



PAKISTAN INDUSTRIAL DEVELOPMENT
CORPORATION (PIDC)



REQUEST FOR PROPOSAL (RFP)

Procurement of Consultancy Services

for

Cost Analysis & Detailed Study of Cement Prices in Pakistan

National / International Competitive Bidding

[Procurement No. PL/PRO/1(537)]

Manager (R&E)

Pakistan Industrial Development Corporation (PIDC)

Ministry of industries & Production, Govt of Pakistan

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May 2022

Part A

LETTER OF INVITATION (TECHNICAL & FINANCIAL PROPOSALS)

To: -----

Subject: **Request for Consultancy Services for Cost Analysis & Detailed Study of Cement Prices in Pakistan**

Pakistan Industrial Development Corporation (PIDC), a government-owned company under the administrative control of Federal Ministry of Industries & Production, intends to procure services of Consulting firm for cost analysis and detailed study of Cement Prices in Pakistan.

The Financial Proposal shall be on **Lump sum** basis. Standard Consultancy Contract for Lump Sum Assignments will be used.

This Request for Proposal (RFP) consists of the following Parts:

- Part A – Letter of Invitation
- Part B – Instructions to Consultant
- Part C – Terms of Reference / Scope of Work
- Part D – Selection Criteria
- Part E – Submission Forms
- Part F – Draft Contract Agreement

Location

Pakistan

Consulting firms with similar nature of experience are invited to submit their proposals against the RFP document.

The interested firms are requested to submit their Technical and Financial proposals in Single Stage Two Envelope Procedure alongwith Bid security of an amount not less than Rs. 50,000 (rupees fifty thousand only) by **2nd June, 2022** till **11 am PKT** at below mentioned address.

As per provision in para 33 of PPRA Rules-2004, PIDC reserves the right to accept or reject any / all Bid(s), & to annul the bidding process, at any time prior to award of Contract.

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Part B

Instructions to Consultants

This part of the RFP describes the terms and conditions for the submission of the proposal.

- B.1. Submission of Bids and all communication/enquiries about this RFP must be made in writing.
- B.2. The Proposal may comprise the documents and forms listed in Part E (preferable).
- B.3. **Single Stage Two Envelope** bidding process will be adopted.
- B.4. The Technical Proposal shall not include any financial information. A Technical Proposal containing financial information shall be declared non-responsive.
- B.5. An authorized representative of the Consulting firm shall stamp and sign the original submission letters in the required format for both the Technical Proposal & Financial Proposal and shall initial and stamp all pages of both. The authorization should be in the form of a written power of attorney attached to the Technical Proposal.
- B.6. Consulting firm need to submit one original and one true copy of technical proposal. The signed Proposal shall be marked "ORIGINAL", and its copy marked "COPY" as appropriate. All copies shall be made from the signed original. If there are discrepancies between the original and the copy, the original shall prevail.
- B.7. The original and copy of the Technical Proposal shall be placed inside a sealed envelope clearly marked "TECHNICAL PROPOSAL" followed by the name of the assignment, name and address of the Consultant.
Similarly, the Financial Proposal shall be placed inside a sealed envelope clearly marked "FINANCIAL PROPOSAL" followed by the name of the assignment, name & address of the Consultant, and with a warning "DO NOT OPEN WITH THE TECHNICAL PROPOSAL."
- B.8. Proposals should accompany a bid security of an amount not less than **Rs. 50,000 (rupees fifty thousand only)** in the form of Pay Order from any scheduled Bank of Pakistan in favor of the Employer 'Pakistan Industrial Development Corporation Pvt. Ltd. (PIDC)'. No bid may be withdrawn before expiration of the bid validity period. Withdrawal of a bid during this interval may result in the bidder's forfeiture of its bid security (earnest money).
- B.9. The sealed envelopes containing Technical & Financial Proposals, & Bid Security; shall be placed into one outer envelope and sealed. This outer envelope shall bear the submission address, the name of the assignment, Consultant's name and the address.
- B.10. Bid validity period is 4 months (extendable as per PPRA rule 26).
- B.11. Any bid not accompanied by an acceptable Bid Security shall be rejected by the Employer as non-responsive.
- B.12. The bid securities of unsuccessful bidders will be returned upon award of contract to the successful bidder or on the expiry of Bid validity whichever is earlier.
- B.13. The Bid Security of the successful bidder will be returned after **28 days** of signing of contract with successful bidder.
- B.14. The formal Agreement between the Employer and the successful bidder shall be executed within **fourteen (14) days** of the receipt of Letter of Acceptance by the successful bidder.

