

**GOVERNMENT OF MADHYA PRADESH**

**REQUEST FOR PROPOSAL FOR**

**APPOINTMENT OF TRANSACTION ADVISOR**

**(CONSULTANT)**

**FOR PROJECTS**

**ON PUBLIC PRIVATE PARTNERSHIP (PPP) BASIS**

**FOR PROJECT COST LESS THAN Rs. 50 CRORES**

**NOVEMBER, 2007**

**ISSUED BY :**

**DIRECTORATE OF INSTITUTIONAL FINANCE (PPP CELL), MADHYA PRADESH**

**C-WING, 1st FLOOR, VINDHYACHAL BHAWAN,**

**BHOPAL (MP)**

**website: [www.dif.mp.gov.in](http://www.dif.mp.gov.in)**

# REQUEST FOR PROPOSAL (RFP) FOR APPOINTMENT OF TRANSACTION ADVISOR FOR DEVELOPMENT OF PROJECTS UNDER PUBLIC-PRIVATE PARTNERSHIP (PPP)

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## 1. General

\_\_\_\_\_, (hereinafter referred to as "**Authority**") intends to develop projects under Public-Private Partnership (PPP) basis. Authority proposes to procure the services of Transaction Advisor for proper packaging, structuring and implementation of the Public-Private Partnership for the Projects of the Authority. For each Project, the services of the Transaction Advisor (Consultant) will be required intermittently till signing of the Concession Agreement. This is expected that the task would be for a period of about 6 months for each Project from the date of start of work for that Project. The Transaction Advisors engaged by Authority will assist in all matters of the Project including the warranties and undertakings required to be obtained from various project players at various stages and carrying out the "Due diligence" on behalf of Authority as the Project Owner's Consultant. The entire range of activities given hereinafter is required to be carried out by the Transaction Advisor.

## 2. Background

Authority intends to develop the Projects under Public-Private Partnership (PPP) basis with a view to maximise the return. A separate concession agreement is proposed to be signed between Authority and a "Concessionaire" for each of the projects. Authority hereby invites Transaction Advisor to assist Authority in providing financial advice, Modelling and structuring for implementation of each of the projects on PPP basis.

The appointment of Transaction Advisor shall be made on **least cost basis**.

Details of Projects to be developed under PPP are given as under:

Sl. No.	Particulars of Projects	Project Cost (Appox.)

## 3. PROJECT OBJECTIVE

- 3.1 The objective of this project is to successfully develop a comprehensive Public-Private Partnership (PPP) structure and its legal, commercial and financial guidance documents, to assist Authority in selection of private sector partner by adopting the PPP structure appropriate for each Project and to continue to assist till signing of the Concession Agreement.
- 3.2 To build support implementation plan that enables Authority to deliver improved services to the public/ society.
- 3.3 Building capacity for escorting and facilitating clearances to investors.
- 3.4 Key improvements in public facilities and services as well as their satisfaction level should be demonstrable.

## 4 Project process for each Project

### 4.1 Methodology

This will vary for each output. However, recommendations should be based on (i) Analysis of the situation; (ii) Best Practice elsewhere; (iii) Feasibility based on the Madhya Pradesh context, as well as dialogue and consensus between representatives of business, government as well as civil society.

### 4.2 Working Conduct

The consultants will work in close association with the Authority which is the implementing agency to take this work forward, Directorate of Institutional Finance (DIF), GoMP which is nodal agency for the PPP projects and the inter-departmental committees established by GoMP to implement and monitor the project. Close collaboration will be required with other consultants and implementing partners working on other components in the project, especially Development of Infrastructure on PPP basis and Investment promotion.

## 5. REQUIREMENT OF TRANSACTION ADVISOR

5.1 Consultants will be required to provide required qualified personnel including experts in the relevant sector, public-private partnerships, investment promotion, project preparation and appraisal, policy and legal issues. The consultant will be required to establish a local presence if none is in place currently.

5.2 All the prospective Consultants shall have sufficient qualified personnel, sub-consultants, and resources to accomplish all the services described herein within the prescribed time. The Consultant should be capable of furnishing all necessary professional, technical, and expert services as required to complete all the elements of Consultancy assignment described below in the Scope of Work. Authority is seeking Transaction Advisor, which can bring together a team of professionals and sub-professionals capable of completing all aspects of the Consultancy assignment. This will require a high degree of management and technical expertise and experience directly related to structuring of Public-Private Partnership for similar projects.

