, approved funding strategy for PEDO to transform it into a financially independent, self-sustainable entity to continue development and construction of its projects portfolio without dependence on GoKP, other than funds already committed under ADP.

The funding strategy in the 1st phase requires raising Rs 7.2 Billion term loan for construction and completion of ongoing projects, secured against operational hydro Power Stations. Adam Smith International (ASI) under the SEED programme has been mandated by GoKP to raise the funds for which Bridge Factor is appointed as the Transaction Advisor, with Axis Law as the legal counsel. In this regard, PEDO has signed an Indicative Term Sheet with HBL and BOK Consortium on 11.03.2022. In this connection, legal, technical and insurance consultancy is required to Lenders for completion of the loan process.

2. BIDDING PROCESS

The advertisement of the Hiring of Consultancy Services as Lenders Technical, Legal and Insurance Advisors was floated in the national newspaper and published on 28th May 2022. last date for submission was 14th June 2022.

Technical Proposals of the following Firms has been received and opened by the procurement committee in the presence of representatives of bidders on the 14th June 2022.

- | | | |
|---------------------------------------|---|--|
| • <u>LEGAL ADVISOR</u> | • <u>TECHNICAL SERVICES</u> | • <u>INSURANCE SERVICES</u> |
| i. M/s RIAA Barker Gillett, Lahore | i. M/s Renewable Resources Pvt Ltd
Islamabad | i. M/s Shaheenshah Insurance
Brokers, Karachi |
| ii. M/s Vellani & Vellani , Islamabad | | |
| iii. M/s HaiderMota & Co, Lahore | | |
| Total 03 bids were received | Single bid received | Single bid received |

3. EVALUATION CRITERIA

The method of selection of consultants/firm was "Quality & Cost Based Selection" (QCBS) with weightage given to Technical & Financial scores as 60:40 respectively. The following Criteria, sub-criteria, and point system for the evaluation of Full Technical Proposals is mentioned in the RFP.

- **Preliminary Eligibility criteria:** Consulting firm must be filer having valid taxpayer's registration with FBR & KPRA.
- **Detailed Technical Evaluation Criteria**

	Weight	Total Points
(i) Specific experience of the Consultants relevant to the assignment:	100%	40
(ii) Adequacy of the proposed methodology and work plan in responding to the Terms of Reference:		20
(a) Technical approach & Methodology	25%	5
(b) Work Plan	25%	5
(c) Organization & staffing	50%	10
(iii) Key professional staff qualifications and competence for the assignment:	100%	40
(a) Qualification	40%	16
(b) Adequacy for the assignment	40%	16
(c) Experience in region and language	20%	8
Total	100%	100

- **Minimum Technical Score required for Qualification to Open Financial Proposal is 60%**

- **Taxes**

- The Consultant will be subject to all admissible taxes including stamp duty and service charges at a rate prevailing on the date of contract agreement unless exempted by relevant tax authority" (Ref: RFP, Section-3, Instruction to consultant (ITC clause 15).
- Regarding local taxes i.e KPRA Sales tax on services. "Indicate the total costs excluding local taxes to be Paid by the Procuring Entity (PE) in each currency" (Ref: RFP, Section-4, Form, Fin-2 Note-2).

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4. PROCUREMENT COMMITTEE OBSERVATION ON RFP

The instant procurement for the three positions by PEDO finance section is a relatively new assignment as PEDO was having no previous experience of such hiring. The Terms of Reference was obtained by PEDO from the bank consortiums, the PEDO procurement committee during the evaluation of the three different positions has observed that the Request For Proposal (RFP) and the TORs issued to the bidder by the PEDO finance section lack clarity and was difficult to apply. It is pertinent to mention here that the RFP was not vetted from the contract cell.

