



REQUEST FOR PROPOSAL

Transaction Advisory Services For

the Acquisition and Procurement of Operations and
Management of Hyderabad Electric Supply
Company (HESCO) & Sukkur Electric Power
Company (SEPCO) Under Public Private
Partnership Mode

March 2023

Government of Sindh
Energy Department

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Section 1: Letter of Invitation.

Letter of Invitation

File No. SOPP:12-2015/Privatization/P-1
[Karachi, Pakistan.

Dear Mr./Ms.:

1. Energy Department, Government of Sindh (hereinafter called “Procuring Agency”) now invites proposals to provide the following consulting services/Transaction Advisory Services for the “Acquisition and Operations and Management of two power distribution companies in the province, Hyderabad Electric Supply Company (‘HESCO’) and Sukkur Electric Power Company (‘SEPCO’) through the mechanism of Public Private Partnership”. More details on the services are provided in the **Terms of Reference**. It is not permissible to transfer this invitation to any other firm.

It is not permissible to transfer this invitation to any other firm.

3. A firm will be selected under **Quality & Cost Based Selection Method (QCBS)** and procedures described in this RFP, in accordance with the SPPR 2010 (amended 2021).
4. This RFP includes the following documents:

Section 1 - Letter of Invitation

Section 2 - Instructions to Consultants (including Data sheet) Section 3

- Technical Proposal - Standard Forms

Section 4 - Financial Proposal - Standard Forms Section

5 - Terms of Reference

Section 6 - Standard Forms of Contract


Yours sincerely,

Mr. Faisal Hussain,
Section Officer (Power),
Energy Department,
Government of Sindh
3rd floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Opposite CM house Karachi.



ENERGY DEPARTMENT GOVERNMENT OF SINDH

REQUEST FOR PROPOSAL

 GOVERNMENT OF SINDH, ENERGY DEPARTMENT EXPRESSION OF INTEREST FOR TRANSACTION ADVISOR	
<p>PROPOSAL BRIEF Government of Sindh through energy department intends to engage services of qualified, trained and experienced Consultants for assessing operations of the SDCs and identifying critical areas for improvement and operation of those mentioned entities through the following means which will be including the financial statement and revenue issues.</p> <ol style="list-style-type: none">To ascertain the level of financial and/or other information regarding the financial status and assessing the financial position of the entities.To analyze the impact of financial and/or other information of those entities and suggesting remedial measures from Government.To provide the level of liquidity in terms of cash requirements.To provide the level of liquidity in terms of cash requirements.To review the position of existing and/or other information of those entities and its liquidity, in terms of terms of equity, assets and liabilities.To review the position of existing and/or other information of those entities and its liquidity, in terms of terms of equity, assets and liabilities.To prepare the bid document for solicitation of bids from qualified participants in the form of a Request for Proposal and other documents and reports on the financial statement documents before the project. Energy Dept and any other issues for seeking approval as required from the Government. <p>2. EVALUATION/ELIGIBILITY CRITERIA</p> <ol style="list-style-type: none">Experience in providing financial and/or other information of those entities.Quality of financial and/or other information of those entities.Quality of financial and/or other information of those entities.Quality of financial and/or other information of those entities. <p>3. TERMS OF REFERENCE FROM THE TRANSACTION ADVISOR SERVICES:</p> <ol style="list-style-type: none">Provide financial and/or other information of those entities and its liquidity, in terms of terms of equity, assets and liabilities.Provide financial and/or other information of those entities and its liquidity, in terms of terms of equity, assets and liabilities.Provide financial and/or other information of those entities and its liquidity, in terms of terms of equity, assets and liabilities.Provide financial and/or other information of those entities and its liquidity, in terms of terms of equity, assets and liabilities. <p>4. OBJECTIVE:</p> <ul style="list-style-type: none">Obtain the financial and/or other information of those entities, including the identification of critical areas, for the Government.Obtain the financial and/or other information of those entities, including the identification of critical areas, for the Government.Obtain the financial and/or other information of those entities, including the identification of critical areas, for the Government.Obtain the financial and/or other information of those entities, including the identification of critical areas, for the Government. <p>5. Bidding Process:</p> <ul style="list-style-type: none">The procurement process shall be conducted in accordance with the National Competitive Bidding using the Double Bid (Bids) and Double Bid method.The procurement process shall be conducted in accordance with the National Competitive Bidding using the Double Bid (Bids) and Double Bid method.The procurement process shall be conducted in accordance with the National Competitive Bidding using the Double Bid (Bids) and Double Bid method.The procurement process shall be conducted in accordance with the National Competitive Bidding using the Double Bid (Bids) and Double Bid method.	<p>KEY REQUIREMENTS:</p> <ul style="list-style-type: none">Carrying out a thorough analysis of the current power distribution system and assessing its suitability for transfer to the beneficiary.Carrying out a thorough analysis of the current power distribution system and assessing its suitability for transfer to the beneficiary.Carrying out a thorough analysis of the current power distribution system and assessing its suitability for transfer to the beneficiary.Carrying out a thorough analysis of the current power distribution system and assessing its suitability for transfer to the beneficiary. <p>ADDRESS FOR SUBMISSION AND OPENING OF BIDS</p> <p>Address: ... Attn: ... Phone: ...</p> <p>SECTION OFFICER (POWER) Mr. Secretary to Govt. of Sindh</p>



No.SOPP:12-2015/Privatization/P-I

**GOVERNMENT OF SINDH
ENERGY DEPARTMENT**

Ph: 02199206449

Karachi Dated: 08th March 2023

CORRIGENDUM / ADDENDUM

**EXPRESSION OF INTEREST
FOR TRANSACTION ADVISOR /
REQUEST FOR PROPOSAL**

CORRIGENDUM:

In addition to earlier advertisements published in daily(s) Jang, Dawn & Kawish dated 18-02-2023 vide No.INF/KRY No.591-2023. It is further informed that:

1. Government of Sindh through Energy Department intends to engage services of a transaction advisor for acquiring ownership of HESCO and SEPCO for onward management and operation through the mechanism of Public Private Partnership (PPP).
2. Transaction Advisor should be a well reputed Law firm / Lead in case of Joint Venture / Consortium / Association/organization having expertise in legal, technical and financial spheres in Energy Sector and which should have rendered such kind of assignment in past regarding distressed assets;
3. In case of consortium / Joint Venture all the partners shall be jointly and severally liable for the entire contract if selected.

ADDENDUM

Request for Proposal (RFP) Document:

Issuance: RFP document can be obtained from the date of publication to 30th March, 2023 till 11:00 am upon submission of a written application and payment of a non-refundable fee of Rs.5000/- (cash) or downloaded from Sindh Public Procurement Regulatory Authority's website or Energy Department's website i.e. www.sindhenergy.gov.pk and be submitted along with the said fee.

Submission: RFP completed in all aspects must be submitted on or before **30th March, 2023 till 3:30 pm.**

Opening: RFP will be opened on **30th March, 2023 at 4:00 pm**

All other terms and conditions shall remain the same as specified in the previous advertisement.

**SECTION OFFICER (POWER)
for Secretary to Govt. of Sindh**

INF-KRY: 881/23

پڑھندی سندھ لے وڈندی سندھ



**GOVERNMENT OF SINDH
ENERGY DEPARTMENT**

Ph: 021-99206449

Karachi dated: 29th March, 2023
No.SOPP: 12-2015/Privatization/P-I

CORRIGENDUM

**EXPRESSION OF INTEREST FOR TRANSACTION
ADVISOR / REQUEST FOR PROPOSAL**

Reference is made to the advertisement published in daily(s) Jang, Dawn & Kawish dated 18-02-2023 vide No.INF/KRY No.591-2023 followed by Corrigendum / Addendum published in daily(s) Dawn and Kawish on 09-03-2023 vide No. INF/KRY No. 881/23. It is informed that:

The schedule related to issuance, submission and opening of RFP for the assignment of engaging services of transaction advisor for acquiring ownership of HESCO & SEPCO for onward management and operation through the mechanism of Public Private Partnership (PPP) is as follows:

Issuance of RFP	From 3rd April, 2023
Submission of RFP	Till 19th April, 2023 at 12:00 noon
Opening of RFP	On 19th April, 2023 at 2:30 P.M.

All other terms and conditions shall remain the same as specified in the previous advertisements.

**SECTION-OFFICER (POWER)
For Secretary to Govt. of Sindh**

INF-KRY: 1179/23

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Section 2: Instructions to Consultants

1. Definitions

- (a) “Procuring Agency (PA)” means the department with which the selected Consultant signs the Contract for the Services.
- (b) “Consultant” means a professional who can study, design, organize, evaluate and manage projects or assess, evaluate and provide specialist advice or give technical assistance for making or drafting policies, institutional reforms and includes private entities, consulting firms, legal advisors, engineering firms, construction managers, management firms, procurement agents, inspection agents, auditors, international and multinational organizations, investment and merchant banks, universities, research institutions, government agencies, nongovernmental organizations, and individuals
- (c) “Contract” means an agreement enforceable by law and includes General and Special Conditions of the contract.
- (d) “Data Sheet” means such part of the Instructions to Consultants that is used to reflect specific assignment conditions.
- (e) “Day” means calendar day including holiday.
- (f) “Government” means the Government of Sindh.
- (g) “Instructions to Consultants” (Section 2 of the RFP) means the document which provides shortlisted Consultants with all information needed to prepare their Proposals.
- (h) “LOI” (Section 1 of the RFP) means the Letter of Invitation sent by the procuring agency to the Consultant.
- (i) “Proposal” means the Technical Proposal and the Financial Proposal.
- (j) “RFP” means the Request For Proposal prepared by the procuring Agency for the selection of Consultants.
- (k) “Sub-Consultant” means any person or entity to whom the Consultant subcontracts any part of the Services.
- (l) “Terms of Reference” (TOR) means the document included in the RFP as Section 5 which explains the objectives, scope of work, activities, tasks to be performed, respective responsibilities of the procuring agency and the Consultant, and expected results and deliverables of the assignment.

2. Introduction

2.1 The Procuring agency named in the Data Sheet will select a consulting firm/organization (the Consultant) from those listed in the Letter of Invitation, in accordance with the method of selection specified in the Data Sheet.

2.2 The eligible Consultants (shortlisted if so) are invited to submit a Technical Proposal and a

Financial Proposal, or a Technical Proposal only, as specified in the Data Sheet. The Proposal will be the basis for contract negotiations and ultimately for a signed Contract with the selected Consultant.

2.3 Consultants should familiarize themselves with rules / conditions and take them into account while preparing their Proposals. Consultants are encouraged to attend a pre-proposal conference if one is specified in the Data Sheet. Attending the pre-proposal conference is, however optional. Consultants may liaise with procuring agency's representative named in the Data Sheet for gaining better insight into the assignment.

2.4 Consultants shall bear all costs associated with the preparation and submission of their proposals and contract negotiation. The Procuring Agency reserves the right to annul the selection process at any time prior to Contract award, without thereby incurring any liability to the Consultants.

2.5 Procuring Agency may provide facilities and inputs as specified in Data Sheet.

3. Conflict of Interest

3.1.1 Consultants are required to provide professional, objective, and impartial advice and holding the Procuring Agency interest paramount. They shall strictly avoid conflict with other assignments or their own corporate interest. Consultants have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of the Procuring Agency, or that may reasonably be perceived as having such effect. Failure to disclose said situations may lead to the disqualification of the Consultant or the termination of its Contract.

3.1.2 Without limitation on the generality of the foregoing, Consultants, and any of their affiliates, shall be considered to have a conflict of interest and shall not be recruited, under any of the circumstances set forth below:

(i) A consultant that has been engaged by the procuring agency to provide goods, works or services other than consulting services for a project, any of its affiliates, shall be disqualified from providing consulting services related to those goods, works or services. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, any of its affiliates, shall be disqualified from subsequently providing goods or works or services other than consulting services resulting from or directly related to the firm's consulting services for such preparation or implementation.

(ii) A Consultant (including its Personnel and Sub- Consultants) or any of its affiliates shall not be hired for any assignment that, by its nature, may be in conflict with another assignment of the Consultant to be executed for the same or for another Procuring Agency.

(iii) A Consultant (including its Personnel and Sub- Consultants) that has a business or family relationship with a member of the Procuring Agency's staff who is directly or indirectly involved in any part of (i) the preparation of the Terms of Reference of the assignment,

(ii) the selection process for such assignment, or (iii) supervision of the Contract, may not be awarded a Contract, unless the conflict stemming from this relationship has been resolved.

Conflicting Relationships

3.2 Government officials and civil servants may be hired as consultants only if:

- (i) They are on leave of absence without pay;
- (ii) They are not being hired by the agency they were working for, six months prior to going on leave; and
- (iii) Their employment would not give rise to any conflict of interest.

4. Fraud and Corruption

It is Government's policy that Consultants under the contract(s), observe the highest standard of ethics during the procurement and execution of such contracts. In pursuit of this policy, the Procuring Agency follows the instructions contained in Sindh Public procurement Rules 2010 which defines:

“corrupt and fraudulent practices” includes the offering, giving, receiving, or soliciting, directly or indirectly of anything of value to influence the act of another party for wrongful gain or any act or omission, including misrepresentation, that knowingly or recklessly misleads or attempt mislead a party to obtain a financial or other benefit or to avoid an obligation;

Under Rule 35 of SPPR2010, “The PA can inter-alia blacklist Bidders found to be indulging in corrupt or fraudulent practices. Such barring action shall be duly publicized and communicated to the SPPRA. Provided that any supplier or contractor who is to be blacklisted shall be accorded adequate opportunity of being heard”.

