Questions for RFP # 42

1. Paragraph 1 of Section 1. Letter of Invitation refers to “…goods and services*year-long contract****...”***.  Can you please explain what is meant by year-long contract.  The Timeline sub-section of Section 4. Terms of Reference outline the timelines as being from May 2018 to August 2018.  That is four months.   Can you please clarify what does “...year-long contact…” refers to given the assignment expected to be for four months?

The proposed timeline for the study in four months as specified in the Terms of Reference.

1. You have requested the four copies of the technical proposal in a sealed envelope and one copy of the cost proposal in a separate sealed envelope.   However, then you have asked for ‘The Proposal’ (meaning the technical and cost proposals – as defined in para 10, section C Preparation and submission of proposals.   Does sending you a scanned email copy of the technical and cost proposal negate the need for submission in a sealed envelope?

Hardcopies of proposals must be submitted by all applicants.

1. -------------- is a UK registered company and is, of course, subject to UK taxation.   We intend to bid for this assignment as part of a small consortium.  We believe the specialist knowledge and experience required with will not be available in a single firm.  For example, deep understanding of the SME space from a business or practitioner perspective is not likely to be available in pure accountancy, or legal firm and specialist legal and accountancy knowledge will not be available in a generic consulting firm.  Therefore -------------- plans to bit as part of a small consortium bringing together the key skills and experience needed.  -------------- is a new company and has as yet not completed one year.   However, the partners and associates within -------------- are highly experienced professional with many years of relevant experience. Your pre-requisite criteria for the applicants state that in addition to being a registered/incorporated entity, the applicant should have audited accounts for two years.   As mentioned -------------- is registered and an incorporated limited liability partnership in the UK.  However, we do not have two years audited accounts.   Does this mean that we cannot lead the consortium?  Would our proposal be acceptable is one of our proposed consortium partners was to lead this assignment?

Consortiums are allowed to apply. The lead firm in the consortium should be clearly specified. It will be preferable to have the firm with a longer track record to be the lead in the consortium. However, if the applying entity has been established recently less than two years ago and does not have audited accounts, the applicant should present the NTN of the company.

1. Please provide us the List of expert that you need for this assignment.

Experts may be proposed as per the scope of work/terms of reference and are recommended to include at minimum, a financial sector expert, a legal expert and an accounting expert.

1. Please define ‘channel reach’ as given in the phase III in the scope of work.

Channel reach may be defined as the option suggested and the modes of deployment that can be legally undertaken.

1. We have serious concerns on the given timeline, which we believe is not sufficient for this type of scope of work.

Consultant may propose a timeline as per methodology/approach for the project. Since multiple experts are likely to be involved in the study, a number of activities may be planned simultaneously such that excessive extension beyond the proposed timeline is not considered necessary.

1. As we learned from the scope of work, all the deliverable are at the conclusion of all phases. Is there any deliverable after the phase I, II and III respectively?

Only deliverables have been specified. The applicant may suggest the timeline for submission of each deliverable. It is highly recommended to submit draft deliverables post each phase to ensure sufficient consultation with and input of relevant stakeholders (Karandaaz, sponsor).

1. Moreover, the payment terms/ mechanism are not given in the RFP. As per our understanding, the payment will be received after the submission of the deliverables which falls after the Phase IV. Does this indicate that all the payments to be received will be after this timeframe? We believe this is not proportionate to the work performed and as such the payment schedule should be amended.

The applicant may propose a payment schedule tied to submission of deliverables.

1. Besides the sources of information listed in Phase I of the scope of work section of the RFP, are there any data or information available with Karandaaz which the consultants could leverage/ build upon specifically for activities noted in phase II of the scope of work section of the RFP.

Consultants are responsible for accessing and acquiring information and data for the project.

1. Concerning Phase II of the scope of work section of the RFP which is about demand and supply side analysis to ascertain whether an SPV focusing on providing capital to SMEs is required, are the consultants expected to collect primary data and information to support these analysis **OR** existing published information and reports (secondary data) may be used to the extent possible and any information gaps may be filled through primary data collection?

Existing published information and reports (secondary data) may be used to the extent possible and any information gaps may be filled through primary data collection.

1. Reference Paragraph 27 of the RFP, should the price proposal be inclusive of applicable taxes and any estimated out of pocket expenses **OR** exclusive of these?

The proposal should be inclusive of tax and all costs incurred during the project. The cost proposal should include sufficient detail on financials to enable evaluation and assessment.