As the hiring process was essentially required for the successful realization of the mandatory fund arrangement of PKR 7.2 billion, the procurement committee of PEDO therefore continued with the existing evaluation criteria. In order to evaluate all the proposals on uniform level, the PEDO procurement committee therefore used and applied good practices and further added details which could justly serve the purpose of a good evaluation report. The following additions/modifications were made by the procurement committee PEDO prior to the Technical evaluation of all the proposals, where the RFP was deficient with respect to evaluation criteria mentioned in Section 2. Instruction to Consultants(ITC)-Data Sheet S# 13.1

(i). As narrated above, although 40 points were allocated for the Consultant Proposal Evaluation under the "Specific Experience" criteria mentioned in Section 2. Data Sheet ITC 13.1 but the number of projects were not mentioned. Therefore, for the purpose of uniformity, the maximum number of projects were fixed at 5 with each project carrying 8 points.

(ii). Similarly, as narrated above, although 40 points were allocated for evaluation of Key staff, however the number of key staff, their position, qualification etc. was not mentioned. The procurement committee therefore evaluated the key staff under the following bench mark.

- A total of 4 key staff was evaluated in each of the three proposals, each position was assigned 2.5 points and out of 10 points.
- Basic Qualification for the Key professional staff was set as Masters/16 years' education in relevant field.
- Maximum 4 assignments with 4 points for each assignment were fixed for adequacy of the assignment.

5. TECHNICAL EVALUATION OF PROPOSALS:
5.1 PRELIMINARY ELIGIBILITY CRITERIA:

All the three positions were initially examined under the preliminary eligibility criteria as follow:

1) **Legal Advisor:** The Technical Proposals of M/S RIAA Barker Gillette Islamabad and M/S Hader Mota & Co Advocates Lahore was found Responsive to the preliminary eligibility criteria while one bidder M/s Vellani & Vellani Islamabad, did not pass the preliminary eligibility criteria as the firm has failed to provide the KPRA registration and hence was declared as Non-Responsive.

- 2) **Technical Advisors:** The Single bid from M/s Renewable Resources Pvt Ltd Islamabad, was evaluated as Responsive as the firm Technical Proposal has passed the preliminary eligibility Criteria.
- 3) **Financial Advisor:** The Single bid from M/s Shaheenshah Insurance Brokers Karachi, was evaluated as Responsive as the firm Technical Proposal has passed the preliminary eligibility Criteria.

5.2 DETAILED TECHNICAL AND FINANCIAL EVALUATION:

5.2.1 LEGAL ADVISOR

Bidder no.1: M/s RIAA Barker Gillette Lahore

- Technical Evaluation:

Firm Specific Experience: The Technical Proposal of the bidder was evaluated and the bidder has scored a Technical score of 32 out of 40 marks.

Approach & Methodology: The Technical Proposal of the bidder was evaluated against the RFP Criteria and the bidder has scored a Technical score of 18 out of 20 marks.

Qualification of Key Personnel: The bidder has proposed all the positions and obtained a Technical Score of 40 out of 40 marks.

Results of Technical Evaluation: The bidder has scored a total of 90 out of 100 points and passed the mandatory 60% qualifying criteria for opening of their Financial Proposal. The Technical Result of the bidder was approved by the Management Committee PEDO in its 30th Meeting held on 15th August 2022 and the financial proposal of the bidder was opened by the procurement committee on 17th August 2022.

- Financial Evaluation:

The bidder M/s RIAA Barker Gillette Lahore has offered a Lump sum bid price of PKR. 4,000,000 (Pak Rupees Four Million) in the Financial Proposal Submission FORM Fin-1 which is exclusive of out pocket expenses i.e Fin-5 "Breakdown of Reimbursable Expenses". The bidder intends to bill the out of pocket expenses as per actual. Moreover, the bidder did not fill Form Fin-2, 3, 4 & 5 of the RFP therefore break up of his Financial Bid Price is also not available.

During a clarification request from the employer, the bidder stated that a sum of Rs. 200,000 will be charged additionally over and above the quoted bid price, the procurement committee therefore during evaluation added an amount of Rs.200,000 so that all the bidders are evaluated at par.

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The Bidder **M/s RIAA Barker Gillette Lahore** obtained 92.10 Points out of 100 and ranked second. (54 Technical Points and 38.10 Financial Points).

Bidder no.2: M/s Haider Mota & Co Advocates Lahore

• **Technical Evaluation:**

Firm Specific Experience: The Technical Proposal of the bidder was evaluated and the bidder has scored a Technical score of 40 out of 40 marks.