5. Integrity Pact

Pursuant to Rule 89 of SPPR 2010 Consultant undertakes to sign an Integrity pact in accordance with prescribed format attached hereto for all the procurements estimated to exceed Rs. 2.5 million. (Annex- A)

6. Eligible Consultants

6.1 If short listing process has been undertaken through REOI, as outlined under Rule 73 and 74 of SPPR2010 for the Contract(s) for which these RFP documents are being issued, those firms - in case of Joint Ventures with the same partner(s) and Joint Venture structure - that had been pre-qualified are eligible.

6.2 Short listed consultants emerging from request of expression of interest are eligible.

7. Eligibility of Sub- Consultants

A shortlisted Consultant would not be allowed to associate with Consultants who have failed to qualify the short listing process.

8. Only one Proposal

Shortlisted Consultants may only submit one proposal. If a Consultant submits or participates in more than one proposal, such proposals shall be disqualified. Participation of the same Sub- Consultant, including individual experts, to more than one proposal is not allowed.

9. Proposal Validity

9.1 The Data Sheet indicates Proposals validity that shall not be more than 90 days in case of National Competitive Bidding (NCB) and 120 days in case of International competitive Bidding (ICB). During this period, Consultants shall maintain the availability of Professional staff nominated in the Proposal. The Procuring Agency will make its best effort to complete negotiations within this period. Should the need arise; however, the Procuring Agency may request Consultants to extend the validity period of their proposals. Consultants who agree to such extension shall confirm that they maintain the availability of the Professional staff nominated in the Proposal, or in their confirmation of extension of validity of the Proposal, Consultants may submit new staff in replacement, who would be considered in the final evaluation for contract award. Consultants who do not agree have the right to refuse to extend the validity of their Proposals.

9.2 Consultants shall submit required bid security along with financial proposal defined in the data sheet (which shall not be less than one percent and shall not exceed five percent of bid amount).

10. Clarification and Amendment in RFP Documents

10.1 Consultants may request for a clarification of contents of the bidding document in writing, and procuring agency shall respond to such queries in writing within three calendar days, provided they are received at least five calendar days prior to the date of opening of proposal. The procuring agency shall communicate such response to all parties who have obtained RFP document without identifying the source of inquiry. Should the PA deem it necessary to amend the RFP as a result of a clarification, it shall do so.

10.2 At any time before the submission of Proposals, the Procuring Agency may amend the RFP by issuing an addendum/ corrigendum in writing. The addendum shall be sent to all Consultants and will be binding on them. Consultants shall acknowledge receipt of all amendments. To give Consultants reasonable time in which to take an amendment into account in their Proposals the Procuring Agency may, if the amendment is substantial, extend the deadline for the submission of Proposals.

11. Preparation of Proposals

11.1 In preparing their Proposal, Consultants are expected to examine in detail the documents comprising the RFP. Material deficiencies (deviation from scope, experience and qualification of personnel) in providing the information requested may result in rejection of a Proposal.

11.2 The estimate number of professional staff months or the budget required for executing the assignment should be shown in the data sheet, but not both. However, proposal shall be based on the professional staff month or budget estimated by the consultant.

12. Language

The Proposal as well as all related correspondence exchanged by the Consultants and the Procuring Agency shall be written in English. However it is desirable that the firm's Personnel have a working knowledge of the national and regional languages of Islamic Republic of Pakistan.

13. Technical Proposal Format and Content

13.1 While preparing the Technical Proposal, consultants must give particular attention to the following:

- (i) If a consultant considers that it does not have all the expertise for the assignment, it may obtain a full range of expertise by associating with individual consultant(s) and/or other firms or entities in a joint venture or sub-consultancy, as appropriate. The international consultants are encouraged to seek the participation of local consultants by entering into a joint venture with, or subcontracting part of the assignment to, national consultants.
- (ii) For assignments on a staff-time basis, the estimated number of professional staff-months is given in the Data Sheet. The proposal shall, however, be based on the number of professional staff-months estimated by the firm. For fixed-budget-based assignments, the available budget is given in the Data Sheet, and the Financial Proposal shall not exceed this budget.
- (iii) It is desirable that the majority of the key professional staff proposed be permanent employees of the firm or have an extended and stable working relationship with it.
- (iv) Proposed professional staff must, at a minimum, have the experience indicated in the Data Sheet, preferably working under similar geographical condition.
- (v) Alternative professional staff shall not be proposed, and only one curriculum vitae (CV) shall be submitted for each position.

13.2 The Technical Proposal shall provide the following information using the attached Standard Forms (Section 3):

- (i) A brief description of the consultant organization and an outline of recent experience on assignments (Section 3B) of a similar nature. For each assignment, the outline should indicate, inter alia, the profiles of the staff, duration of the assignment, contract amount, and firm's involvement.
- (ii) Any comments or suggestions on the Terms of Reference and on the data, a list of services, and facilities to be provided by the PA (Section 3C).
- (iii) The list of the proposed staff team by specialty, the tasks that would be assigned to each staff team member, and their timing (Section 3E).
- (iv) CVs recently signed by the proposed professional staff and the authorized representative submitting the proposal (Section 3F). Key information should include number of years working for the consultant and degree of responsibility held in various assignments during the last

(PA may give number of years as per their requirement) years.
- (v) Estimates of the total staff input (professional and support staff; staff time) needed to carry out the assignment, supported by bar chart diagrams showing the time proposed for each professional staff team member (Sections 3E and 3G).
- (vi) A detailed description of the proposed methodology, work plan for performing the assignment, staffing, and monitoring of training, if the Data Sheet specifies training as a major component of the assignment (Section 3D).
- (vii) Any additional information requested in the Data Sheet.

13.3 The Technical Proposal shall not include any financial information.

14. Financial Proposals

14.1 The Financial Proposal shall be prepared using the attached Standard Forms (Section 4). It shall list all costs associated with the assignment, including (a) remuneration for staff (in the field and at the Consultants' office), and (b) reimbursable expenses indicated in the Data Sheet (if applicable). Alternatively Consultant may provide their own list of cost. If appropriate, these costs should be broken down by activity. All activities and items described in the Technical Proposal must be priced separately; activities and items described in the Technical Proposal but not priced, shall be assumed to be included in the prices of other activities or items.

15. Taxes

15.1 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.

16. Submission, Receipt, and Opening of Proposals

16.1 Proposal shall contain no interlineations or overwriting. Submission letters for both Technical and Financial Proposals should respectively be in the format of TECH-1 of Section 3, and FIN-1 of Section 4. All pages of the original Technical and Financial Proposals will be initialed by an authorized representative of the Consultants (Individual Consultant). The authorization shall be in the form of a written power of attorney accompanying the Proposal

16.2 All required copies of the Technical Proposal are to be made from the original. If there are discrepancies between the original and the copies of the Technical Proposal, the original governs.

16.3 The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked "TECHNICAL PROPOSAL" Similarly, the original Financial Proposal (if required under the selection method indicated in the Data Sheet) shall be placed in a sealed envelope clearly marked "FINANCIAL PROPOSAL" followed by name of the assignment, and with a warning "DO NOT OPEN WITH THE TECHNICAL PROPOSAL."

If the Financial Proposal is not submitted in a separate sealed envelope duly marked as indicated above, this will constitute grounds for declaring the Proposal non-responsive.

16.4 The Proposals must be sent to the address indicated in the Data Sheet and received by the PA no later than the time and the date indicated in the Data Sheet, or any extension to this date. Any proposal received by the PA after the deadline for submission shall be returned unopened. In order to avoid any delay arising from the postal or PA's internal dispatch workings, Consultants should ensure that proposals to be sent through couriers should reach a day before the deadline for submission.

17. Proposal Evaluation

17.1 From the time the Proposals are opened to the time the Contract is awarded, the Consultants should not contact the PA on any matter related to its Technical and/or Financial Proposal. Any effort

by Consultants to influence the PA in the examination, evaluation, ranking of Proposals, and recommendation for award of Contract may result in the rejection of the Consultants' Proposal.

Evaluators of Technical Proposals shall have no access to the Financial Proposals until the technical evaluation is concluded.

18. Evaluation of Technical Proposals

18.1 The evaluation committee shall evaluate the Technical Proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria, sub-criteria, and point system specified in the Data Sheet. Each responsive Proposal will be given a technical score (St). A Proposal shall be rejected at this stage if it fails to achieve the minimum technical score indicated in the Data Sheet.

In the case of Quality-Based Selection, Selection Based on Consultant's Qualifications, and Single-Source Selection, the highest ranked consultant or firm selected on a single-source basis is invited to negotiate its proposal and the contract on the basis of the Technical Proposal and the Financial Proposal submitted.

Public Opening and Evaluation of Financial Proposals: (LCS, QCBS, and Fixed Budget Selection Methods Only)

18.2 After the technical evaluation is completed, the PA shall notify in writing Consultants that have secured the minimum qualifying marks, the date, time and location, allowing a reasonable time, for opening the Financial Proposals. Consultants' attendance at the opening of Financial Proposals is optional.

Financial proposals of those consultants who failed to secure minimum qualifying marks shall be returned unopened.

19. Evaluation of Financial Proposals

19.1 Financial Proposals shall be opened publicly in the presence of the Consultants' representatives who choose to attend. The name of the Consultants and the technical scores of the Consultants shall be read aloud. The Financial Proposal of the Consultants who met the minimum qualifying mark will then be inspected to confirm that they have remained sealed and unopened. These Financial Proposals shall be then opened, and the total prices read aloud and recorded. Copy of the record shall be sent to all Consultants.

19.2 The Evaluation Committee will correct any computational errors. When correcting computational errors, in case of discrepancy between a partial amount and the total amount, or between word and figures the formers will prevail. In addition to the above corrections, activities and items described in the Technical Proposal but not priced, shall be assumed to be included in the prices of other activities or items.

19.3 In case of **Least Cost Selection LCS Method**, the bid found to be the lowest evaluated bid shall be accepted.

19.4 **In case of Quality and Cost Based Selection QCBS Method** the lowest evaluated Financial Proposal (Fm) will be given the maximum financial score (Sf) of 100 points. The financial scores

(Sf) of the other Financial Proposals will be computed as indicated in the Data Sheet. Proposals will be ranked according to their combined technical (St) and financial (Sf) scores using the weights (T = the weight given to the Technical Proposal; P= the weight given to the Financial Proposal; T + P = 1) indicated in the Data Sheet: $S = St \times T\% + Sf \times P\%$. The firm achieving the highest combined technical and financial score will be invited for negotiations.

19.5 In the case of Fixed-Budget and Quality Based Selection, the Procuring Agency will select the firm that submitted the highest ranked Technical Proposal.

20. Negotiations

20.1 Negotiations will be held at the date and address indicated in the Data Sheet. The invited Consultant will, as a pre-requisite for attendance at the negotiations, confirm availability of all Professional staff. Failure in satisfying such requirements may result in the PA proceeding to negotiate with the next-ranked Consultant. Representatives conducting negotiations on behalf of the Consultant must have written authority to negotiate and conclude a Contract.

21. Technical negotiations

21.1 Technical Negotiations will include a discussion of the Technical Proposal, the proposed technical approach and methodology, work plan, organization and staffing, and any suggestions made by the Consultant to improve the Terms of Reference. The PA and the Consultants will finalize the Terms of Reference, staffing schedule, work schedule, logistics, and reporting. These documents will then be incorporated in the Contract as "Description of Services". Minutes of negotiations, which will be signed by the PA and the Consultant, will become part of Contract Agreement.

22. Financial negotiations

22.1 If applicable, it is the responsibility of the Consultant, before starting financial negotiations, to contact the local tax authorities to determine the tax amount to be paid by the Consultant under the Contract. The financial negotiations will include a clarification (if any) of the firm's tax liability, and the manner in which it will be reflected in the Contract; and will reflect the agreed technical modifications in the cost of the services. Consultants will provide the PA with the information on remuneration rates described in the Appendix attached to Section 4 (i.e. Financial Proposal - Standard Forms of this RFP).

23. Availability of Professional staff/experts

23.1 Having selected the Consultant on the basis of, among other things, an evaluation of proposed Professional staff, the PA expects to negotiate a Contract on the basis of the Professional staff named in the Proposal. Before contract negotiations, the PA will require assurances that the Professional staff will be actually available. The PA will not consider substitutions during contract negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable or for reasons such as death or medical incapacity. If this is not the case and if it is established that Professional staff were offered in the proposal without confirming their availability, the Consultant may be disqualified. Any proposed substitute shall have equivalent or better qualifications and experience than the original candidate and be submitted by the Consultant within the period of time specified in the letter of invitation to negotiate.

24. Award of Contract

24.1 After completing negotiations, the Procuring Agency shall award the Contract to the selected Consultant and within seven of the award of contract, Procuring Agency shall publish on the website of the Authority and on its own website, if such a website exists, the result of the bidding process, identifying the bid through procuring identifying number, if any and the following information, evaluation report, form of contract and letter of award, bill of quantity or schedule of requirement, as the case may be.

24.2 After publishing of award of contract consultant required to submit a performance security at the rate indicated in date sheet.

24.3 The Consultant is expected to commence the assignment on the date and at the location specified in the Data Sheet.

25. Confidentiality

Information relating to evaluation of Proposals and recommendations concerning awards shall not be disclosed to the Consultants who submitted the Proposals or to other persons not officially concerned with the process, until the publication of the award of Contract. The undue use by any Consultant of confidential information related to the process may result in the rejection of its Proposal.

