

Request for Proposal

Development of a Project Appraisal and Risk Assessment Mechanism

Embedded Support for Project Appraisal & Risk Assessment for P&DB, Punjab. (Readvertised)

1. SNG II overview

The Sub National Governance (SNG) II Programme is a technical assistance (TA) programme, funded by FCDO and implemented by Oxford Policy Management (OPM). The six-year programme, launched in September 2019, provides TA to the provincial governments of Khyber Pakhtunkhwa (KP) and Punjab, as well as local governments in 18 districts. The aim is to strengthen democracy, economic growth, and the reduction of poverty in Pakistan.

To achieve these objectives SNG II supports governance and institutional reforms for improved basic services, including to poor and vulnerable groups through: institutional reform and evidence-based planning; improving budget transparency and execution; increasing fiscal space; and supporting innovative approaches to improved governance.

Programme Output 1 supports reforms in Planning, Budgeting and Governance. The Planning and Development Board Punjab (P&DB) has requested support from SNG II to strengthen their Project Appraisal and Risk Assessment functions. SNG II is seeking proposals from national consulting firms with relevant expertise to undertake this assignment.

2. Task Background & Problem Statement

2.1 Background

The Punjab Government has requested SNG II support in strengthening their Project Appraisal and Risk Assessment functions, in order to improve the quality of provincial public investments. They have requested that this support be provided through embedded experts.

SNG II has supported the Punjab Planning & Development Board (P&DB) in developing a Planning Reform Strategy (PRS) to strengthen provincial planning. The PRS used the Public Investment Management Assessment (PIMA) framework to evaluate institutional design and effectiveness of 15 PIM areas across the project cycle. The analysis resulted in recommendations for improved Public Investment Management in the province.

One of the areas identified for strengthening by the PRS is Project Appraisal & Risk Assessment. Project appraisal is the process of assessing the costs, benefits and risks of alternative investments to meet government objectives. It helps decision-makers understand the potential trade-offs and impact of alternative investment options by providing an objective evidence base for decision-making.

Objectives of the assignment

Consultations with P&DB Punjab indicate that the capacity of government officials to undertake project appraisal and risk assessment needs to be enhanced to improve the quality of public investment. It has been agreed that this will be achieved by

embedding specialists on a full-time basis at P&DB for a period of one year (12 months).

A total of five (05) embedded specialists will provide support, covering:

- Direct technical support to project appraisal and risk assessments, working alongside P&DB officials;
- Development of project appraisal and risk assessment standards and guidelines for use by the respective governments;
- Building skills and capacities within P&DB by providing on-the-job training to P&DB officials.

3. Activities

The consultants will undertake the following activities:

- Carry out Project Appraisal and Risk assessment of at least ten (10) projects, above a prescribed value threshold to be determined by P&DB Punjab
- Provide on-the-job mentoring and training to nominated P&DB staff on financial, economic, social and environmental appraisal of projects/PC-1s, as well as risk assessment, using techniques including:
 - Quantifiable output of the project
 - Net present value (NPV) and Benefit Cost Ratio
 - Internal financial rate of return (IFRR)
 - Unit cost analysis
 - Break-even Point (BEP)
 - Payback period
 - Return on equity (ROE)
 - Internal economic rate of Return (IERR)
 - Social Cost benefit Analysis
 - Cost Effectiveness Analysis
 - Earned Value Analysis (EVA)
 - Residual risk and optimum bias analysis, Decision tree analysis, risk assessment matrix, cost-benefit analysis, and cost-effectiveness analysis
 - Comparison of alternative investment options, and identification of preferred options together with justification
 - Sensitivity and risk assessment.
 - PC-1 Result Based framework development and assessment.
 - Climate risk assessment and disaster risk management.
- Impart training to P&DB officials (other than nominated above) as specified by P&DB
- Carry out the above giving due consideration to gender equality and inclusion.
- Based on the outcome of the project appraisal and risk assessment undertaken, make recommendations regarding the adoption, amendment, or rejection of proposed projects.