5.2.1 **Consultant/ firm** must have direct experience with at least one PPP Project. (If required, a minimum qualifying project size can be prescribed for projects of this type. Usually, this is upto 50% of the estimated cost of the proposed project)

**5.2.2 A Project Manager Cum Team Leader** who should be familiar with the requirements for PPP projects from the perspective of both the Authority and the investors. Familiarity with Indian investment environment and regulations is an essential qualification for the engagement of the Transaction Advisor. The Project Manager Cum Team Leader shall have a minimum of five years post qualification experience in the field of infrastructure projects i.e. roads, highways, expressways, bridges, airfields, tunnel for roads, railways, power, telecom, ports, railways, industrial parks and other such parks, petroleum and natural gas, petrochemicals, steel, cement, fertilisers, mining, pipelines, irrigation, water supply and sewerage, sanitation, township, real estate etc.

He must have had direct experience with at least one PPP concession contracts.

5.2.3 Transaction Advisor should provide services of Financial Analyst, Legal Expert, Technical Expert and other support staff required from time to time for the project.

**6. DURATION OF SERVICES**

The Transaction Advisor will work for Authority intermittently for a period of 6 months for each Project. The Consultant must include his lump sum quotation in the fee for sufficient manpower inputs to comply with the Scope of Services.

**6. SCOPE OF SERVICES**

6.1 The Transaction Advisor will be retained to develop an effective PPP concession agreement for the sections of the proposed project. The objective of this Consultancy service is to produce a financially viable concession that would address the principal issues related to project risks and adequate returns to the concessionaire.

6.2 The tasks to be undertaken by the Transaction Advisor are:

**6.2.1 Physical Packaging**

- Identifying issues that could have commercial and financial implications.
- Preparation of the project cost estimate.
- Preparation of the project implementation schedule.
- Examine the overall viability of the current way of packaging.

**6.2.2 Strategic Packaging**

- To establish revenue forecasts during the period of the concession.
- Conduct risk assessment by: (i) identifying the allocation of risks; (ii) proposing changes in the risk allocation that will make the concessions more attractive to the private sector without significantly increasing the liabilities on the Authority.
- Finalise a framework for the bidding package in consideration of a variety of specific factors including: (i) the requirements for a fixed time schedule performance parameters (ii) the terms for early termination.
- Define the project concept, establish project parameters and identify issues in developing the project. The obligations of concessionaires for the project and those of Authority would be crystallized.

**6.2.3 Investment Packaging**

- develop a financial model for the Project to improve the financial / commercial viability of the project;
- estimate the financial impact of various provisions in the Concession Agreement.
- optimize the project structure under various implementation options; and
- estimate the values of basic bidding criteria, for evaluation of the reasonableness of the financial proposals.
- develop the business plan under the selected project structure;

- develop a cash flow model to maximise the return to the Authority.

#### 6.2.4 Process Packaging

- Finalisation of bidding documents.
- Finalise the bidding process, the qualification parameters and the criteria for evaluation of proposals in consultation with Authority.
- Prepare draft RFP and finalize the same in consultation with Authority.
- Update the concession agreement for signing between Concessionaire & Authority.
- Assistance in addressing bidders' queries
- Assistance in evaluation of RFP proposals

#### 6.2.5 Delivery System Packaging

- An appropriate Dispute Resolution Mechanism should be prescribed in the Concession Agreements.
- Obtaining all undertakings, submissions and warranties from the selected concessionaire.

6.3 The plan above is sketched out based on current knowledge. There may be need for flexibility during the assignment as more information about the sector emerges and what is feasible and most effective. This can be discussed and mutually agreed during the course of the assignment

### 7. Financial Proposal

The Transaction Advisor shall submit the financial proposal for a project in the prescribed format given as under:

#### Format for financial proposal

	<b>Project / Name</b>	<b>Total fee</b>
1.	Transaction Advisor Consultancy services for one Project under Public Private Partnership	<i>[Indicate total fee]</i>
2.	Taxes Incl. Service Taxes, if any	[ ]
3.	Total	[ ]
[ ] to be filled in by the Applicant		

#### Note:

1. Fee structure and payment terms shall remain strictly as indicated above. Fee shall be quoted as a fixed amount in Indian Rupees. Conditional proposal shall be summarily rejected.
2. Payment Terms shall be as under:

Stage I	Preparation of project and finalisation of financial modeling	20%
Stage II	Finalisation of bidding documents and invitation of bids	30%
Stage III	Evaluation of bids	10%
Stage IV	Signing of Concession Agreement	40%

3. The above quoted fee shall include all expenses such as legal fees and out of pocket expenses, etc. to be incurred by the Transaction Advisor to complete the assignment.
4. Service Taxes as applicable, shall be indicated by the Transaction Advisor on total fee separately.
5. The bids shall be evaluated on least cost basis.
6. In case Authority decides to abandon the project for any reason, the payment of the consultant shall be restricted upto the Stage the services have actually been provided by the Consultants.