DATA SHEET

- 1.1 Name of the Assignment is: Transaction Advisory Services for the Acquisition and Operations and Management of two power distribution companies in the province, Hyderabad Electric Supply Company ('HESCO') and Sukkur Electric Power Company ('SEPCO') through the mechanism of Public Private Partnership
- The Name of the Procuring Agency's (PA's) official (s):
- Mr. Faisal Hussain, Section Officer (Power), Energy Department, Government of Sindh
- Address: Energy Department, Government of Sindh, 3rd Floor, State Life Building # 3, Dr. Ziauddin Ahmed Road, Opposite CM house, Karachi, Pakistan.
- Telephone: +92 21 99207140, Facsimile: +92 21 99206276.
- 1.2 The method of selection is: ***Quality & Cost Based Selection Method (QCBS)***
- 1.3 Financial Proposal to be submitted together with Technical Proposal: Yes
- 1.4 The PA will provide the following inputs and facilities: N/A
- 1.5 The Proposal submission address is: Energy Department, Government of Sindh, 3rd floor, State Life Building # 3, Dr. Ziauddin Ahmed Road, Opposite CM house, Karachi, Pakistan. Proposals must be submitted no later than the following date and time: **19th April, 2023 at 12:00 noon and opening of the Technical proposal on same date at 12:30 PM.**
- 1.6 Expected date for commencement of consulting services **1st June, 2023** at Karachi, Pakistan
- 9.1 Proposals validity that shall not be more than 90 days.
- 10.1 Clarifications may be requested not later than five days before the submission date. The address for requesting clarifications is: Energy Department, Government of Sindh, 3rd floor, State Life Building # 3, Dr. Ziauddin Ahmed Road, Opposite CM house, Karachi, Pakistan. Telephone: +92 21 99207140 Facsimile: +92 21 99206276.
- 12 The Proposal as well as all related correspondence exchanged by the Consultants and the Procuring Agency shall be written in English. However, it is desirable that the firm's Personnel have a working knowledge of the national and regional languages of Islamic Republic of Pakistan.
- 6.1 Shortlisted Consultants may associate with other shortlisted Consultants: NA
- 11.2 The estimated number of professional staff-months required for the assignment is: **84**
- 13.1 The format of the Technical Proposal to be submitted is: FTP
- 13.2 Training is a specific component of this assignment: No
- 14.1 [List the applicable Reimbursable expenses in foreign and in local currency. A sample list is provided below for guidance: items that are not applicable should be deleted, others may be

added. If the PA wants to define ceilings for unit prices of certain Reimbursable expenses, such ceilings should be indicated in this Section]: NA

- (1) A per diem allowance in respect of Personnel of the Consultant for every day in which the Personnel shall be absent from the home office and, as applicable, outside the beneficiary country for purposes of the Services;
- (2) Cost of necessary travel, including transportation of the Personnel by the most appropriate means of transport and the most direct practicable route;
- (3) cost of office accommodation, investigations and surveys;
- (4) Cost of applicable international or local communications such as the use of telephone and facsimile required for the purpose of Consulting Services;
- (5) Cost, rental and freight of any instruments or equipment required to be provided by the Consultants for the purposes of Consulting Services;
- (6) Cost of printing and dispatching of the reports to be produced for Consulting Services;
- (7) other allowances where applicable and provisional or fixed sums (if any); and
- (8) cost of such further items required for purposes of the Services not covered in the foregoing.

15.1 Amounts payable by the PA to the Consultant under the contract to be subject to local taxation, stamp duty and service charges, if applicable: **Yes**

6.3 Consultants to state local cost in the national currency (in case of ICB only): **Yes**

16.2 Consultant must submit one original, four copies & a soft copy in USB of the Technical Proposal only, and the original of the Financial Proposal.

Note:

In case of Consortium of firms, the Technical Proposal shall be accompanied by a certified true copy of the Consortium Agreement that shall contain the following requirements:

- (i) The Date and place of signing the Consortium Agreement;
- (ii) Purpose of Consortium (must include the details of contract scope for which the Consortium has been invited to bid);
- (iii) A clear and definite description of the proposed administrative arrangements for the management and execution of the Assignment (it is expected that Consortium's Lead Member would be authorized to incur liabilities and to receive instructions and payments for and on behalf of the Consortium);
- (iv) Delineation of duties, responsibilities and scope of work to be undertaken by each along with resources committed by Consortium's each member for the proposed services;
- (v) An undertaking that the firms are severally liable to the Procuring Agency for the performance of the services;
- (vi) Duties, responsibilities and powers of the Lead Member; and
- (vii) The authorized representative of the Consortium

13.1 Evaluation Criteria:

Basic Eligibility Criteria (Preliminary Screening)

Checklist:

S/No.	Item	Status (Yes/No)
1.	Top tier energy law firms/Consulting firm/Consortium (in the form of a joint venture and/or a sub-consultancy having legal, technical and financial expertise in power sector. In case of joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected)	
2.	<p>Provable experience in Pakistan’s power sector</p> <p>For a consortium to be eligible, the relevant experience of lead member and other consortium members is mandatory. The experience of every Consortium member firm shall be provided as given in Form-TECH 2 (B) along with supporting documentation in the form acceptable to the Consultant Selection Committee, for each listed experience on Form Tech-2 (B). The Procuring Agency reserves the right to verify any experience under Form Tech-2 (B) and in case of non- production of any document for verification purposes acceptable to Consultant Selection Committee shall result in non-scoring of that particular credential.</p>	
3.	<p>Valid Registration with Security & Exchange Commission of Pakistan (SECP) or any other similar registration body.</p> <p>Bidder (in case of Consortium, Lead Member) must have been incorporated or setup in Pakistan as evidenced by its registration documents (Memorandum & Articles of Association or equivalent documents of constitution or association as applicable under the law)</p>	
4.	Each member of consortium shall provide copy of Valid Registration with FBR /SRB or relevant tax authorities (where applicable)	
5.	Each member of consortium shall provide Valid copy of Registration with Pakistan Engineering Council as Consulting Engineers/Bar Council for legal firm / ICAP-A Class / QCR report by Audit firm (which ever is applicable)	
6.	Bidder (in case of Consortium, each member) must submit a power of attorney, as required by the RFP Document, for authorized person nominated to sign the documents. In addition, Bidder (in case of Consortium only) must submit the Consortium Agreement along with Bid or Proposal submitted to the Procuring Agency;	

7.	The Bidder is not blacklisted by any department of Government of Sindh or Government of Pakistan. An affidavit (duly notarized) from bidder shall be signed and submitted with Technical Proposal (In case of consortium, every consortium member firm should provide affidavit) (in original)	
8.	Experience of working on power projects transactions advisory and related corporate commercial assignments for at least ten years in Pakistan or internationally and strong expertise in regulatory matters (Please attach relevant legitimate document for proof)	
9.	Bidder must have successfully undertaken at least (05) assignments relating to the Power Sector and at least (03) Projects under PPP mode, during the last ten (10) years	
10.	Lead firm/Bidder must have annual financial turnover of at least PKR 200 million every year during the last five financial years, as verifiable from the financial statements or any other document	
11.	In case of consortium lead consultant must be an Energy Law firm having 10 years and above experience in power sector / Transaction Advisory on matters in power sector	
<p>In order to qualify for next step of evaluation firm must fulfill all above said requirement. (all yes otherwise Disqualify)</p>		

Category & Evaluation:

Quality and Cost Based Selection Method (QCBS) will be adopted for evaluating the Proposal. Technical Section is weighted at 75 and Financial is weighted at 25. In the first stage a technical evaluation will be carried out. Only those Technical Proposals, which score at least 60% marks in each category and sub category, shall be considered for further process i.e. financial proposal opening and evaluation.

S/No.	Category	Marks
A	Technical	
A1	<u>Proven Experience</u>	<u>20</u>
A1.1	Specific firm or consortium experience in undertaking the assignments of the similar nature (experience of power sector), completed during the last ten (10) years. a) 5 Projects or more [100% Marks i.e. 5]	5

	<p>b) 4 Projects [90% Marks i.e. 4.5]</p> <p>c) 3 Projects [75% Marks i.e. 3.75]</p> <p>d) 2 Projects [60% Marks i.e.3]</p> <p>e) Less than 2 Project [0 % Marks i.e. 0.00]</p>			
A1.2	<p>Bidder's experience in preparing bidding package (including bidding documents and agreement, etc.) of PPP projects, with each project's minimum cost of PKR 1,000 million completed during the last ten (10) years.</p> <p>a) 5 Projects or more [100% Marks i.e. 7.5]</p> <p>b) 4 Projects [90% Marks i.e. 6.75]</p> <p>c) 3 Projects [75% Marks i.e. 6.375]</p> <p>d) 2 Projects [60% Marks i.e. 4.5]</p> <p>e) Less than 2 Project [0% Marks i.e. 0.00]</p>	7.5		
A1.3	<p>Bidder's experience in providing Transaction Advisory services on Power projects/Privatization of Public entities (minimum project size of PKR 10bn or cumulative value of number of projects submitted PKR 150bn) undertaken in Pakistan, in which Concession Signing has taken place or Financial Close has been achieved. At least 2 projects should be operational, 1 in each category.</p> <p>a) 10 Projects or more [100% Marks i.e. 7.5]</p> <p>b) 8 Projects [90% Marks i.e. 6.75]</p> <p>c) 6 Projects [85% Marks i.e. 6.375]</p> <p>d) 4 Projects [60 % Marks i.e. 4.5]</p> <p>e) Less than 4 projects [0% Marks i.e. 0.00]</p>	7.5		
A2	<u>Adequacy of the proposed methodology and work plan in responding to the Terms of Reference:</u>	<u>10</u>		
A2.1	Technical approach and methodology on scope of work.	5		
A2.2	Comprehensive work plan	5		
A3	Organization structure & Financial Strength	<u>10</u>		
	<p><u>Professional Strength:</u></p> <p>Over 30 professionals [100 % Marks i.e. 5]</p> <p>25 to 30 professionals [90% Marks i.e. 4.5]</p> <p>21 to 24 professionals [85% Marks i.e. 4.25]</p> <p>15 to 20 Professionals [75% Marks i.e.3.75]</p> <p>11 to 14 Professionals [60% Marks i.e. 3]</p> <p>Less than 11 Professionals [0% Marks i.e. 0.00]</p>	5		
	Average annual turn-over of last five years	5		
	<table border="1"> <tr> <td>i.</td> <td>≥ PKR 350 million [100% marks i.e 5]</td> </tr> </table>	i.	≥ PKR 350 million [100% marks i.e 5]	
i.	≥ PKR 350 million [100% marks i.e 5]			

	ii. ≥ PKR 300 million and < PKR 350 million [90% marks i.e 4.5]						
	iii. ≥ PKR 250 million and < PKR 300 million [85% marks i.e 4.25]						
	iv. < PKR 200 million and < PKR 280 million [60% marks i.e 3]						
A4	Key Experts	<u>35</u>					
A4.1	<p>Legal Expert (Team Lead)</p> <p>Minimum education: LLM / Bar at Law [25% Marks i.e. 2.5]</p> <p>Experience:</p> <p>Experience of legal advisory on infrastructure projects.</p> <table border="1"> <tr> <td>≥ 10 years' [75% Marks i.e. 7.5]</td> </tr> <tr> <td>≥ 7 years and < 10 years [60% marks i.e. 6]</td> </tr> <tr> <td>≥ 5 years and < 7 years [40% marks i.e. 4]</td> </tr> <tr> <td>≥ 3 years and < 5 years [20% marks i.e. 2]</td> </tr> <tr> <td>≥ 0 years and < 3 years [0% marks i.e. 0]</td> </tr> </table>	≥ 10 years' [75% Marks i.e. 7.5]	≥ 7 years and < 10 years [60% marks i.e. 6]	≥ 5 years and < 7 years [40% marks i.e. 4]	≥ 3 years and < 5 years [20% marks i.e. 2]	≥ 0 years and < 3 years [0% marks i.e. 0]	10
≥ 10 years' [75% Marks i.e. 7.5]							
≥ 7 years and < 10 years [60% marks i.e. 6]							
≥ 5 years and < 7 years [40% marks i.e. 4]							
≥ 3 years and < 5 years [20% marks i.e. 2]							
≥ 0 years and < 3 years [0% marks i.e. 0]							
A4.2	<p>Legal Expert</p> <p>Minimum education: LLM / Bar at Law [25% Marks i.e. 0.625]</p> <p>Experience:</p> <p>Experience of drafting procurement documents e.g. EOIs, RFQ, RFP, Concession/ EPC contracts/ agreement Negotiations</p> <table border="1"> <tr> <td>≥ 10 years' [75% Marks i.e. 1.875]</td> </tr> <tr> <td>≥ 7 years and < 10 years [60% marks i.e. 1.5]</td> </tr> <tr> <td>≥ 5 years and < 7 years [40% marks i.e. 1]</td> </tr> <tr> <td>≥ 3 years and < 5 years [20% marks i.e. 0.5]</td> </tr> <tr> <td>≥ 0 years and < 3 years [0% marks i.e. 0]</td> </tr> </table> <p>Experience in power-sector is essential.</p>	≥ 10 years' [75% Marks i.e. 1.875]	≥ 7 years and < 10 years [60% marks i.e. 1.5]	≥ 5 years and < 7 years [40% marks i.e. 1]	≥ 3 years and < 5 years [20% marks i.e. 0.5]	≥ 0 years and < 3 years [0% marks i.e. 0]	2.5
≥ 10 years' [75% Marks i.e. 1.875]							
≥ 7 years and < 10 years [60% marks i.e. 1.5]							
≥ 5 years and < 7 years [40% marks i.e. 1]							
≥ 3 years and < 5 years [20% marks i.e. 0.5]							
≥ 0 years and < 3 years [0% marks i.e. 0]							
A4.3	<p>Financial Expert</p> <p>Minimum education: MBA/CFA/CA/ACCA/ACMA in Financial disciplines [25% Marks i.e. 1.25]</p> <p>Experience:</p> <p>The candidate is required to list at least five (05) large-scale Power projects/ distressed assets undertaken in Pakistan, where the candidate has performed tasks in the capacity of Financial Team Leader.</p> <p>If this requirement is not met, the Bidder shall be disqualified.</p> <table border="1"> <tr> <td>≥ 10 years' experience of transaction advisory services as team lead completing various mandates [75% Marks i.e. 3.75]</td> </tr> <tr> <td>≥ 7 years and < 10 years [60% marks i.e. 3]</td> </tr> <tr> <td>≥ 5 years and < 7 years [40% marks i.e. 2]</td> </tr> <tr> <td>≥ 3 years and < 5 years [20% marks i.e. 1]</td> </tr> <tr> <td>≥ 0 years and < 3 years [0% marks i.e. 0]</td> </tr> </table> <p>Experience in power-sector is essential.</p>	≥ 10 years' experience of transaction advisory services as team lead completing various mandates [75% Marks i.e. 3.75]	≥ 7 years and < 10 years [60% marks i.e. 3]	≥ 5 years and < 7 years [40% marks i.e. 2]	≥ 3 years and < 5 years [20% marks i.e. 1]	≥ 0 years and < 3 years [0% marks i.e. 0]	5
≥ 10 years' experience of transaction advisory services as team lead completing various mandates [75% Marks i.e. 3.75]							
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≥ 5 years and < 7 years [40% marks i.e. 2]							
≥ 3 years and < 5 years [20% marks i.e. 1]							
≥ 0 years and < 3 years [0% marks i.e. 0]							
A4.4	<p>Financial Expert/ Manager</p> <p>Minimum education: MBA/CFA/CA/ACCA/ACMA in Financial</p>	2.5					