Approach & Methodology: The Technical Proposal of the bidder was evaluated against the RFP Criteria and the bidder has scored a Technical score of 18 out of 20 marks.

Qualification of Key Personnel: The bidder has proposed all the positions and obtained a Technical Score of 40 out of 40 marks

Results of Technical Evaluation: The bidder has scored a total of 98 out of 100 points and passed the mandatory 60% qualifying criteria for opening of their Financial Proposal. The Technical Result of the bidder was approved by the Management Committee PEDO in its 30th Meeting held on 15th August 2022 and the financial proposal of the bidder was opened by the procurement committee on 17th August 2022.

• **Financial Evaluation:**

The bidder **M/s Haider Mota & Co Advocates Lahore** has offered a Lump sum bid price of PKR. 4,000,000/- in the Financial Proposal Submission FORM Fin-1. The bidder has also indicated that the bid price includes out of pocket expenses, however the bidder did not fill the detail as require in Form Fin-5 of the RFP therefore break up of his Financial Bid Price is not available.

During a clarification request from the employer, the bidder stated that a sum of Rs. 4000 only will be charged as out of pocket expenses.

The Bidder **M/s Haider Mota & Co Advocates Lahore** obtained a combined Score of 98.80 Points out of 100 and ranked First. (58.80 Technical Points and 40 Financial Points).

5.2.2 TECHNICAL ADVISOR

Bidder no.1: M/s Renewable Resources Pvt Ltd Islamabad: (Single Bid)

- Technical Evaluation:

Firm Specific Experience: The Technical Proposal of the bidder (Single bid) was evaluated and the bidder has scored a Technical score of 40 out of 40 marks.

Approach & Methodology: The Technical Proposal of the bidder was evaluated against the RFP Criteria and the bidder has scored a Technical score of 18 out of 20 marks.

Qualification of Key Personnel: The bidder has proposed all the positions and obtained a Technical Score of 40 out of 40 marks

Results of Technical Evaluation: The bidder has scored a total of 98 out of 100 points and passed the mandatory 60% qualifying criteria for opening of their Financial Proposal. The Technical Result of the bidder was approved by the Management Committee PEDO in its 30th Meeting held on 15th August 2022 and the financial proposal of the bidder was opened by the procurement committee on 17th August 2022.

- Financial Evaluation:

Single bid from **M/s Renewable Resources Pvt Ltd Islamabad** has been received for Technical Advisor, the single bidder has offered a bid price of PKR. 3,958,076/- in the Financial Proposal Submission FORM Fin-1. In FORM FIN-4 "Breakdown of Remuneration" an arithmetic error was noted in the unit multiplication and the overall summation. After necessary correction, an amount of Rs. 201,924/- was added to the read out bid price of the bidder and the revised bid price of the bidder was found to be PKR. 4,160,000/-

The Bidder **M/s Renewable Resources Pvt Ltd Islamabad** obtained a combined score of 99 Points out of 100 and ranked First. (59 Technical Points and 40 Financial Points).

5.2.3 INSURANCE ADVISOR

Bidder no.1: M/s Shaheenshah Insurance Brokers Karachi: (Single Bid)

- Technical Evaluation:

Firm Specific Experience: The Technical Proposal of the bidder (Single bid) was evaluated and the bidder has scored a Technical score of 16 out of 40 marks.

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Approach & Methodology: The Technical Proposal of the bidder was evaluated against the RFP Criteria and the bidder has scored a Technical score of 19 out of 20 marks.

Qualification of Key Personnel: The bidder has proposed all the positions and obtained a Technical Score of 32 out of 40 marks.

Results of Technical Evaluation: The bidder has scored a total of 67 out of 100 points and passed the mandatory 60% qualifying criteria for opening of their Financial Proposal. The Technical Result of the bidder was approved by the Management Committee PEDO in its 30th Meeting held on 15th August 2022 and the financial proposal of the bidder was opened by the procurement committee on 17th August 2022.