#### **8. Terms and Conditions**

- 8.1 The Applicant(s) shall bear all costs associated with the preparation and submission of its proposal
- 8.2 All documents submitted by the Applicant(s) will be treated as confidential, and will not be returned to Applicant(s).
- 8.3 Authority reserves the right to accept or reject any or all applications, without thereby incurring any liability to the affected Applicant(s) or any obligation to inform the Applicant(s). Authority also reserves the right not to award or enter into any contract or agreement with any Applicant(s), and may terminate the procurement process at any time without thereby incurring any liability to any Applicant.
- 8.4 Failure by any Applicant(s) to provide all of the information required in the proposal or any additional information requested by Authority may lead to rejection of the Applicant's proposal in its entirety.
- 8.5 Wherever required by applicable laws, Authority shall deduct taxes at source, from the amounts payable, and shall provide to the Transaction Advisor the appropriate tax deduction certificate evidencing payment of such taxes.
- 8.6 The Transaction Advisor shall submit to Authority two (2) copies of the final output envisaged in the Scope of Services including the RFP and the Concession Agreement. All the reports and agreements shall be submitted on CDs (2 sets) containing all basic as well as processed data.
- 8.7 In case of difference in Original and copy of submission the Original shall prevail.

#### **10. CONTENTS OF PROPOSAL**

Once submitted, the proposal, including the composition of the consulting team, cannot be altered without prior written consent of Authority. The proposal should be submitted in two sets one original and one copy in the prescribed formats as under:

##### **Technical Proposal**

- FORM TECH-1: LETTER OF PROPOSAL SUBMISSION with Power Of Attorney
- FORM TECH-2: CONSULTANT'S ORGANIZATION AND EXPERIENCE
- FORM TECH-3: COMMENTS AND SUGGESTIONS ON THE TOR
- FORM TECH-4: DESCRIPTION OF APPROACH, METHODOLOGY AND WORK PLAN
- FORM TECH-5: TEAM COMPOSITION AND TASK ASSIGNMENT/JOB
- FORM TECH-6: CURRICULUM VITAE (CV) FOR PROPOSED PROFESSIONAL STAFF
- FORM TECH-7: INFORMATION REGARDING ANY CONFLICTING ACTIVITIES

## **Financial Proposal**

FORM FIN-1: FINANCIAL PROPOSAL SUBMISSION LETTER

FORM FIN-2: FORMAT FOR FINANCIAL PROPOSAL

Standard Format for submission of the Proposal are enclosed with this RFP

Brief description of the submission of the proposal is given as under:

### **10.1 Transmittal Letter and Title Page**

Include a transmittal letter containing a brief statement of the respondent's understanding of the work to be done and an indication of positive interest in performing this work for Authority.

### **10.2 Table of Contents**

Include a Table of Contents listing the various sections included in the proposal.

### **10.3 Proposal Contents**

Each Consultant must include in the proposal an Executive Summary that summarizes important features of the proposal, brief description of the Consultant's approach to the scope of work, a description of the project team, and a description of how the proposed team meets the requirement set forth in this RFP. The Executive Summary should not be more than 2 to 3 pages.

### **10.4 Team Identification and Organizational Chart**

Identify your firm and each key professional by name, primary representative and title, address of offices, telephone and fax numbers and email address. Indicate the business structure of your firm (i.e., whether your firm is a corporation, joint venture, partnership, or sole proprietor). Indicate the name(s) of the owner(s) of your firm.

### **10.5 Services and Work Plan**

The proposal should include a work plan describing the services, approach and methodology proposed for accomplishing the scope of work. The proposed phasing of the project should be discussed. The proposal should be sufficient in detail to allow an objective analysis of the firm's capabilities and envisioned work plan in comparison with competing firms. Discuss the roles and responsibilities of the project team.

### **10.6 Qualifications and Experience**

The proposal must supply information concerning the qualifications and experience of the proposed project team for this assignment.

### **10.7 Power of Attorney**

An authorized person of the firm shall sign the proposal, on behalf of the firm. The Power of Attorney of the authorized person should be on stamp paper duly notarized or Board resolution should be submitted along with the proposal. All necessary forms and statements for the various miscellaneous provisions explained in this document must be completed, properly signed, and submitted with the proposal.