	<p>disciplines [25% Marks i.e. 0.625]</p> <p>The candidate is required to list two (02) large-scale Power projects undertaken in Pakistan, where the candidate has performed tasks in the capacity of Financial Analyst.</p> <p>If this requirement is not met, the Bidder shall be disqualified.</p> <table border="1"> <tr> <td>≥ 10 years' experience of developing financial models/ financial structuring for PPP project or projects in power sector [75% Marks i.e. 1.875]</td> </tr> <tr> <td>≥ 7 years and < 10 years [60% Marks i.e. 1.5]</td> </tr> <tr> <td>≥ 5 years and < 7 years [40% Marks i.e. 1]</td> </tr> <tr> <td>≥ 3 years and < 5 years [20% Marks i.e. 0.5]</td> </tr> <tr> <td>≥ 0 years and < 3 years [0% marks i.e. 0]</td> </tr> </table>	≥ 10 years' experience of developing financial models/ financial structuring for PPP project or projects in power sector [75% Marks i.e. 1.875]	≥ 7 years and < 10 years [60% Marks i.e. 1.5]	≥ 5 years and < 7 years [40% Marks i.e. 1]	≥ 3 years and < 5 years [20% Marks i.e. 0.5]	≥ 0 years and < 3 years [0% marks i.e. 0]		
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≥ 7 years and < 10 years [60% Marks i.e. 1.5]								
≥ 5 years and < 7 years [40% Marks i.e. 1]								
≥ 3 years and < 5 years [20% Marks i.e. 0.5]								
≥ 0 years and < 3 years [0% marks i.e. 0]								
A4.5	<p>Technical Expert</p> <p>Minimum qualification: Master in Electrical Engineering [25% Marks i.e. 1.25]</p> <p>Experience:</p> <p>experience as a lead role in power projects transaction advisory/power project development (generation, transmission, distribution side)</p> <table border="1"> <tr> <td>≥ 10 years' [75% Marks i.e. 3.75]</td> </tr> <tr> <td>≥ 7 years and < 10 years [60% Marks i.e. 3]</td> </tr> <tr> <td>≥ 5 years and < 7 years [40% Marks i.e. 2]</td> </tr> <tr> <td>≥ 3 years and < 5 years [20% Marks i.e. 1]</td> </tr> <tr> <td>≥ 0 years and < 3 years [0% marks i.e. 0]</td> </tr> </table> <p>Experience in power-sector is essential.</p>	≥ 10 years' [75% Marks i.e. 3.75]	≥ 7 years and < 10 years [60% Marks i.e. 3]	≥ 5 years and < 7 years [40% Marks i.e. 2]	≥ 3 years and < 5 years [20% Marks i.e. 1]	≥ 0 years and < 3 years [0% marks i.e. 0]	5	
≥ 10 years' [75% Marks i.e. 3.75]								
≥ 7 years and < 10 years [60% Marks i.e. 3]								
≥ 5 years and < 7 years [40% Marks i.e. 2]								
≥ 3 years and < 5 years [20% Marks i.e. 1]								
≥ 0 years and < 3 years [0% marks i.e. 0]								
A4.6	<p>Project Cost Engineer</p> <p>Minimum Qualification: Masters in Engineering (Civil) [25% Marks i.e. 1.25]</p> <p>Experience:</p> <p>Experience in evaluating engineering analysis from a cost perspective</p> <table border="1"> <tr> <td>≥ 10 years' [75% Marks i.e. 3.75]</td> </tr> <tr> <td>≥ 7 years and < 10 years [60% Marks i.e. 3]</td> </tr> <tr> <td>≥ 5 years and < 7 years [40% Marks i.e. 2]</td> </tr> <tr> <td>≥ 3 years and < 5 years [20% Marks i.e. 1]</td> </tr> <tr> <td>≥ 0 years and < 3 years [0% marks i.e. 0]</td> </tr> </table>	≥ 10 years' [75% Marks i.e. 3.75]	≥ 7 years and < 10 years [60% Marks i.e. 3]	≥ 5 years and < 7 years [40% Marks i.e. 2]	≥ 3 years and < 5 years [20% Marks i.e. 1]	≥ 0 years and < 3 years [0% marks i.e. 0]	5	
≥ 10 years' [75% Marks i.e. 3.75]								
≥ 7 years and < 10 years [60% Marks i.e. 3]								
≥ 5 years and < 7 years [40% Marks i.e. 2]								
≥ 3 years and < 5 years [20% Marks i.e. 1]								
≥ 0 years and < 3 years [0% marks i.e. 0]								
A4.7	<p>Architect & Landscape Expert</p> <p>Minimum Qualification: Masters in Architecture [25% Marks i.e. 1.25]</p> <table border="1"> <tr> <td>≥ 10 years' experience in designing infrastructure projects [75% Marks i.e. 3.75]</td> <td>75%</td> </tr> <tr> <td>≥ 7 years and < 10 years [60% Marks i.e. 3]</td> <td>60%</td> </tr> <tr> <td>≥ 5 years and < 7 years [40% Marks i.e. 2]</td> <td>40%</td> </tr> </table>	≥ 10 years' experience in designing infrastructure projects [75% Marks i.e. 3.75]	75%	≥ 7 years and < 10 years [60% Marks i.e. 3]	60%	≥ 5 years and < 7 years [40% Marks i.e. 2]	40%	5
≥ 10 years' experience in designing infrastructure projects [75% Marks i.e. 3.75]	75%							
≥ 7 years and < 10 years [60% Marks i.e. 3]	60%							
≥ 5 years and < 7 years [40% Marks i.e. 2]	40%							

	≥ 3 years and < 5 years [20% Marks i.e. 1]	20%		
	≥ 0 years and < 3 years [0% marks i.e. 0]	0%		
A	<ul style="list-style-type: none"> Firms must achieve minimum 60% in every sub category otherwise disqualified for further process. 			
B	Financial Evaluation Financial bid must be submitted in separate sealed envelope, with 2% bid security of relevant financial bid. Overall Evaluation Procedure will be Quality & Cost Based Selection Method			

- 20.1 Expected date and address for contract negotiations: **15th May, 2023** | 3rd floor State Life Building # 3 Dr. Ziauddin Ahmed Road, Opp CM House Karachi
- 24.2 Successful consultant is required to submit performance security in form of pay order, demand draft or bank guarantee amounting to 5% of the contract amount.
- 5.1 Consultant undertake to sign Integrity Pact for the procurement estimated to exceed Pak **Rs.2.5 million.**

Section 3: Technical Proposal Standard Forms.

FORM TECH-1. TECHNICAL PROPOSAL SUBMISSION FORM

[Location, Date]

To: [Name and address of PA]

Dear Sirs:

We, the undersigned, offer to provide the consulting services for [Insert title of assignment] in accordance with your Request for Proposal dated [Insert Date] and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope¹.

We are submitting our Proposal in association with: [Insert a list with full name and address of each associated Consultant] ²

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 the Data Sheet, we undertake to negotiate on the basis of the proposed staff. Our Proposal is binding upon us and subject to the modifications resulting from Contract negotiations.

We undertake, if our Proposal is accepted, to initiate the consulting services related to the assignment not later than the date indicated in the Data Sheet.

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: _____

Address: _____

For FTP Only

FORM TECH-2. CONSULTANT'S ORGANIZATION AND EXPERIENCE

A - Consultant's Organization

[Provide here a brief (two pages) description of the background and organization of your firm/entity and each associate for this assignment.]

B - Consultant's Experience

[Using the format below, provide information on each assignment for which your firm, and each associate for this assignment, was legally contracted either individually or as a corporate entity or as one of the major companies within an association, for carrying out consulting services similar to the ones requested under this assignment. Use 20 pages.]

Assignment name:	Approx. value of the contract (in current US\$ or Euro):
Country: Location within country:	Duration of assignment (months):
Name of PA:	Total No of staff-months of the assignment:
Address:	Approx. value of the services provided by your firm under the contract (in current US\$ or Euro):
Start date (month/year): Completion date (month/year):	No of professional staff-months provided by associated Consultants:
Name of associated Consultants, if any:	Name of senior professional staff of your firm involved and functions performed (indicate most significant profiles such as Project Director/Coordinator, Team Leader):
Narrative description of Project:	
Description of actual services provided by your staff within the assignment:	

Firm's Name: _____

For FTP Only

FORM TECH-3. COMMENTS AND SUGGESTIONS ON THE TERMS OF REFERENCE AND ON COUNTER PART STAFF AND FACILITIES TO BE PROVIDED BY THE PA

A - On the Terms of Reference

[Present and justify here any modifications or improvement to the Terms of Reference you are proposing to improve performance in carrying out the assignment (such as deleting some activity you consider unnecessary, or adding another, or proposing a different phasing of the activities). Such suggestions should be concise and to the point, and incorporated in your Proposal.]

B - On Counterpart Staff and Facilities

[Comment here on counterpart staff and facilities to be provided by the PA according to Paragraph Reference 1.4 of the Data Sheet including: administrative support, office space, local transportation, equipment, data, etc.]

FORM TECH-4. DESCRIPTION OF APPROACH, METHODOLOGY AND WORK PLAN FOR PERFORMING THE ASSIGNMENT

(For small or very simple assignments the PA should omit the following text in *Italic*)

[Technical approach, methodology and work plan are key components of the Technical Proposal. You are suggested to present your Technical Proposal (50 pages, inclusive of charts and diagrams) divided into the following three chapters:

- a) Technical Approach and Methodology,
- b) Work Plan, and
- c) Organization and Staffing,

a) *Technical Approach and Methodology.* In this chapter you should explain your understanding of the objectives of the assignment, approach to the services, methodology for carrying out the activities and obtaining the expected output, and the degree of detail of such output. You should highlight the problems being addressed and their importance, and explain the technical approach you would adopt to address them. You should also explain the methodologies you propose to adopt and highlight the compatibility of those methodologies with the proposed approach.

b) *Work Plan.* In this chapter you should propose the main activities of the assignment, their content and duration, phasing and interrelations, milestones (including interim approvals by the PA), and delivery dates of the reports. The proposed work plan should be consistent with the technical approach and methodology, showing understanding of the TOR and ability to translate them into a feasible working plan. A list of the final documents, including reports, drawings, and tables to be delivered as final output, should be included here. The work plan should be consistent with the Work Schedule of Form TECH-8.

c) *Organization and Staffing.* In this chapter you should propose the structure and composition of your team. You should list the main disciplines of the assignment, the key expert responsible, and proposed technical and support staff.]

FORM TECH-5. TEAM COMPOSITION AND TASK ASSIGNMENTS

Professional Staff				
Name of Staff	Firm	Area of Expertise	Position Assigned	Task Assigned

FORM TECH-6. CURRICULUM VITAE (CV) FOR PROPOSED PROFESSIONAL STAFF

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. Education [*Indicate college/university and other specialized education of staff member, giving names of institutions, degrees obtained, and dates of obtainment*]: _____

6. Membership of Professional Associations: _____

7. Other Training [*Indicate significant training since degrees under 5 - Education were obtained*]:

8. Countries of Work Experience: [*List countries where staff has worked in the last ten years*]:

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.*]:

From [Year]: _____ To [Year]: _____

Employer: _____

Positions held: _____

<p>11. Detailed Tasks Assigned</p> <p><i>[List all tasks to be performed under this assignment]</i></p>	<p>12. Work Undertaken that Best Illustrates Capability to Handle the Tasks Assigned</p> <p><i>[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.]</i></p> <p>Name of assignment or project: _____</p> <p>Year: _____</p> <p>Location: _____</p> <p>PA: _____</p> <p>Main project features: _____</p> <p>Positions held: _____</p> <p>Activities performed: _____</p>
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13. Certification:

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

_____ Date: _____

[Signature of staff member or authorized representative of the staff]

Day/Month/Year

Full name of authorized representative: _____

FORM TECH-7. STAFFING SCHEDULE¹

N°	Name of Staff	Staff input (in the form of a bar chart) ²														Total staff-month input													
		1	2	3	4	5	6	7	8	9	10	11	12	n	Home	Field ³	Total												
Foreign																													
1		[Home]																[Field]											
2																													
3																													
n																													
Subtotal																													
Local																													
1		[Home]																[Field]											
2																													
n																													

n																														
																	Subtotal													
																	Total													

- 1 For Professional Staff the input should be indicated individually; for Support Staff it should be indicated by category (e.g.: draftsmen, clerical staff, etc.).
- 2 Months are counted from the start of the assignment. For each staff indicate separately staff input for home and field work.
- 3 Field work means work carried out at a place other than the Consultant's home office.