- Develop Project appraisal and Risk assessment standards/guidelines for P&DB.
- Support process mapping of key planning processes for potential process reengineering and digital transformation.
- Before the end of the assignment prepare a project appraisal and risk assessment learning report highlighting issues, challenges and the methodology adopted during the course of the assignment for the training of the P&DB officials.
- Work with and under the supervision of P&DB officials.
- Carry out routine consultation and coordination with each other across the geographic jurisdictions for cross learning and avoidance of duplication of effort.

4. Expected deliverables of the project

The consultant firm selected is expected to:

- Provide five (05) specialists to be embedded fulltime in P&DB Punjab for a period of one year (12 months).
- Ensure that the embedded TA deliver their tasks effectively and to the satisfaction of P&DB and SNG II.
- Ensure continuity of the specialists on the assignment for a period for one year (12 months). In the event that a team member needs to be replaced during the year, the firm must demonstrate in their proposal how they will manage this process.
- Identify and mitigate all risk and challenges in the implementation of this assignment.

5. Timeframe

The project is expected to be completed in one year (12 months) from the date of signing of the contract.

6. Proposal

Firms are requested to submit a detailed technical and financial proposal in two separately sealed envelopes, as follows:

Technical proposal

- **Delivery methodology:**
 - A clear understanding of the rationale and objectives of the assignment.
 - The proposed approach by which embedded experts will carry out the assignment.
(Zero marks will be given if the ToRs are copied and pasted in the proposal).
- **Risk and challenges:** Any anticipated risks and challenges, and the proposed approach to mitigate them. This includes the process by which the consulting firm will replace a team member during the year, should this be required.
- **Monitoring and quality assurance:** Approach to regular review of progress by the team, incorporating feedback from P&DB, and approach by which any required corrective action will be taken.

- **Evidence of experience and expertise of conducting similar assignments.** The consulting firm must demonstrate:
 - At least ten years of practical experience of working with the public sector.
 - At least five years of experience working on Project Appraisal and Risk Assessment of Projects;
 - A strong understanding of Punjab’s administrative arrangements, different tiers of the government, public financial management and development planning systems.
 - A track record of producing high-quality work on governance reform, in English language.
 - A strong team of five (05) experts with relevant experience to implement the assignment as given below (Table 1).

Table 1: Team requirements

Sr. No.	Position	Qualifications	Experience Requirements
1.	Team Lead / Economist	<p>Master's degree in Economics, Econometrics, or Development Economics.</p> <p>A PhD in any of the above fields would be an added advantage.</p>	<ul style="list-style-type: none"> • Experience of 10 years with at least 3 years in the public sector. • Proven experience in conducting social and economic appraisal of development projects. • Proficiency in economic modelling and forecasting techniques. • Strong analytical skills and the ability to interpret complex economic data. • Exceptional interpersonal abilities, combined with a proven track record of effectively communicating with senior officials, both in written and oral communication. • Proven experience in leading and managing a team.
2.	Financial Appraisal Expert	<p>Master’s degree in Finance, Economics, Accounting, or CA / CFA / ACCA.</p>	<ul style="list-style-type: none"> • Overall experience of 5 years with at least 1 year in the public sector. • Proven experience in conducting financial feasibility and appraisal of development projects. • Strong abilities in financial modelling, forecasting techniques, and the analysis of complex financial data and economic indicators. • Excellent written and oral communication skills. • Ability to work collaboratively in a team and engage effectively with stakeholders. • Preference will be given to candidates with Transaction Advisory Services experience.
3.	Economic Appraisal Expert	<p>Master's degree in Economics.</p>	<ul style="list-style-type: none"> • Overall experience of 5 years with at least 1 year in the public sector. • Proven experience economic appraisal of projects