- B.15. Failure of the successful bidder to comply with above requirements may constitute sufficient grounds for the annulment of the award and forfeiture of the Bid Security.
- B.16. No advance payment will be given to successful bidder for this work/ assignment/ job.
- B.17. The proposals prepared by the Bidder and all correspondence and documents relating to the proposals, exchanged by the Bidder shall be written in the English language, provided that any printed literature furnished by the Bidder may be written in another language so long as accompanied by an English translation of its pertinent passages in which case, for purposes of interpretation of the Bid, the English translation shall govern.
- B.18. Technical Proposal will be opened on same day after the deadline for their submission in the presence of pre-qualified bidders who wish to attend. The envelope containing the Financial Proposal shall remain sealed and securely stored.
Financial Proposal of the technically qualified firms would be opened in the presence of bidder's representative, for which time & date shall be intimated in due time.
- B.19. The evaluation committee shall evaluate the Technical Proposals on the basis of their responsiveness to the RFP, applying the selection criteria and point system specified in Part D2. Each responsive Proposal shall be given a technical score. A proposal shall be rejected at this stage if it does not respond to important aspects of the RFP or if it fails to achieve the minimum technical score indicated in Part D2.
Financial bids of consultants who passed in Technical Evaluation would be opened only and will be evaluated as per "**Quality and Cost Based Selection (QCBS)**". Consultant will need to submit financial proposal as per form provided in Part E.
- B.20. If an RFP is determined to be unclear or deficient in some aspects but these deficiencies are capable of being clarified or remedied, the evaluation committee may prepare a list of queries and provide these to consultant with an opportunity to clarify or remedy its RFP. If the clarifications and amendments by the Consultant do not overcome the deficiencies, the evaluation committee may, at its sole and absolute discretion, decide to reject the Proposal.
- B.21. Client have a right to amend the RFP by issuing an amendment in writing before submission deadline. The amendment shall be sent to all Consultants and will be binding on them.
- B.22. The Consultant shall submit a signed and stamped complete Proposal comprising the documents and forms. The submission shall be done by hand or by courier only, no telegraphic or conditional bid will be accepted.
- B.23. In order to clarify the bidder(s) queries for the captioned work, the pre-bid meeting has been scheduled on **24th May, 2022** at below-mentioned address at **11:00 am**.
- B.24. The interested firms are requested to submit their Technical and Financial proposals by **2nd June, 2022** till **11 am PKT**. Technical Bids would be opened on the same day at **11:30 am**.
- B.25. PIDC reserves the right to accept or reject any or all Proposals as per PPRA rules.

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Part C

Terms of Reference

INTRODUCTION

Pakistan Industrial Development Corporation (PIDC), a government-owned company under the administrative control of Federal Ministry of Industries & Production, intends to procure services of Consulting firm for cost analysis and detailed study of Cement Prices in Pakistan. Suitable Consultant will at least have demonstrable experience of similar undertakings with satisfactory delivery. They should have adequately qualified and well-trained human resource required for this project.

BACKGROUND

- Cement is the basic construction material and Pakistan is self-sufficient in its production for domestic consumption as well as exports.
- Recently, a significant hike in its price has adversely affected the construction industry in both public and private sectors of Pakistan.
- The impact of this price hike is more severe on low and middle-income citizens.

SCOPE OF THE STUDY

- The recent increase in the price of cement has become a matter of great concern for the government as it has caused stoppage / slowing down of works under public sector development projects.
- Moreover, numerous complaints regarding this increase are being received from the citizens. Thus, affordable prices of cement need to be ascertained.
- In order to have a thorough analysis of this price hike, a study is being undertaken which will cover an in-depth analysis of all costs in the production of cement.
- The study will help in identifying the dominant push factors of this price hike, thus, enabling the government to take appropriate remedial measures besides aiding in future policy making.
- The study should also analyze profit margin of cement manufacturers and suggest sale price of cement while taking into account profit earning.

SPECIFIC TASKS / DELIVERABLES

- The consulting firm will undertake cost analysis of at least two cement producing units in each province.
- Among the units chosen for this study, 4 units may belong to major companies in the sector in terms of their production capacity and market share (in view of their economies of scale).
- For prices, the consulting firm may choose distant retail markets of those units.
- The study may include a thorough analysis of costs and prices of cement with reasons for increase during years 2019-20 and 2021-22.
- Particularly, a summary of yearly analysis for years 2019-20 to 2020-21 may be incorporated in the study as per **Annex-A**.
- In view of recent surge in cement price, the study may include last one year price increase and analyse its justification whether it is appropriate or exorbitant.
- The cost analysis of 2021-22 may be presented on monthly basis as per **Annex-B**.
- The cost figures must be reconciled with Annual Audited Financial Statements of the companies.