 Full time input

  Part time input

FORM TECH-8. WORK SCHEDULE

N°	A c t i v i t y 1	M o n t h s 2											
		1	2	3	4	5	6	7	8	9	10	12	

1													
2													
3													
4													
5													
n													

- 1 Indicate all main activities of the assignment, including delivery of reports (e.g.: inception, interim, and final reports), and other benchmarks such as PA approvals. For phased assignments indicate activities, delivery of reports, and benchmarks separately for each phase.
- 2 Duration of activities shall be indicated in the form of a bar chart.

[Location, Date]

To: [Name and address of PA]

Dear Sirs:

We, the undersigned, offer to provide the consulting services for [Insert title of assignment] in accordance with your Request for Proposal dated [Insert Date] and our Technical Proposal. Our attached Financial Proposal is for the sum of [Insert amount(s) in words and figures¹].

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 Paragraph Reference 1.12 of the Data Sheet.

Commissions and gratuities paid or to be paid by us to agents relating to this Proposal and Contract execution, if we are awarded the Contract, are listed below²:

Name and Address of Agents	Amount and Currency	Purpose of Commission or Gratuity
_____	_____	_____
_____	_____	_____
_____	_____	_____

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: _____
Address: _____

- 1 Amounts must coincide with the ones indicated under Total Cost of Financial proposal in Form FIN-2.
- 2 If applicable, replace this paragraph with: “No commissions or gratuities have been or are to be paid by us to agents relating to this Proposal and Contract execution.”

FORM FIN-2: SUMMARY OF COSTS

Item	Costs	
	<i>Indicate Foreign Currency</i>	<i>Indicate Local Currency</i>
Total Costs of Financial Proposal ²		

- 1 Indicate between brackets the name of the foreign currency. Maximum of three currencies; use as many columns as needed, and delete the others.
- 2 Indicate the total costs excluding local taxes to be paid by the PA in each currency. Such total costs must coincide with the sum of the relevant Subtotals indicated in all Forms FIN-3 provided with the Proposal.

FORM FIN-3. BREAKDOWN OF COSTS BY ACTIVITY¹

Group of Activities (Phase):²	Description:³			
Cost component	Costs			
	<i>[Indicate Foreign Currency # 1]⁴</i>	<i>[Indicate Foreign Currency # 2]⁴</i>	<i>[Indicate Foreign Currency # 3]⁴</i>	<i>[Indicate Local Currency]</i>
Remuneration ⁵				
Reimbursable Expenses ⁵				
Subtotals				

- 1 Form FIN-3 shall be filled at least for the whole assignment. In case some of the activities require different modes of billing and payment (e.g.: the assignment is phased, and each phase has a different payment schedule), the Consultant shall fill a separate Form FIN-3 for each group of activities. For each currency, the sum of the relevant Subtotals of all Forms FIN-3 provided must coincide with the Total Costs of Financial Proposal indicated in FormFIN-2.
- 2 Names of activities (phase) should be the same as, or correspond to the ones indicated in the second column of Form TECH-8.
- 3 Short description of the activities whose cost breakdown is provided in this Form.
- 4 Indicate between brackets the name of the foreign currency. Use the same columns and currencies of Form FIN-2.
- 5 For each currency, Remuneration and Reimbursable Expenses must respectively coincide with relevant Total Costs indicated in Forms FIN-4, and FIN-5.

FORM FIN-4. BREAKDOWN OF REMUNERATION¹

(This Form FIN-4 shall only be used when it is indicated in Reference Paragraph 5.6 of the Data Sheet that remuneration shall be Time Based)

Group of Activities (Phase): _____							
Name 2	Position 3	Staff- mon th Rate 4	Input ⁵ (Staff- months)	[Indicate Foreign Currency # 1] ⁶	[Indicate Foreign Currency # 2] ⁶	[Indicate Foreign Currency # 3] ⁶	[Indicate Local Currenc y] ⁶
Foreign Staff							
		[Home]					
		[Field]					
Local Staff							
		[Home]					
		[Field]					

Total Costs						

- 1 Form FIN-4 shall be filled for each of the Forms FIN-3 provided.
- 2 Professional Staff should be indicated individually; Support Staff should be indicated per category (e.g.: draftsmen, clerical staff)
- 3 Positions of Professional Staff shall coincide with the ones indicated in Form TECH-5.
- 4 Indicate separately staff-month rate and currency for home and field work.
- 5 Indicate, separately for home and field work, the total expected input of staff for carrying out the group of activities or phase indicated in the Form.
- 6 Indicate between brackets the name of the foreign currency. Use the same columns and currencies of Form FIN-2. For each staff indicate the remuneration in the column of the relevant currency, separately for home and field work. $Remuneration = Staff\text{-}month\ Rate \times Input$.

FORM FIN-4. BREAKDOWN OF REMUNERATION¹

(This Form FIN-4 shall only be used when it is indicated in Reference Paragraph 5.6 of the Data Sheet that remuneration shall be Lump-Sum. Information to be provided in this Form shall only be used to establish payments to the Consultant for possible additional services requested by the PA)

Name²	Position³	Staff-month Rate⁴
Foreign Staff		
		[Home]
		[Field]

Local Staff		
		[Home]
		[Field]

- 1 Form FIN-4 shall be filled in for the same Professional and Support Staff listed in Form TECH-7.
- 2 Professional Staff should be indicated individually; Support Staff should be indicated per category (e.g.: draftsmen, clerical staff).
- 3 Positions of the Professional Staff shall coincide with the ones indicated in Form TECH-5.
- 4 Indicate separately staff-month rate and currency for home and field work.

FORM FIN-5. BREAKDOWN OF REIMBURSABLE EXPENSES¹

(This Form FIN-5 shall only be used when it is indicated in Reference Paragraph 5.6 of the Data Sheet that remuneration shall be TimeBased)

Group of Activities (Phase): _____								
N^o	Description²	Unit	Unit Cost³	Quantity	<i>[Indicate Foreign Currency # 1]⁴</i>	<i>[Indicate Foreign Currency # 2]⁴</i>	<i>[Indicate Foreign Currency # 3]⁴</i>	<i>[Indicate Local Currency]⁴</i>
	Per diem allowances	Day						
	International flights ⁵	Trip						
	Miscellaneous travel expenses	Trip						
	Communication costs between <i>[Insert place]</i> and <i>[Insert place]</i>							
	Drafting, reproduction of reports							
	Equipment, instruments, materials, supplies, etc.							
	Shipment of personal effects	Trip						
	Use of computers, software							
	Laboratory tests.							
	Subcontracts							

	Local transportation costs							
	Office rent, clerical assistance							
	Training of the PA's personnel ⁶							
Total Costs								

- 1 Form FIN-5 should be filled for each of the Forms FIN-3 provided, if needed.
- 2 Delete items that are not applicable or add other items according to Paragraph Reference 3.6 of the Data Sheet.
- 3 Indicate unit cost and currency.
- 4 Indicate between brackets the name of the foreign currency. Use the same columns and currencies of Form FIN-
 2. Indicate the cost of each reimbursable item in the column of the relevant currency. Cost = Unit Cost x Quantity.
- 5 Indicate route of each flight, and if the trip is one- or two-ways.
- 6 Only if the training is a major component of the assignment, defined as such in the TOR.

FORM FIN-5. BREAKDOWN OF REIMBURSABLE EXPENSES

(This Form FIN-5 shall only be used when it is indicated in Reference Paragraph 5.6 of the Data Sheet that remuneration shall be Lump Sum. Information to be provided in this Form shall only be used to establish payments to the Consultant for possible additional services requested by the PA)

N°	Description ¹	Unit	Unit Cost ²
	Per diem allowances	Day	
	International flights ³	Trip	
	Miscellaneous travel expenses	Trip	
	Communication costs between [Insert place] and [Insert place]		
	Drafting, reproduction of reports		
	Equipment, instruments, materials, supplies, etc.		
	Shipment of personal effects	Trip	
	Use of computers, software		
	Laboratory tests.		
	Subcontracts		
	Local transportation costs		
	Office rent, clerical assistance		
	Training of the PA's personnel ⁴		

- 1 Delete items that are not applicable or add other items according to Paragraph Reference 3.6 of the Data Sheet.
- 2 Indicate unit cost and currency.
- 3 Indicate route of each flight, and if the trip is one- or two-ways.
- 4 Only if the training is a major component of the assignment, defined as such in the TOR.

APPENDIX. FINANCIAL NEGOTIATIONS - BREAKDOWN OF REMUNERATION RATES

1. Review of Remuneration Rates

1.1 The remuneration rates for staff are made up of salary, social costs, overheads, fee that is profit, and any premium or allowance paid for assignments away from headquarters. To assist the firm in preparing financial negotiations, a Sample Form giving a breakdown of rates is attached (no financial information should be included in the Technical Proposal). Agreed breakdown sheets shall form part of the negotiated contract.

1.2 The PA is charged with the custody of funds from Government of Sindh and is expected to exercise prudence in the expenditure of these funds. The PA is, therefore, concerned with the reasonableness of the firm's Financial Proposal, and, during negotiations, it expects to be able to review audited financial statements backing up the firm's remuneration rates, certified by an independent auditor. The firm shall be prepared to disclose such audited financial statements for the last three years, to substantiate its rates, and accept that its proposed rates and other financial matters are subject to scrutiny. Rate details are discussed below.

(i) Salary

This is the gross regular cash salary paid to the individual in the firm's home office. It shall not contain any premium for work away from headquarters or bonus.

(ii) Social Costs

Social costs are the costs to the firm of staff's non-monetary benefits. These items include, inter alia, social security including pension, medical and life insurance costs, and the cost of a staff member being sick or on vacation. In this regard, the cost of leave for public holidays is not an acceptable social cost nor is the cost of leave taken during an assignment if no additional staff replacement has been provided. Additional leave taken at the end of an assignment in accordance with the firm's leave policy is acceptable as a social cost.

(iii) Cost of Leave

The principles of calculating the cost of total days leave per annum as a percentage of basic salary shall normally be as follows:

Leave cost as percentage of salary $1 = \frac{\text{total days leave}}{\text{basic salary}} \times 100$

[365 - w - ph - v - s]

1 Where w = weekends, ph = public holidays, v = vacation, and s = sick leave.

It is important to note that leave can be considered a social cost only if the PA is not charged for the leave taken.

(iv) Overheads

Overhead expenses are the firm's business costs that are not directly related to the execution of the assignment and shall not be reimbursed as separate items under the contract. Typical items are home office costs (partner's time, nonbillable time, time of senior staff monitoring

the project, rent, support staff, research, staff training, marketing, etc.), the cost of staff not currently employed on revenue-earning projects, taxes on business activities and business promotion costs. During negotiations, audited financial statements, certified as correct by an independent auditor and supporting the last three years' overheads, shall be available for discussion, together with detailed lists of items making up the overheads and the percentage by which each relates to basic salary. The PA does not accept an add-on margin for social charges, overhead expenses, etc., for staff who are not permanent employees of the firm. In such case, the firm shall be entitled only to administrative costs and fee on the monthly payments charged for subcontracted staff.

(v) **Fee or Profit**

The fee or profit shall be based on the sum of the salary, social costs, and overhead. If any bonuses paid on a regular basis are listed, a corresponding reduction in the profit element shall be expected. Fee or profit shall not be allowed on travel or other reimbursable expenses, unless in the latter case an unusually large amount of procurement of equipment is required. The firm shall note that payments shall be made against an agreed estimated payment schedule as described in the draft form of the contract.

(vi) **Away from Headquarters Allowance or Premium**

Some Consultants pay allowances to staff working away from headquarters. Such allowances are calculated as a percentage of salary and shall not draw overheads or profit.

(vii) **Subsistence Allowances**

Subsistence allowances are not included in the rates, but are paid separately and in local currency. No additional subsistence is payable for dependents □the subsistence rate shall be the same for married and single team members.

Standard rates for the particular country may be used as reference to determine subsistence allowances.

2. **Reimbursable expenses**

2.1 The financial negotiations shall further focus on such items as out-of-pocket expenses and other reimbursable expenses. These costs may include, but are not restricted to, cost of surveys, equipment, office rent, supplies, international and local travel, computer rental, mobilization and demobilization, insurance, and printing. These costs may be either unit rates or reimbursable on the presentation of invoices, in foreign or local currency.

3. **PA Guarantee**

3.1 Payments to the firm, including payment of any advance based on cash flow projections covered by a PA guarantee, shall be made according to an agreed estimated schedule ensuring the consultant regular payments in local and foreign currency, as long as the services proceed as planned.

Sample Form

Consulting Firm:

Country:

Assignment:

Date:

Consultant's Representations Regarding Costs and Charges

We hereby confirm that:

- (a) the basic salaries indicated in the attached table are taken from the firm's payroll records and reflect the current salaries of the staff members listed which have not been raised other than within the normal annual salary increase policy as applied to all the firm's staff;
- (b) attached are true copies of the latest salary slips of the staff members listed;
- (c) the away from headquarters allowances indicated below are those that the Consultants have agreed to pay for this assignment to the staff members listed;
- (d) the factors listed in the attached table for social charges and overhead are based on the firm's average cost experiences for the latest three years as represented by the firm's financial statements; and
- (e) said factors for overhead and social charges do not include any bonuses or other means of profit-sharing.

[Name of Consulting Firm]

Signature of Authorized Representative

Date

Name: _____

Title: _____

Consultant's Representations Regarding Costs and Charges

(Expressed in [insert name of currency])

Personnel		1	2	3	4	5	6	7	8
Name	Position	Basic Salary per Working Month/Day/Year	Social Charges ¹	Overhead ¹	Subtotal	Fees ²	Away from Headquarters Allowance	Proposed Fixed Rate per Working Month/Day/Hour	Proposed Fixed Rate per Working Month/Day/Hour ¹
Home Office									
Field									

SECTION 4: TERMS OF REFERENCE

Project Background:

Reforming the power sector by reducing inefficiencies in the distribution chain is a key priority of the Government of Pakistan (GoP). Lack of management capacity, bill collections, and technical losses are some of the key reasons for inefficiencies and underperformance in power distribution system / electricity distribution companies (DISCOs). In an environment of sufficient generation capacity, the technical losses and collection losses in the DISCOs multiply the financial loss to Pakistan's power sector resulting in accumulation of circular debt.