• **Financial Evaluation:**

The bidder **M/s Shaheenshah Insurance Brokers Karachi** has offered a bid price of PKR. 10,000,000/- in the Financial Proposal Submission FORM Fin-1 and has also provided detail of cost as require in FORM FIN-3, 4&5 respectively. Examination of the bidder FORM FIN-3 reveals that the bidder while providing the Breakdown of Costs by Activity has allocated Rs. 10 Million as Remuneration. Rs. 1.5 Million as Reimbursable Expenses (Estimated Amount) and the Resultant Totals for the two breakdown of costs has been shown as Rs. 11.5 Million which does not match with the bidder letter of price bid FORM FIN-1.

Moreover, the bidder as per FORM FIN-4 has provided breakdown of Remuneration for Local Staff. The staff –month rate proposed by the bidder when applied during the evaluation confirm a deviation of Rs. 2,000,000 (Pak Rupees Two Hundred thousand) vis a vis the bid price offered by the bidder in FORM FIN-1.

Similarly, in FORM FIN-5, Breakdown of Reimbursable Expenses, the bidder though has mentioned Two Way Local Flights (Khai/Lhr to Pew) however the bidder did not price and indicated it will be charged as per actual. During Evaluation, the procurement committee added Rs. 70,000 against this item to derived an evaluated bid price. An error in the summation was also observed in the Total provided by the bidder in FORM FIN-5. Their Evaluated bid is PKR.9,225,000/- and corrected bid price is PKR.9,155,000/-

The Bidder **M/s Shaheenshah Insurance Brokers Karachi** obtained a combined score of 80 Points out of 100 and ranked First (40 Technical Points and 40 Financial Points).

6. RECOMMENDATIONS OF THE PROCUREMENT COMMITTEE

6.1 LEGAL ADVISOR

- 1) M/s Haider Mota & Co Advocates, Lahore has scored 98.80 out of 100 marks in the combined Technical & Financial Evaluation and is Ranked-1
- 2) The Procurement Committee recommends to the Management Committee of PEDO to approve the combined Technical & Financial Evaluation Report for the position of Legal Advisor. The Procurement committee further recommends to allow the Director Finance PEDO to issue Letter of Acceptance, commence Contract negotiation (discussion on applicable taxes and KPRA Sales Tax), And award of contract to the Ranked-1 firm M/s Haider Mota & Co Advocates, Lahore who offered a bid price of PKR 4,000,000/- (Rupees: Four million only).

6.2 TECHNICAL ADVISOR

- 1) The single Complying bid from M/s Renewable Resources Pvt Ltd Islamabad, has scored 99 out of 100 points in the combined Technical & Financial Evaluation and is Ranked-1
- 2) The Procurement Committee recommends to the Management Committee of PEDO to approve the combined Technical & Financial Evaluation Report for the position of Technical Advisor. The Procurement committee further recommends to allow the Director Finance PEDO to issue Letter of Acceptance, commence Contract negotiation as per KPPRA Rule 42A (reduction in cost and discussion on applicable taxes and KPRA Sales Tax), And award of contract to the Single Complying Bidder M/s Renewable Resources Pvt Ltd Islamabad on the arithmetically corrected bid price of PKR 4,160,000/- (Rupees: Four million and One Hundred Sixty Thousand only).

6.3 INSURANCE ADVISOR

- 1) The single complying bid from M/s Shaheenshah Insurance Brookers Karachi, has scored 80 out of 100 points in the combined Technical & Financial Evaluation and is Ranked-1.
- 2) The Procurement Committee recommends to the Management Committee of PEDO to approve the combined Technical & Financial Evaluation Report for the position of Insurance Advisor. The Procurement committee further recommends to allow the Director Finance PEDO to issue Letter of Acceptance, commence Contract negotiation as per KPPRA Rule 42A (reduction in cost and discussion on applicable taxes and KPRA Sales Tax), And award of contract to the Single Complying Bidder M/s M/s Shaheenshah Insurance Brookers Karachi on the arithmetically corrected bid price of PKR 9,155,000/- (Rupees: Nine million and One Hundred Fifty-Five Thousand only).