### **10.8 Undertaking regarding conflict of Interest**

Consultant must submit an undertaking clearly indicating that they or their associates will not participate directly or indirectly in submitting bid on behalf of the Private Entrepreneur so that there will not be any conflict of interest.

### **10.9 Proposal Validity Period**

Proposal Validity Period must be minimum 120 days from the Proposal Due Date.

## **12. SUBMITTAL OF PROPOSALS**

The Consultants are required to submit sealed Technical Proposal and separately sealed Price proposal. Two separately sealed envelopes containing '**Technical Proposal**' and '**Financial Proposal**' shall be kept in a third envelope. This envelope will be sealed and should be marked properly indicating the contents, "**Proposal for Transaction Advisor**". Each proposal (Technical and Financial separately) shall be **hard bound and serially numbered**. Financial figures shall be **laminated/covered with transparent adhesive tape**.

Written responses to the RFP must be prepared as specified to form, content, and sequence as stated in earlier sections of this Request for Proposals. No additions or changes to a proposal shall be allowed after the submittal date.

## **13. EVALUATIONS AND SELECTION PROCESS**

### **13.1 Evaluation of Technical Proposal**

The evaluation of Technical Proposal will be made on the basis of qualification and experience of the consultant/ firm as well as project team proposed by the Consultant for this assignment. The consultant, who does not possess the required qualification and experience, will not be considered for opening of Financial Proposal. Authority reserves the right to judge, appraise, and reject any or all proposals.

### **13.2 Evaluation of Financial Proposal**

For financial evaluation, total cost of financial proposal will be considered. This however, does not include (i) service tax, which is reimbursable (ii) any taxes and duties payable in respect of expatriate key personnel.

The Authority will determine whether the financial proposals are complete, correct and free from any computational errors and indicate correct prices in local currency (Indian Rupee). The applicant quoting the lowest fee shall be considered. The Authority will notify the successful Consultant in writing by registered letter, cable, telex, e-mail or facsimile.

After finalization of detailed scope of work, terms & conditions, schedule, and professional fee for the services, the firm selected will be required to enter into a contract agreement with Authority to provide the envisaged services described in the Scope of work.

**16. LAST DATE FOR SUBMISSION OF PROPOSAL**

Last Date for Submission of Proposal is \_\_\_\_\_ hrs. on \_\_\_\_\_. Authority will not consider any proposals received late.

## **Technical Proposal - Standard Forms**

FORM TECH-1

## LETTER OF PROPOSAL SUBMISSION

[Location, Date]

To:

**Name & Address of the Competent AUTHORITY**

Dear Sir,

We, the undersigned, offer to provide the consulting Assignment/job for **Transaction Advisor** in accordance with your Request for Proposal dated [Insert Date]. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope. 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.

Our Proposal is binding upon us and subject to the modifications resulting from Contract negotiations.

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

Yours sincerely,

Authorized Signatory [In full and initials]:

Name and Title of Signatory:

Name of Firm:

Address:

## FORM TECH-2

# CONSULTANT'S ORGANIZATION AND EXPERIENCE

### A - Consultant's Organization

[Provide here a brief description of the background and organization of your firm/entity and each associate for this Assignment/job. The brief description should include ownership details, date and place of incorporation of the firm, objectives of the firm etc. Also if the consultant has formed a consortium, details of each of the member of the consortium, name of lead members etc shall be provided]

### B - Consultant's Experience

[Using the format below, provide information on each Assignment/job for which your firm, and each partner in the case of consortium or joint venture, was legally contracted either individually as a corporate entity or as one of the major partners within an association, for carrying out consulting Assignment/job similar to the ones requested under this Assignment/job (If possible, the employer shall specify exact assignment / job for which experience details may be submitted). In case of consortium, association of consultant, the consultant must furnish the following information for each of the consortium member separately]

1. Firm's name:

1	Assignment/job name:
1.1	Description of Project
1.2	Approx. value of the contract (in Rupees):
1.3	Country:
1.4	Location within country:
1.5	Duration of Assignment/job (months) :
1.6	Name of Employer:
1.7	Address:
1.8	Total No of staff-months of the Assignment/job:
1.9	Approx. value of the Assignment/job provided by your firm under the contract (in Rupees):
1.10	Start date (month/year):
1.11	Completion date (month/year):
1.12	Name of associated Consultants, if any:
1.13	No. of professional staff-months provided by associated Consultants:

1.14	Name of senior professional staff of your firm involved and functions performed.
1.15	Description of actual Assignment/job provided by your staff within the Assignment/job:
	Note: Please provide documentary evidence from the client i.e., copy of work order, contract for each of above-mentioned assignment. The experience shall not be considered for evaluation if such requisite support documents are not provided with the proposal.