GoP aims to improve the performance of the DISCOs through long-term concession and management contracts with the private sector, with the ultimate objective towards their privatization in the future. GoP seeks to secure private participation in the DISCOs with the following key objectives:

- Reduce aggregate technical losses and increase collections of each DISCO;
- Increase quality of services delivery and consumer satisfaction;
- Improve management quality.

In parallel, GoP is also attempting to deregulate the power market and it is considering the transfer of ownership of DISCOs to the provincial governments. The Power Division of GoP had submitted a proposal in the Cabinet Committee on Energy (CCoE) to transfer ownership of the two DISCOs in Sindh, Hyderabad Electric Supply Company (HESCO) and Sukkur Electric Power Company (SEPCO), to Government of Sindh (GoS). A working group has been formed to negotiate matters including responsibility of pre-existing liabilities, responsibility of incremental liabilities, liability sharing arrangement between GoP and GoS due to tariff differential and other subsidies, right to procure power from alternate sources and regulatory jurisdiction of NEPRA. Similarly, a working group has been notified by GoS to negotiate these issues on their behalf.

GoS is intending to seek services of a Transaction Advisor for i) advising GoS on the terms of transfer of HESCO and SEPCO to GoS from GoP and ii) attracting private sector participation in the management of these DISCOs to improve operational efficiency and undertake future capital investments.

Transactional Advisor is expected to adopt a parallel approach to the Project by undertaking detailed due diligence on the DISCOs to determine key structuring parameters for private sector participation while at the same time advising GoS on the terms of ownership transfer.

2. KEY ISSUES FOR CONSIDERATION

Highlighted below are some of the considerations, integral for transaction structuring and tendering:

1. Determining Technical & Commercial Loss: Establishing the baseline electricity loss in a DISCO is essential in order to determine the likely efficiencies that can be achieved and the determination of tariff. While all DISCOs have approved loss numbers, we note that these are not in line with actual losses. Therefore, it would be important to reestablish this baseline with proper analysis.

2. **Tariff Structure:** Sustainable multi-year tariff would be integral considering expected technical and commercial losses, investment program, subsidy and other key parameters. A multi-year tariff for distribution license and supplier license would need to be approved by National Electricity and Power Regulatory Authority (NEPRA) and such tariffs may be required to be notified for an initial period of 3-5 years, prior to the tender, to increase predictability and bankability.
3. **Existing Assets:** Considering that both DISCOs will remain under the ownership of GoS and the concession models will not envisage any transfer of ownership to the private sector, availability / right to use existing equipment and land for maintenance of existing assets and development of new infrastructure would be required to improve the performance of DISCOs. Nevertheless, it would be important to take a stock of assets and their condition prior to a concession contract.
4. **Employee Retrenchment:** Successful implementation of the transactions usually accompany right sizing of employment within distribution companies against international benchmarks. However, such an approach can also be destabilizing and give insecurity to staff. There will be a need to balance the job security need of the staff and the operational needs of the company. An effective and clear communication strategy would be required around staff retrenchment plan in order to allay the staff fears about job losses and the GoP may be required to ensure no staff retrenchment for some years.
5. **Regulatory and Policy framework:** A comprehensive review of the regulatory and policy environment and tariff framework (including licensing regulations / guidelines for the distribution and supply businesses), and corresponding regulatory and process changes (if required), to develop standardized contract documentation for the transactions in line with global best practices would be required. Predictable processes embedded in a clear and transparent framework will be critical for the success of the transactions. **Bankability:** Creditworthiness of users (including government counterparts), credit enhancement measures, maturity / terms and treatment of existing debt (funded and contingent) on the balance sheets, treatment of receivables, certainty of future cashflows and GoP subsidy arrangement would be essential for developer / operator interest and bankability of the transaction in capital markets.
6. **E&S Considerations:** It is important that E&S issues, especially social issues arising from employees are identified and addressed well in advance in consideration of IFC's Environmental and Social performance standards.
7. **Political Commitment:** The Project will involve various government stakeholders, including Cabinet Committee on Energy, GoS, Power Division GoP, National Transmission and Despatch Company, NEPRA and Power Holding Limited.

Considering the challenges related to tariffs being set below the costs allowed in tariff determinations, delays in recovery of subsidies from the government, law and order issues, unfunded pension liabilities, management of pre-existing debt associated with the distribution companies, and political pressures for sub-optimal investments, highest level of political support from GoS and GoP related stakeholders throughout the process will be key to transaction success and timely completion. Considering previous unsuccessful privatization programs, such commitment would be required to provide confidence to local and international developers / operators in the Transaction.

8. Alternate Power Suppliers: Clarity will be required on the award of licenses to other power suppliers and the relationship between the DISCOs and CPPA-G in case the DISCOs choose to purchase power from these suppliers. Similarly, with the increase in uptake of residential solar and net metering applications, careful assessment will be required to ascertain power consumption and associated forecasted revenue.

9. Information and site access: For effective due diligence the consultants and prospective developers will need to have unhindered access to existing information and to DISCOs' assets including the need for site visits. DISCOs will need to ensure such access and facilitation on a timely basis. In addition, the following issues pertaining to transfer of ownership of DISCOs need to be discussed with GoP:

10. Pre-existing liabilities: It is important that all pre-existing liabilities related to DISCOs remain with the federal government to prevent creating undue fiscal burden on GoS. GoP may opt to 'clean' the balance sheets of the DISCOs by setting of debt liabilities and payables of CPPA-G against tariff differential subsidy receivables of GoP.

11. Future loss sharing arrangement: Private sector management will gradually bring improvement in operations through improved bill collection. Similarly, investment require to upgrade T&D infrastructure will be done in phases therefore T&D loss reduction will happen over a period of time. Lastly, despite improvement in operations, the DISCOs might still incur losses due to tariff differentials or other forms of subsidies. All this requires agreement on a loss sharing arrangement between GoP and GoS that is fiscally sustainable for both parties and technically achievable.

12. Liabilities related to employees: Many employees from GoP owned power generation companies (GENCOs) were adjusted in these DISCOs after they were delicensed. Pension and other payment liabilities related to these and other current employees would need to be assessed and GoP may need to be responsible for such previous and current liabilities; however GoS may be responsible for future pension liabilities. Private sector feedback will also be important to assess if these employees can be transferred to the private sector under the concession model.

13. Consideration for 100% ownership transfer: Given the fact that both DISCOs have negative equity, the consideration paid for 100% ownership transfer should be minimal or zero.

14. Land and Asset Transfer: Land and equipment ownership due diligence would need to be undertaken to analyze the current ownership and the gaps in ownership. GoP would need to actively support in ensuring clean title of land and transfer of land to GoS.

15. Alternate Sources of Power: It is envisaged that after ownership transfer, DISCOs shall be allowed to procure additional or replacement power from existing or future independent power producers. However, any incremental financial or contingent obligations would be assumed by GoS. The impact of these obligations would need to be assessed to ascertain the need to negotiate allowing procurement of power from alternate sources with GoP.

3. TRANSACTION APPROACH & METHODOLOGY

Assignment Scope

The Transaction Advisor is expected to take over all responsibility of the assignment /project. This section is designed to identify some of the activities that the Agency feels need to be mentioned here

and should not in any way be construed as the complete set of activities required under any contract resulting from this TOR.

The scope of work for the Financial Advisor can be broadly divided into two phases i.e. Phase-I: Preparation of the transaction and transfer of Assets to the GoS; and Phase-II: Bidding Phase and Implementation of the transaction closure. The summary of the scope of services under this Assignment including but not limited to the following:

- To conduct technical financial and legal due diligence regarding the acquisition of these entities and assessing the impacts of acquiring these entities while evaluating the internal dynamics and external factors;
- To analyze the impacts of land transfer/acquisition of these entities and suggest mechanisms from the federal government to the provincial Government keeping in view legal implications;
- To prepare an inventory of all items owned by these entities at present market value;
- To review the position of existing infrastructure underuse of these entities and its durability, for the future in terms of years;
- To outline design parameters covering all the facilities and propose viable options along with features after ground appraisals of the Projects' locations following the industry's best practices and applicable standards;
- To Review/analyze PPP options with an Assessment of various structure choices and suggest/recommend the most feasible options for understanding these projects while keeping in view risk factors;
- To prepare the bid document for solicitation of bids from private parties under the PPP mode;
- To prepare and deliver presentations and reports and the Projects-related documents before the PPP Policy Board and any other forum for seeking approvals as required under the SPP Rules.

The broad detail of the tasks to be included in each phase but not be limited to is given as hereunder:

I. Preparation of the transaction and transfer of assets to the GoS

1) Due Diligence

As part of this activity, the Transaction Advisor(s) is expected to review in a comprehensive manner the technical, operational, accounting, financial, legal & regulatory, contractual related matters arising from the acquisition. The purpose of due diligence is to identify issues and considerations in relation to the acquisition of these entities and assessing the impacts of acquiring these entities while evaluating the internal dynamics and external factors. The management of HESCO and SEPCO along with the Energy department would be available to assist the Transaction Advisor(s) in conducting the due diligence including but not limited to the following areas:

Legal: Review and comments on legal & regulatory framework, contractual obligations impacts of land transfer/acquisition of these entities and suggest mechanisms from the federal government to the provincial Government keeping in view the legal implications.

- Technical: Conduct due diligence on HESCO's and SEPCO's power facilities, assets and other operations including, and environmental performance with a view to determine the asset evaluation of both entities and identifying the issues. It is emphasized that comprehensive analysis & assessment of investments made for the disclosure will be made to the Energy department;
- Financial: Review and examine the audited financial statements, management accounts and the financial structure; assistance in preparation of financial statements of the both entities;
- Regulatory: Review and comment on the regulatory framework, market structure and the tariff setting mechanism developed by NEPRA and evaluate the effects on the transaction, proposing appropriate recommendations; and
- Environmental Assessment: Review and comment on the environmental assessment where power facilities are operating; evaluate the effects on the transaction; and provide appropriate recommendations.

2) Financial Model and Valuation

Based on the due-diligence review and the necessary input received from GoS and both entities. The Financial Advisor will prepare a comprehensive Financial and Valuation Model to evaluate both entities are an operating concern, keeping in view the potential growth, recommended tariffs and future earnings, and other business considerations valuation of and/property assets etc. The most prudent and relevant valuation techniques will be used to assess the value of the firms. The Financial and Valuation Model will be used to undertake a sensitivity analysis, and to highlight the impact of changes in different variables, such as tariff levels and debt equity ratio on the overall value of the assets to be privatised. The Financial Advisor will be required to provide details of all assumptions, reasoning and valuations used to arrive at specific recommendations. The assumptions and parameters to form the basis of the model and final valuation should be discussed with the concerned stakeholders in order to avoid any disagreement over the outcome of the model at the final stages.

II. Phase-II: Bidding Phase and transaction closure

If the Agency decides to proceed with the Phase II, the Consultant shall require performing the following functions including, but not limited to the following:

1) Marketing and Bidding Document

The Financial Advisor will be responsible for the finalization of necessary documentations such as Information Memorandum; evaluation criteria for the bidders; pre-qualification of bidders; and preparation of bidding document package, including technical evaluation and legal documentation (operations and management etc.). The Transaction Advisor will work closely with its consortium member firms and prepare bidding documents for the short listed bidders. The Transaction Advisor will ensure that all documents are prepared in accordance with local and international disclosure requirements and should meet good business practice norms.

2) Bidding Process

Financial Advisor will manage the entire bidding process, with the assistance of the Energy department, GoS, including but not limited to, pre-bid conference(s), facilitation of bidder's due diligence, bidding documents, solicitation of bids, bid opening and evaluation, recommendations on

award, post bid evaluation / activities, and ancillary work etc. The advisor will provide a detailed briefing to the bidders with respect to the transaction documents, bidding process and the post-close issues.

3) Financial Closure

Transaction Advisor will present the Investors bids to the GoS for approval and assist in conducting negotiations with the qualified investors, and arrange financial closure of the deal. Transaction Advisor will also arrange compliance with the terms of sale. - Stipulated service standards and associated costs;

4. DELIVERABLES

Deliverables/Reports	Indicative Deadlines <i>(from signing of Consultancy Contract)</i>	Payment Schedule
INCEPTION		
Inception Report	Contract Signing Date + 1 Month	10%
PHASE I: PREPARATION OF TRANSACTION AND TRANSFER OF ASSETS TO GOS		
Legal Due Diligence	Contract Signing Date + 2 Months	10%
Technical Due Diligence	Contract Signing Date + 3 Months	15%
Financial Due Diligence	Contract Signing Date + 4 Months	15%
Regulatory Due Diligence & Environmental Assessment	Contract Signing Date + 5 Months	10%
Financial Modeling & Valuation	Contract Signing Date + 6 Months	10%
PHASE II: BIDDING PHASE AND TRANSACTION CLOSURE		
Marketing & Bidding Document	Contract Signing Date + 7 Months	10%
Bidding Process	Contract Signing Date + 10 Months	10%
Financial Closure	Contract Signing Date + 12 Months	10%

Section 5: Standard forms of Contract

General Conditions of Contract

1. GENERAL PROVISIONS

1.1 Definitions

Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

- (a) “Applicable Law” means the Sindh Public Procurement Act, thereunder Rules 2010.
- (b) “Procuring Agency PA” means the implementing department which signs the contract
- (c) “Consultant” means a professional who can study, design, organize, evaluate and manage projects or assess, evaluate and provide specialist advice or give technical assistance for making or drafting policies, institutional reforms and includes private entities, consulting firms, legal advisors, engineering firms, construction managers, management firms, procurement agents, inspection agents, auditors, international and multinational organizations, investment and merchant banks, universities, research institutions, government agencies, nongovernmental organizations, and individuals.
- (d) “Contract” means the Contract signed by the Parties and all the attached documents listed in its Clause 1, that is General Conditions (GC), the Special Conditions (SC), and the Appendices.
- (e) “Contract Price” means the price to be paid for the performance of the Services, in accordance with Clause 6;
- (f) “Effective Date” means the date on which this Contract comes into force and effect pursuant to Clause GC 2.1.
- (g) “Foreign Currency” means any currency other than the currency of the PA’s country.
- (h) “GC” means these General Conditions of Contract.
- (i) “Government” means the Government of Sindh.
- (j) “Local Currency” means Pak Rupees.
- (k) “Member” means any of the entities that make up the joint venture/consortium/association, and “Members” means all these entities.
- (l) “Party” means the PA or the Consultant, as the case may be, and “Parties” means both of them.
- (m) “Personnel” means persons hired by the Consultant or by any Sub- Consultants and assigned to the performance of the Services or any part thereof.
- (n) “SC” means the Special Conditions of Contract by which the GC may be amended or

supplemented.