SUBMISSIONS

- Signed and Stamped 03 sets of copies of consolidated detailed study.
- Video Animation/ Animated Presentation/ Virtual Presentation covering all Scope of Work.

TIME PERIOD

The consulting firm will submit final analysis report within 2 months of date of signing of the agreement.

PAYMENT

The payment will be made through cross-cheque to the consulting firm on the submission of verified deliverables as per below:

- 50% upon draft submission of report.
- 50% upon final submission of report after client review and acceptance.

Part D

Selection Criteria

Technical and Financial Evaluation will be based on Quality and Cost Procedure with 70/30 Rule.

D1. Mandatory Requirement

Consulting firms must meet below requirement.

- Company profile with Name, Address, Legal Status (i.e., Proprietorship, Partnership, Limited company, etc.) and years of relevant and general experience of the firm
- Proof that the firm is a registered entity as per law with minimum 5 years of experience
- Valid NTN Certificate from Federal Board of Revenue (should be an Active Taxpayer)
- Valid Sales Tax Certificate from concerned Tax Authority
- Affidavit on stamp paper for firm not blacklisted or in litigation on any project or by any organization
- Completion certificate of at least two (02) assignments of similar nature costing atleast PKR 1.5 million each.

D2. Technical Evaluation

To qualify technical criteria, applicant must score an aggregate 65 marks out of 100.

Evaluation will be based on the Applicant's General/ Relevant Experience, Personnel Capabilities, Working methodology and financial capacity.

S. No.	Category	Weightage / Marks
A	Relevant Experience	40
B	Personnel Capabilities	30
C	Methodology	15
D	Financial Turnover	15

The further detailed criteria for each category are described below:

S. No.	Description	Max. Marks
A	General/ Relevant Experience	40
	Assignments of similar nature and complexity completed during last 15 years (Provide documentary proof of completion of each assignment)	
1	Successful completion of at least two (02) assignments of similar nature costing atleast PKR 1.5 million each (max. 2 assignments)	20
2	Successful completion of at least one (01) assignment of detailed study of cement industry	10
3	Successful completion of at least one (01) assignment of cost analysis of cement industry	10

B	Personnel Capabilities The consultant shall submit the CV's and copies of educational certificates / documents of proposed staff, along with their valid registration with national or international registration body.	30
1	Team Leader / Project Manager Min. Bachelors with 15 years' experience - (8 Marks) <ul style="list-style-type: none"> • 2 additional marks for Master's in Project Management or any certified Project Management Certification 	10
2	Economic & Financial Expert - (02 Qualified Staff) Min. FCA/FCMA/Fellow Member of any Professional Body with 15 years' experience	10
3	Engineers - (02 Qualified Staff) Min. Bachelors in Civil/ Mechanical/ Industrial with 15 years' experience	10
C	Working Methodology Consultant have to submit their working methodology in the technical proposal. Consultant's will may also give a presentation on this before the finalization of evaluation of technical proposal submitted by them. <i>Note: the marks on the methodology and schedule will be given fairly at the sole discretion of client / Procurement committee. The consultants agree that they will have no objection on the client's decision.</i>	15
D	Financial Capacity Average Annual Turnover for last 3 Years in PKR Million 0.1 Marks per million	15
	Total	100

I. Financial Evaluation

The financial proposal of all technically qualifying firms as per specified minimum threshold would be opened simultaneously in the presence of their representatives who care to attend. The formula for determining the financial score is the following:

$$S_f = 100 F_1 / F_b$$

Where:

$$S_f = \text{Financial score}$$

$$F_1 = \text{Lowest financial bid}$$

$$F_b = \text{Financial Bid (the price of the proposal under consideration)}$$

The weights given to the Technical and Financial proposals are as under:

Technical Proposal	(T)	=	70%
Financial Proposal	(F)	=	30%

Quality cum cost-based selection (QCBS) will be followed according to their combined technical score (S_t) and financial score (S_f) using the weights (T- the weight given to the technical proposal, F = the weight given to the financial proposal; and $T + F = 1$).

$$S = S_t \times T \% + S_f \times F \% \quad (S \text{ is total score})$$

II. Ranking of Proposals:

- i. Ranking of proposals will be done by applying a weight of 0.70 (or 70 percent) and 0.30 (30 percent) respectively to the technical and financial score of each evaluated qualifying technical and financial proposal and then computing the relevant combined total score for each Consultant.
- ii. The applicant, whose proposal is ranked first, will be invited to negotiate (if require) the terms of the contract to conclude a binding contract agreement. If negotiations prove unsatisfactory, the next ranked applicant will be invited for negotiations, and, so on, to pursue finalization of the contract award.
- iii. The representative(s) conducting negotiations on behalf of the applicants must have written authority to negotiate and finalize the terms of the contract.