Sr. No.	Position	Qualifications	Experience Requirements
			<ul style="list-style-type: none"> Strong abilities in economic appraisal techniques including cost-benefit analysis and cost effectiveness analysis. Excellent written and verbal communication skills. Ability to work collaboratively in a team and engage effectively with stakeholders.
4.	Environmental and Social Expert	Minimum of a Master's degree in Environmental Sciences.	<ul style="list-style-type: none"> Overall experience of 5 years with at least 1 year in the public sector. Proven experience in Environmental Impact Assessment and social appraisal. Comprehensive knowledge and compliance proficiency with environmental regulations and standards. Excellent written and verbal communication skills. Ability to work collaboratively in a team and engage effectively with stakeholders.
5.	Risk Management Expert	Master's degree in Risk Management, Finance, Business, or CA / CFA / ACCA.	<ul style="list-style-type: none"> Overall experience of 5 years with at least 1 year in the public sector. Proven experience in risk assessment of development projects and projects under Public Private Partnership (PPP). Proficiency in utilizing risk assessment methodologies and tools, as well as effectively managing and mitigating risks. Excellent written and oral communication skills. Ability to work collaboratively in a team and engage effectively with stakeholders.

Financial Proposal

The financial proposal will provide the following:

- Total cost for delivering the assignment.
- Detailed breakdown of all major cost headings, including fees and all other costs.
- Registration status for General Sales Tax (GST). If the consulting firm is registered for sales tax, the proposal should identify the amount allocated for GST.

The template for submitting the financial proposal is provided in Annexure A.

7. Other Terms and Conditions:

- All costs shall be provided in PKR.
- SNGII will deduct Withholding tax and Sales Tax as per the existing laws.
- All bidders should mention their National tax Number (NTN) and Sales Tax Registration Number (STRN if registered for sales tax) in their financial proposal.

- SNG II reserves the right to disqualify any bidder on non-compliance of any of the terms mentioned in the ToRs.

8. Evaluation Criteria:

The following criteria will be used for evaluating the technical and financial proposals:

Table 2: Evaluation criteria

Sr No.	Experts	Marks	Marks	Total	TOTAL
		Qualification	Experience	Marks	
1	Team Lead / Economist	3	7	10	
2	Financial Appraisal Expert	3	7	10	
3	Economic Appraisal Expert	3	7	10	
4	Environmental & Social Expert	3	7	10	
5.	Risk Assessment Expert	3	7	10	
				Experts	50
				Firm Experience	10
				Technical Approach	20
				Total Score for Technical Evaluation	80
(Minimum technical score required to pass: 60%)					
Financial proposals of technically unqualified bidders will be returned un-opened.					
				Total Score for Financial Evaluation	20

9. Organisational Eligibility:

The following criteria must be met (verified through submission of documentation) in order for a firm's proposal to be considered eligible:

- Currently legally registered to operate in Pakistan in compliance with relevant business licensing, taxation, audited accounts, employee and other relevant regulations.
- Registered with Federal/Provincial Tax Authorities, with current active status.
- Maintains formal accounting records with a bank account in the name of the organisation.
- Bank statements and audited reports of the last three years.
- Not involved in any litigation and if so, details to be provided on a signed stamp paper.
- Not bankrupt or involved in any litigation related to bankruptcy.

10. Queries and clarifications

All clarifications may be requested at the email address, bakhtiar.khattak@pk-sng.org

A Pre-bid live Q&A session shall also be held on MS Teams on 21st November 2023 at 11:00 am – 12:00pm to address any queries. A link for the session may be requested from Mr. Bakhtiar Khattak at the following email address:

bakhtiar.khattak@pk-sng.org by/before 20th November 2023.

Annexure A Financial Proposal Template

Name of Firm

NTN .

STRN .

Experts				
	Name of Expert	Cost per Month (B)	Cost for the year (B X12)	
1				
2				
3				
4				
5				
Total Cost of experts				XXXXXXXXXX
Tax on services @ 16%				XXXXXXXXXX
Total Cost after taxation				XXXXXXXXXX

All overheads and ancillary costs must be included in the cost of the experts and not added separately.