(o) “Services” means the consulting services to be performed by the Consultant pursuant to this Contract, as described in the Terms of References.

(p) “Sub-Consultants” means any person or entity to whom/which the Consultant subcontracts any part of the Services.

(q) “In writing” means communicated in written form with proof of receipt.

1.2 Law Governing Contract

This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the applicable law.

1.3 Language

This Contract is executed in the language specified in the SC, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.

1.4 Notices

1.4.1 Any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent to such Party at the address specified in the SC.

1.4.2 A Party may change its address for notice hereunder by giving the other Party notice in writing of such change to the address specified in the SC.

1.5 Location

The Services shall be performed at such locations as are specified in special condition of contract and, where the location of a particular task is not so specified, at such locations, whether in the Government’s country or elsewhere, as the PA may approve.

1.6 Authority of Member in Charge

In case the Consultant consists of a joint venture/ consortium/ association of more than one individual firms, the Members hereby authorize the individual firms or specified in the SC to act on their behalf in exercising all the Consultant’s rights and obligations towards the PA under this Contract, including without limitation the receiving of instructions and payments from the PA.

1.7 Authorized Representatives

Any action required or permitted to be taken, and any document required or permitted to be executed under this Contract by the PA or the Consultant may be taken or executed by the officials specified in the SC.

1.8 Taxes and Duties

The Consultant, Sub-Consultants, and their Personnel shall pay such direct or indirect taxes, duties,

fees, and other impositions levied under the Applicable Law as specified in the SC, the amount of which is deemed to have been included in the Contract Price.

1.9 Fraud and Corruption

A. If the PA determines that the Consultant and/or its Personnel, sub-contractors, sub-consultants, services providers and suppliers has engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices, in competing for or in executing the Contract, then the PA may, after giving 14 days notice to the Consultant, terminate the Consultant's employment under the Contract, and may resort to other remedies including blacklisting/disqualification as provided in SPPR 2010.

Any personnel of the Consultant who engages in corrupt, fraudulent, collusive, coercive, or obstructive practice during the execution of the Contract, shall be removed in accordance with Sub-Clause 4.2.

Integrity Pact

B. If the Consultant or any of his Sub-consultants, agents or servants is found to have violated or involved in violation of the Integrity Pact signed by the Consultant as “Appendix: Integrity Pact” to this Form of Contract, then the Client shall be entitled to:

- (a) recover from the Consultant an amount equivalent to ten times the sum of any commission, gratification, bribe, finder’s fee or kickback given by the Consultant or any of his Sub-consultant, agents or servants;
- (b) terminate the Contract; and
- (c) recover from the Consultant any loss or damage to the Client as a result of such termination or of any other corrupt business practices of the Consultant or any of his Sub-consultant, agents or servants.

On termination of the Contract under Sub-Para (b) of this Sub- Clause, the Consultant shall proceed in accordance with Sub- Clause 1.9 A. Payment upon such termination shall be made under Sub-Clause 1.9 A after having deducted the amounts due to the Client under 19 B Sub-Para (a) and (c).

2. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT

2.1 Effectiveness of Contract

This Contract shall come into effect on the date the Contract is signed by both Parties or such other later date as may be stated in the SC. The date the Contract comes into effect is defined as the Effective Date.

2.2 Commencement of Services

The Consultant shall begin carrying out the Services not later than the number of days after the Effective Date specified in the SC.

2.3 Expiration of Contract

Unless terminated earlier pursuant to Clause GC 2.6 hereof, this Contract shall expire at the end of such time period after the Effective Date as specified in the SC.

2.4 Modifications or Variations

Any modification or variation of the terms and conditions of this Contract, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties. However, each Party shall give due consideration to any proposals for modification or variation made by the other Party.

2.5 Force Majeure

The failure on the part of the parties to perform their obligation under the contract will not be considered a default if such failure is the result of natural calamities, disasters and circumstances beyond the control of the parties.

2.5.2 No Breach of Contract

The failure of a Party to fulfill any of its obligations under the contract shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event (a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this Contract, and (b) has informed the other Party as soon as possible about the occurrence of such an event.

2.5.3 Extension of Time

Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

2.5.4 Payments

During the period of their inability to perform the Services as a result of an event of Force Majeure, the Consultant shall be entitled to continue to be paid under the terms of this Contract, as well as to be reimbursed for additional costs reasonably and necessarily incurred by them during such period for the purposes of the Services and in reactivating the Service after the end of such period.

2.6 Termination

2.6.1 By the PA

The PA may terminate this Contract in case of the occurrence of any of the events specified in paragraphs (a) through (f) of this Clause GC

2.6.1. In such an occurrence the PA shall give a not less than thirty (30) days' written notice of termination to the Consultant, and sixty (60) days' in the case of the event referred to in (e).

- (a) If the Consultant does not remedy the failure in the performance of their obligations under the Contract, within thirty (30) days after being notified or within any further period as the PA may have subsequently approved in writing.

- (b) If the Consultant becomes insolvent or bankrupt.
- (c) If the Consultant, in the judgment of the PA has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.
- (d) If, as the result of Force Majeure, the Consultant(s) are unable to perform a material portion of the Services for a period of not less than sixty (60) days.
- (e) If the PA, in its sole discretion and for any reason whatsoever, decides to terminate this Contract.
- (f) If the Consultant fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause GC 8 hereof.

2.6.2 By the Consultant

The Consultants may terminate this Contract, by not less than thirty (30) days' written notice to the PA, such notice to be given after the occurrence of any of the events specified in paragraphs (a) through (c) of this Clause GC 2.6.2:

- (a) If the PA fails to pay any money due to the Consultant pursuant to this Contract without consultants fault.
- (b) Pursuant to Clause GC 7 hereof within forty-five (45) days after receiving written notice from the Consultant that such payment is overdue.
- (c) If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days.
- (d) If the PA fails to comply with any final decision reached as a result of arbitration pursuant to Clause GC 8 hereof.

2.6.3 Payment upon Termination

Upon termination of this Contract pursuant to Clauses GC 2.6.1 or GC 2.6.2, the PA shall make the following payments to the Consultant:

- (a) payment pursuant to Clause GC 6 for Services satisfactorily performed prior to the effective date of termination;
- (b) except in the case of termination pursuant to paragraphs (a) through (c), and (f) of Clause GC 2.6.1, reimbursement of any reasonable cost incident to the prompt and orderly termination of the Contract, including the cost of the return travel of the Personnel and their eligible dependents.

3. OBLIGATIONS OF THE CONSULTANT

3.1 General

3.1.1 Standard of Performance

The Consultant shall perform the Services and carry out their obligations hereunder with all due

diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and shall observe sound management practices, and employ appropriate technology and safe and effective equipment, machinery, materials and methods. The Consultant shall always act, in respect of any matter relating to this Contract or to the Services, as faithful advisers to the PA, and shall at all times support and safeguard the PA's legitimate interests in any dealings with Sub-Consultants or third Parties.

3.2 Conflict of Interests

The Consultant shall hold the PA's interests paramount, without any consideration for future work, and strictly avoid conflict with other assignments or their own corporate interests.

3.2.1 Consultants not to Benefit from Commissions, Discounts, etc.

The payment of the Consultant pursuant to Clause GC 6 shall constitute the Consultant's only payment in connection with this Contract or the Services, and the Consultant shall not accept for their own benefit any trade commission, discount, or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations under the Contract, and the Consultant shall use their best efforts to ensure that the Personnel, any Sub-Consultants, and agents of either of them similarly shall not receive any such additional payment.

3.2.2 Consultant and Affiliates not to be Otherwise Interested in Project

The Consultant agrees that, during the term of this Contract and after its termination, the Consultant and any entity affiliated with the Consultant, as well as any Sub-Consultants and any entity affiliated with such Sub-Consultants, shall be disqualified from providing goods, works or services (other than consulting services) resulting from or directly related to the Consultant's Services for the preparation or implementation of the project.

3.2.3 Prohibition of Conflicting Activities

The Consultant shall not engage, and shall cause their Personnel as well as their Sub-Consultants and their Personnel not to engage, either directly or indirectly, in any business or professional activities which would conflict with the activities assigned to them under this Contract.

3.3 Confidentiality

Except with the prior written consent of the PA, the Consultant and the Personnel shall not at any time communicate to any person or entity any confidential information acquired in the course of the Services, nor shall the Consultant and the Personnel make public the recommendations formulated in the course of, or as a result of, the Services.

3.4 Insurance to be Taken Out by the Consultant

The Consultant (a) shall take out and maintain, and shall cause any Sub-Consultants to take out and maintain, at their (or the Sub-Consultants', as the case may be) own cost but on terms and conditions approved by the PA, insurance against the risks, and for the coverage, as shall be specified in the SC; and (b) at the PA's request, shall provide evidence to the PA showing that such insurance has been taken out and maintained and that the current premiums have been paid.

3.5 Consultant's Actions Requiring PA's Prior Approval

The Consultant shall obtain the PA's prior approval in writing before taking any of the following actions:

- (a) entering into a subcontract for the performance of any part of the Services,
- (b) appointing such members of the Personnel not listed by name in Appendix C, and
- (c) any other action that may be specified in the SC.

3.6 Reporting Obligations

- (a) The Consultant shall submit to the PA the reports and documents specified in (PA may insert appendix) hereto, in the form, in the numbers and within the time periods set forth in the said Appendix.
- (b) Final reports shall be delivered in CD ROM in addition to the hard copies specified in said Appendix.

3.7 Documents Prepared by the Consultant to be the Property of the PA

- (a) All plans, drawings, specifications, designs, reports, other documents and software submitted by the Consultant under this Contract shall become and remain the property of the PA, and the Consultant shall, not later than upon termination or expiration of this Contract, deliver all such documents to the PA, together with a detailed inventory thereof.
- (b) The Consultant may retain a copy of such documents and software. Restrictions about the future use of these documents, if any, shall be specified in the SC.

3.8 Accounting, Inspection and Auditing

3.8.1 The Consultant shall keep, and shall cause its Sub-consultants to keep, accurate and systematic accounts and records in respect of the Contract, in accordance with internationally accepted accounting principles and in such form and detail as will clearly identify relevant time changes and costs.

3.8.2 The Consultant shall permit, and shall cause its Sub-consultants to permit, the PA and/or persons appointed by the PA to inspect its accounts and records relating to the performance of the Contract and the submission of the Proposal to provide the Services, and to have such accounts and records audited by auditors appointed by the PA if requested by the PA. The Consultant's attention is drawn to Clause 1.9.1 which provides, inter alia, that acts intended to materially impede the exercise of the PA's inspection and audit rights provided for under Clause 3.8 constitute a prohibited practice subject to contract termination (as well as to a determination of ineligibility pursuant to the PA's prevailing sanctions procedures.).

4. CONSULTANT'S PERSONNEL

4.1 Description of Personnel

The Consultant shall employ and provide such qualified and experienced Personnel and Sub-

Consultants as are required to carry out the Services. The titles, agreed job descriptions, minimum qualifications, and estimated periods of engagement in the carrying out of the Services of the Consultant's Key Personnel are described in Appendix C. The Key Personnel and Sub-Consultants listed by title as well as by name in Appendix C are hereby approved by the PA.

4.2 Removal and/or Replacement of Personnel

(a) Except as the PA may otherwise agree, no changes shall be made in the Key Personnel. If, for any reason beyond the reasonable control of the Consultant, such as retirement, death, medical incapacity, among others, it becomes necessary to replace any of the Key Personnel, the Consultant shall provide as a replacement a person of equivalent or better qualifications.

(b) If the PA finds that any of the Personnel have (i) committed serious misconduct or have been charged with having committed a criminal action, or (ii) have reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Consultant shall, at the PA's written request specifying the grounds thereof, provide as a replacement a person with qualifications and experience acceptable to the PA.

(c) The Consultant shall have no claim for additional costs arising out of or incidental to any removal and/or replacement of Personnel.

5. OBLIGATIONS OF THE PA

5.1 Assistance and Exemptions

The PA shall use its best efforts to ensure that the Government shall provide the Consultant such assistance and exemptions as specified in the SC.

5.2 Change in the Applicable Law Related to Taxes and Duties

If, after the date of this Contract, there is any change in the Applicable Law with respect to taxes and duties which increases or decreases the cost incurred by the Consultant in performing the Services, then the remuneration and reimbursable expenses otherwise payable to the Consultant under this Contract shall be increased or decreased accordingly by agreement between the Parties, and corresponding adjustments shall be made to the amounts referred to in Clauses GC 6.2 (a) or (b), as the case may be.