Annex – A

Year	Average Cost of One Bag									Average Price of One Bag	
	Raw materials	Transportation/ ocean freight	Energy (coal, electricity, POL and gas)	Remunerations of employees	Maintenance of machinery/ plant/ infrastructure	Interests/ charges on loans	Taxes/duties	Other costs	Total average cost	Ex-Factory	Retail
2019-20											
2020-21											
2021-22											

Month	Average Cost of One Bag									Average Price of One Bag	
	Raw materials	Transportation/ ocean freight	Energy (coal, electricity, POL and gas)	Remunerations of employees	Maintenance of machinery/ plant/ infrastructure	Interests/ charges on loans	Taxes/duties	Other costs	Total average cost	Ex-factory	Retail
Jul-21											
Aug-21											
Sep-21											
Oct-21											
Nov-21											
Dec-21											
Jan-22											
Feb-22											
Mar-22											
Apr-22											
May-22											
Jun-22											

Part E

Submission Forms

This part of the RFP contains the following submission forms;

Form – 1: Information Form

Form – 2: Experience of Consultant

Form – 3: Format of Curriculum Vitae of Proposed Key Staff

Form – 4: Financial Proposal Submission Form

Form – 5: Summary of Cost

Form – 6: Draft Contract

Detailed Study of Cement Prices

INFORMATION FORM

1. Name of Consultant [Lead partner if association or JV]:

· Address:

· Telephone No(s): _____

· E-mail Address: _____

· Registration No. with relevant body along with Registered Office Address:

2. Description of consulting firm (ownership/organization):

3. Experience (Number of Years): _____

· Local/national: _____

· International: _____

· Regional (within the country-details):

4. Name(s) and Address (es) of Associates, if a JV; their short description and description of their role in the JV/Association (proof of association or JV is to be attached at stamp paper):

5. Experience of the Consultants (on appended forms) during the past 15 years: (Form-2)
Specific (Projects related to industrial infrastructure development works):

6. Attach Organization chart showing consultant's structure:

7. Attach Capital of consultant (Financial Statements for the last three years).

- Subsidiaries and associates.
- Annual turnover for the last three years.
- Financial reference [name/address of bank(s)]

8. Attach Professional staff available for the assignment on the appended (Form-3) format for positions mentioned hereinabove.

9. Additional information:

Yours truly,

Name of Authorized Representative:

Position :

Date :

EXPERIENCE OF CONSULTANT

Relevant services carried out in the Last 15 years which best illustrate qualification.

[NAME OF THE FIRM/ CONSULTANT]

1. Name of Assignment :
2. Country :
3. Name of Client :
4. Address :
5. Start Date : Month / Year
6. Completion Date : Month / Year
7. Professional Staff Provided :
8. No. of Staff :
9. No. of Staff Months :
10. Approx.: Value of Services :
11. Name of Other JV Firms (If any) :
12. No. of Staff / Staff Months
Provided by the JV partner(s) :
13. Name/Position of Key Staff :
14. Description of Project :
15. Description of Services
Provided by the Firm :

**FORMAT OF CURRICULUM VITAE
OF PROPOSED KEY STAFF**

1. Name of Personnel: _____
2. Current Position in the Firm: _____
3. Date of Birth: _____
4. Nationality: _____
5. CNIC No (if Pakistani) or Passport No: _____
6. Education:

Degree	Major/Minor	Institution	Date (MM/YYYY)

7. Membership of Professional Associations:
8. Other Training [*Indicate significant training since degrees under 6 - Education were obtained*]:
9. 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)*]:

Employer	Position	From (MM/YYYY)	To (MM/YYYY)

10. Detail of Work Undertaken

Name of assignment or project:

Cost of Project:

Location:

Date of Start:

Date of Completion:

Client:

Main project features:

Positions held: _____ Activities performed:

Actual time spent on the project: _____ in months.

11. 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 willful misstatement described herein may lead to my disqualification or dismissal, if engaged.

Date: __

[Signature of the proposed staff] Day/Month/Year

Date: __

[Counter Signature of authorized signatory] Day/Month/Year

FINANCIAL PROPOSAL SUBMISSION FORM

[Location, Date]

Name

We, the undersigned, offer to provide the consulting services for in accordance with your request for Proposal dated _____, and our Proposal (Technical and Financial Proposals). Our attached financial proposal is for the sum [Amount in words and figures].

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.

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

We remain,

Yours sincerely,

Authorized Signature:

Name and Title of Signatory:

Name of Firm:

Address:

SUMMARY OF COSTS

S.No.	Description	Cost (PKR)
1	Detailed Study of Cement Prices in Pakistan	
	Total	

Note:

The detailed breakup shall be provided by the Consultant.