## **FORM TECH-3**

# **COMMENTS AND SUGGESTIONS ON THE TERMS OF REFERENCE AND ON COUNTERPART STAFF AND FACILITIES TO BE PROVIDED BY THE EMPLOYER**

### **A - On the Terms of Reference**

[Suggest and justify here any modifications or improvement to the Terms of Reference you are proposing to improve performance in carrying out the Assignment/job (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 Inputs and Facilities to be provided by the employer**

[Comment here on Inputs and facilities to be provided by the Employer to consultants including: administrative support, office space, Domestic transportation, equipment, data, etc.]

## FORM TECH-4

### DESCRIPTION OF APPROACH, METHODOLOGY AND WORK PLAN FOR PERFORMING THE ASSIGNMENT/JOB

Technical approach, methodology and work plan are key components of the Technical Proposal.

You are suggested to present your Technical Proposal 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/job, approach to the Assignment/job, 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. The consultant should **propose and justify** the main activities of the Assignment/job, their content and duration, phasing and interrelations, milestones (including interim approvals by the Employer), 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.

c) Organization and Staffing. The consultant should **propose and justify** the structure and composition of your team. You should list the main disciplines of the Assignment/job, the key expert responsible, and proposed technical and support staff.]

**FORM TECH-5**

**TEAM COMPOSITION AND TASK ASSIGNMENT/JOBS**

Professional Staff

Sr. No.	Name of Staff	Name of Firm	Area of Expertise	Position / Task assigned for this job

## FORM TECH-6

# CURRICULUM VITAE (CV) FOR PROPOSED PROFESSIONAL STAFF

1. Proposed Position:

[For each position of key professional separate form Tech-6 will be prepared]:

2. Name of Firm:

[Insert name of firm proposing the staff]:

3. Name of Staff:

[Insert full name]:

4. Date of Birth:

5. Nationality:

6. Education:

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

7. Membership of Professional Associations:

8. Other Training:

9. Countries of Work Experience:

[List countries where staff has worked in the last ten years]:

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

11. 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:

12. Detailed Tasks Assigned

[List all tasks to be performed under this Assignment/job]

13. Work Undertaken that Best Illustrates Capability to Handle the Tasks Assigned [Among the Assignment/jobs in which the staff has been involved, indicate the following information for those Assignment/jobs that best illustrate staff capability to handle the tasks listed under point 12.]

Name of Assignment/job or project:

Year:

Location:

Employer:

Main project features:

Positions held:

Activities performed:

14. Certification:

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

Date:

Place:

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

[Full name of authorized representative]:

## **FORM TECH-7**

### **INFORMATION REGARDING ANY CONFLICTING ACTIVITIES AND DECLARATION THEREOF**

We hereby declare that our firm, our associate / group firm or any of the member of the consortium are not indulged in any such activities which can be termed as the conflicting activities. We also acknowledge that in case of misrepresentation of the information, our proposals / contract shall be rejected / terminated by the Employer which shall be binding on us.

Authorized Signature [In full and initials]:

Name and Title of Signatory:

Name of Firm:

Address:

**Financial Proposal - Standard Forms**

## FORM FIN-1

# FINANCIAL PROPOSAL SUBMISSION FORM

[Location, Date]

To,  
**Name & Address of the Competent AUTHORITY**

Dear Sir,

We, the undersigned, offer to provide the consulting Assignment/job for **Transaction Advisor** 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 figures]. This amount is inclusive of the Domestic taxes. We hereby confirm that the financial proposal is unconditional and we acknowledge that any condition attached to financial proposal shall result in rejection of our financial proposal.

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.

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 below:

Name and Address of Agents	Amount and Purpose of Commission	Gratuity
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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:

**FORM FIN-2**  
**FORMAT FOR FINANCIAL PROPOSAL**

	<b>Project / Name</b>	<b>Total fee</b>
1.	Transaction Advisor Consultancy services for one Project under Public Private Partnership project	<i>[Indicate total fee]</i>
2.	Taxes incl. Service Taxes, if any	[ _____ ]
3.	Grand Total	[ _____ ]
[ ] to be filled in by the Applicant		

Authorized Signature:.....  
 Name: .....  
 Designation .....  
 Name of firm:.....  
 Address:.....