5.3 Services and Facilities

The PA shall make available free of charge to the Consultant the Services and Facilities listed under Appendix F.

6. PAYMENTS TO THE CONSULTANT

6.1 Security

The consultant has to submit bid security and the performance security at the rate mention in SC.

6.2 Lump-Sum Payment

The consultant has to submit bid security and the performance security at the rate mention in SC.

The total payment due to the Consultant shall not exceed the Contract Price which is an all inclusive fixed lump-sum covering all costs required to carry out the Services described in Appendix A. Except as provided in Clause 5.2, the Contract Price may only be increased above the amounts stated in Clause 6.2 if the Parties have agreed to additional payments in accordance with Clause 2.4.

6.3 Contract Price

The price payable in Pak Rupees/foreign currency/ is set forth in the SC.

6.4 Payment for Additional Services For the purpose of determining the remuneration due for additional services as may be agreed under Clause 2.4, a breakdown of the lump- sum price is provided in Appendices D and E.

6.5 Terms and Conditions of Payment

Payments will be made to the account of the Consultant and according to the payment schedule stated in the SC. Unless otherwise stated in the SC, the first payment shall be made against the provision by the Consultant of an advance payment guarantee for the same amount, and shall be valid for the period stated in the SC. Such guarantee shall be in the form set forth in Appendix G hereto, or in such other form, as the PA shall have approved in writing. Any other payment shall be made after the conditions listed in the SC for such payment have been met, and the Consultant has submitted an invoice to the PA specifying the amount due.

7. GOOD FAITH

7.1 Good Faith

The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

8. SETTLEMENT OF DISPUTES

8.1 Amicable Settlement

The Parties agree that the avoidance or early resolution of disputes is crucial for a smooth execution of the Contract and the success of the assignment. The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation.

8.2 Dispute Resolution

Any dispute between the Parties as to matters arising pursuant to this Contract that cannot be settled amicably within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for settlement in accordance with the provisions specified in the SC.

Special Conditions of Contract

(Clauses in brackets { } are optional; all notes should be deleted in final text)

Number of GC Clause	Amendments of, and Supplements to, Clauses in the General Conditions of Contract
--------------------------------	---

{1.1} Sindh Public Procurement Act and Sindh Public Procurement Rules 2010.

1.3 The language is English.

1.4 The addresses are:

Procuring Agency: Energy, Energy Dept., Government of Sindh ____

Attention: Mr. Faisal Hussain_____

Facsimile:_____

E-mail:_____

Consultant: _____

Attention:_____

Facsimile: _____

E-mail: _____

{1.6} {The Member in Charge is *[insert name of member]*}

Note: If the Consultant consists of a joint venture/ consortium/ association of more than one entity, the name of the entity whose address is specified in Clause SC 1.6 should be inserted here. If the Consultant consists only of one entity, this Clause SC 1.8 should be deleted from the SC.

1.7 The Authorized Representatives are:

For the PA: Mr. Faisal Hussain_____

For the Consultant: _____

1.8

PA shall specify all relevant taxes including stamp duty and service charges to be borne by the consultant. In case there is exemption from any rates, taxes, the same shall be mentioned here.

The Consultant must be informed in Clause Reference 3.7 of the Data Sheet about which alternative the PA wishes to apply.

The PA warrants that the Consultant, the Sub-Consultants and the Personnel shall be exempt from (or that the PA shall pay on behalf of the Consultant, the Sub-Consultants and the Personnel, or shall reimburse the Consultant, the Sub-Consultants and the Personnel for) any indirect taxes, duties, fees, levies and other impositions imposed, under the Applicable Law, on the Consultant, the Sub-Consultants and the Personnel in respect of:

- (a) any payments whatsoever made to the Consultant, Sub-Consultants and the Personnel (other than nationals or permanent residents of Pakistan), in connection with the carrying out of the Services;
- (b) any equipment, materials and supplies brought into the Government's country by the Consultant or Sub-Consultants for the purpose of carrying out the Services and which, after having been brought into such territories, will be subsequently withdrawn there from by them;
- (c) any equipment imported for the purpose of carrying out the Services and paid for out of funds provided by the PA and which is treated as property of the PA;
- (d) any property brought into the province by the international Consultant, any Sub-Consultants or the Personnel or the eligible dependents of such Personnel for their personal use and which will subsequently be withdrawn there from by them upon their respective departure from the Government's country, provided that:

- (1) the Consultant, Sub-Consultants and Personnel, and their eligible dependents, shall follow the usual customs procedures of the Government's country in importing property into the Government's country; and
- (2) if the Consultant, Sub-Consultants or Personnel, or their eligible dependents, do not withdraw but dispose of any property in the Pakistan for which customs duties and taxes have been exempted, the Consultant, Sub-Consultants or Personnel, as the case may be,
 - (i) shall bear such customs duties and taxes in conformity with the regulations of the Government's country, or
 - (ii) shall reimburse them to the PA if they were paid by the PA at the time the property in question was brought into the Government's country.

2.2 The date for the commencement of Services is 1st January, 2021.

2.3 The time period shall be **three months** *[insert time period, e.g.: twelve months, eighteenmonths]*.

3.4

The risks and the coverage shall be as follows: (N/A)

- (a) Third Party motor vehicle liability insurance in respect of motor vehicles operated by the Consultant or its Personnel or any Sub- Consultants or their Personnel, with a minimum coverage of *[insert amount and currency]*;
- (b) Third Party liability insurance, with a minimum coverage of *[insert amount and currency]*;
- (c) professional liability insurance, with a minimum coverage of *[insert amount and currency]*;
- (d) employer's liability and workers' compensation insurance in respect of the Personnel of the Consultant and of any Sub-Consultants, in accordance with the relevant provisions of the Applicable Law, as well as, with respect to such Personnel, any such life, health, accident, travel or other insurance as may be appropriate; and
- (e) insurance against loss of or damage to (i) equipment purchased in whole or in part with funds provided under this Contract, (ii) the Consultant's property used in the performance of the Services, and (iii) any documents prepared by the Consultant in the performance of the Services.

Note: Delete what is not applicable

{3.5 (c)} {The other actions are: *[insert actions]*.}

Note: If there are no other actions, delete this Clause SC 3.5 (c).

{3.7 (b)} *Note: If there is to be no restriction on the future use of these documents by either Party, this Clause SC 3.7 should be deleted. If the Parties wish to restrict such use, any of the following options, or any other option agreed to by the Parties, may be used:*

{The Consultant shall not use these documents and software for purposes unrelated to this Contract without the prior written approval of the PA.}

{The PA shall not use these documents and software for purposes unrelated to this Contract without the prior written approval of the Consultant.}

{Neither Party shall use these documents and software for purposes unrelated to this Contract without the prior written approval of the other Party.}

{5.1} *Note: List here any assistance or exemptions that the PA may provide under Clause 5.1. If there is no such assistance or exemptions, state “not applicable.”*

6.1 Procuring Agency shall indicate bid security not less than 1% and above 5%
Performance security shall not exceed 10% of contract amount

6.3 The amount in Pak Rupees or in foreign Currency *[PKR]*.

6.5 The accounts are:

for foreign currency or currencies: *[insert account]*

for local currency: *[insert account]*

Payments shall be made according to the following schedule:

- (a) Ten (10) percent of the lump-sum amount shall be paid upon submission of the inception report.
- (b) Twenty-five (25) percent of the lump-sum amount shall be paid upon submission of the interim report.
- (c) Twenty-five (25) percent of the lump-sum amount shall be paid upon submission of the draft final report.
- (d) Forty (40) percent of the lump-sum amount shall be paid upon approval of the final report.

Note: This sample clause should be specifically drafted for each contract.

8.2 Disputes shall be settled by complaint redressal committee define in SPPR 2010 or through arbitration Act of 1940.in accordance with the following provisions:

Appendix: (INTEGRITY PACT)

**DECLARATION OF FEES, COMMISSION AND
BROKERAGE ETC. PAYABLE BY THE SUPPLIERS OF
GOODS, SERVICES & WORKS IN CONTRACTS WORTH
RS. 2.5 MILLION OR MORE**

Contract No. _____ Dated _____ Contract Value: _____

Contract Title: _____

..... [name of Supplier] hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from Government of Sindh (GoS) or any administrative subdivision or agency thereof or any other entity owned or controlled by GoS through any corrupt business practice.

Without limiting the generality of the foregoing, [name of Supplier] represents and warrants that it has fully declared the brokerage, commission, fees etc. paid or payable to anyone and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kickback, whether described as consultation fee or otherwise, with the object of obtaining or inducing the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoS, except that which has been expressly declared pursuant hereto.

[name of Supplier] certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with GoS and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.

[name of Supplier] accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other rights and remedies available to GoS under any law, contract or other instrument, be voidable at the option of GoS.

Notwithstanding any rights and remedies exercised by GoS in this regard, [name of Supplier] agrees to indemnify GoS for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to GoS in an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by [name of Supplier] as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoS.

Name of Buyer:

Name of Seller/Supplier:

Signature:

Signature:

[Seal]

[Seal]

CONTRACT FORM (draft)

THIS CONTRACT (“Contract”) is entered into this [insert starting date of assignment], by and between [insert PA’s name] (“the PA”) having its principal place of business at [insert PA’s address], and [insert Consultant’s name] (“the Consultant”) having its principal office located at [insert Consultant’s address].

WHEREAS, the PA wishes to have the Consultant performing the services hereinafter referred to, and

WHEREAS, the Consultant is willing to perform these services,

NOW THEREFORE THE PARTIES hereby agree as follows:

1. Services

(i) The Consultant shall perform the services specified in Annex A, “Terms of Reference and Scope of Services,” which is made an integral part of this Contract (“the Services”).

(ii) The Consultant shall provide the reports listed in Annex B, “Consultant's Reporting Obligations,” within the time periods listed in such Annex, and the personnel listed in Annex C, “Cost Estimate of Services, List of Personnel and Schedule of Rates” to perform the Services.

2. Term

The Consultant shall perform the Services during the period commencing [insert start date] and continuing through [insert completion date] or any other period as may be subsequently agreed by the parties in writing.

3. Payment

A. Ceiling

For Services rendered pursuant to Annex A, the PA shall pay the Consultant an amount not to exceed [insert amount]. This amount has been established based on the understanding that it includes all of the Consultant's costs and profits as well as any tax obligation that may be imposed on the Consultant.

C. Payment Conditions

Payment shall be made in [specify currency], no later than 30 days following submission by the Consultant of invoices in duplicate to the Coordinator designated in paragraph 4.

4. Economic Price Adjustment

In order to adjust the remuneration for inflation, a price adjustment provision has been included if the contract has duration of more than 18 months or if the inflation is expected to exceed % per annum. The adjustment will be made

every 12 months after the date of the contract for remuneration. Remuneration will be adjusted by using the relevant index as per following provision: “Payments for remuneration made in accordance with Clause 3 shall be

adjusted as follows:

Remuneration pursuant to the rates set forth in Annex C shall be adjusted every 12 months (and, for the first time, with effect for the remuneration earned in the [13] th calendar month after the date of the Contract) by applying the following formula:

$$R_l = R_{l0} \times \frac{I_l}{I_{l0}}$$

where R_l is the adjusted remuneration, R_{l0} is the remuneration payable on the basis of the rates set forth in Annex C for payable remuneration, I_l is the official rate of inflation for the first month for which the adjustment is to have effect and, I_{l0} is the official rate of inflation for the month of the date of the Contract.”]

5. Project Administration

A. Coordinator

The PA designates Mr./Ms. [insert name] as PA’s Coordinator; the Coordinator shall be responsible for the coordination of activities under the Contract, for receiving and approving invoices for payment, and for acceptance of the deliverables by the PA.

B. Timesheets

During the course of their work under this Contract the Consultant’s employees providing services under this Contract may be required to complete timesheets or any other document used to identify time spent, as instructed by the Coordinator.

C. Records and Accounts

The Consultant shall keep accurate and systematic records and accounts in respect of the Services, which will clearly identify all charges and expenses. The PA reserves the right to audit, or to nominate a reputable accounting firm to audit, the Consultant’s records relating to amounts claimed under this Contract during its term and any extension, and for a period of three months

thereafter.

6. Performance Standard

The Consultant undertakes to perform the Services with the highest standards of professional and ethical competence and integrity. The Consultant shall promptly replace any employees assigned under this Contract that the PA considers unsatisfactory.

7. Confidentiality

The Consultants shall not, during the term of this Contract and within two years after its expiration, disclose any proprietary or confidential information relating to the Services, this Contract or the PA's business or operations without the prior written consent of the PA.

8. Ownership of Material

Any studies, reports or other material, graphic, software or otherwise, prepared

by the Consultant for the PA under the Contract shall belong to and remain the property of the PA. The Consultant may retain a copy of such documents and software.

9. Consultant Not to be Engaged in Certain Activities

The Consultant agrees that, during the term of this Contract and after its termination, the Consultants and any entity affiliated with the Consultant, shall be disqualified from providing goods, works or services (other than the Services or any continuation thereof) for any project resulting from or closely related to the Services.

10. Insurance

The Consultant will be responsible for taking out any appropriate insurance coverage for their personnel and equipments.

11. Assignment

The Consultant shall not assign this Contract or Subcontract any portion thereof it without the PA's prior written consent.

12. Law Governing Contract and Language

The Contract shall be governed by the laws of Islamic Republic of Pakistan or the Provincial Government and the language of the Contract shall be English.

13. Dispute Resolution

Any dispute arising out of this Contract, which cannot be amicably settled

between the parties, shall be referred to adjudication/arbitration in accordance with the Arbitration Act of 1940

FOR THE PA

FOR THE CONSULTANT

Signed by Mr. _____

Signed by _____

Title: _____

Title: _____