1. The analyses required in Phase II of the scope of work section of the RFP may require a fair degree of interaction/ meetings with stakeholders both on the demand side and on the supply side, to quote a few these may be key SMEs, chambers of commerce, trade associations, regulators, government departments and/or existing SME financiers in the commercial and microfinance banking space. To what extent will Karandaaz administratively and functionally facilitate the consultants in having these interactions?

Consultants will be responsible for accessing and arranging meetings with stakeholders.

1. Besides the meetings and discussions with a range of project stakeholders as noted in point 4 above who may be located throughout the country, are the consultants expected to be based in any specific location for the duration of the assignment?

There is no requirement as per location. However, the applicant should plan on spending sufficient time with Karandaaz senior management, investments team, sponsors and Board members to fully understand the organization and its initiatives and targets.

1. While evaluating various SPV options, would the consultants be expected to consider tax impacts of the options under evaluation? In our view, the SPV model may have important tax considerations.

Yes, tax implications should be included in the evaluation of each option.

1. We would like to gain more clarity on the requirement - “Prior experience in structuring debt and equity concerns and special purpose vehicles”. In our understanding, debt and equity concerns are not structured independently, structuring of SPVs is perhaps what Karandaaz may be looking for. Appreciate if this may be explained in some detail.

Yes, that is correct. Prior experience in Structuring Debt and Equity transactions (Both Bilateral and Capital Markets). The required SPV should also have the ability to get the necessary regulatory approvals to do such deals in the local market.

1. For a chosen/ recommended SPV option, will the consultants be required to prepare a business plan?

Yes, the consultant will prepare a business plan for the proposed option. A business plan would be required based on an assessment of the local financial market and competitive landscape. We understand that, if selected, the selected party will propose a plan and incorporate our comments/feedback through interaction.

1. The qualification criteria listed in the RFP require audited financial statements. As you know, partnership firms in Pakistan are not required by law to have audited financial statements. Would appreciate clarity on this.

Please provide evidence for your firm of the legal exemption from having audited financial statements.

1. Can you please specify exact deliverable details required at each phase of the project? Especially in case of Phase 2 how much and what type of detail should be provided in the report.

Only deliverables have been specified. The applicant may propose the contents of each deliverable. It is highly recommended to submit draft deliverables post each phase.

1. ·        Do we need to make separate presentations for each phase of the project?

The terms of reference specify an interim presentation as one of the deliverables. Frequent engagement of the Karandaaz team is highly recommended through meetings, conversations, drafts, etc.

1. ·        The SPV would only be an entity focusing on direct investment/capital to SMEs or could it cover other types of SPVs e.g SME Guarantees firms, scoring firms.

Can be read in continuation of #16 above. It lists the type of products that this type of SPV can do. We would also need a recommendation on the type of regulatory structure and licenses that would be required while keeping existing licenses in mind. These products will be a part of the business plan.

1. ·        Flexibility in terms of overall timelines of the project?

Refer to the response to question no. 6 above.

1. As per the timeline mentioned in Section 4: Terms of Reference, the assignment is to commence in May 2018 and expected to conclude in August 2018. While the timeline mentions the deliverables the contractor is expected to provide, there is no mention of a corresponding Payment Schedule. Is the consultant free to propose their own Payment Schedule?

The consultant may propose a payment schedule. All payments must be tied to specific deliverables.

1. The first Deliverable is the Draft Report which shall constitute a major part of the 4 months that this assignment is expected to last for whilst covering a substantial portion of the total scope as per the Terms of Reference. If the payment is as per the Payment clause in section 4: Terms of Reference which states that Karandaaz shall pay the Contractor's Invoice within 30 business days after approval of the Deliverable(s), the consultant shall be funding most of the assignment from their own pocket. In view of the above, can the payment schedule incorporate a mobilization advance or payment based on inception report?

The payment schedule may include an inception report against which a payment may be tied.

Also refer to Q.6.

1. For Phase II of the Scope of Work, please confirm the understanding that the survey work required for demand and supply side analysis is to be limited to a desktop study and field surveys are not required.

Primary data collection may be proposed where significant information gaps exist. Also refer to Q. 10.

1. Further to point 3, please also confirm the understanding that the survey work for "relevant cases of specialized entities which focus on providing capital to SME's from a group of countries relevant to Pakistan" does not entail international travel and is limited to a desktop study.

Travel to other countries is not required for the purpose of this assignment/study. However, the applicant may propose to connect with experts and relevant organizations via skype, telephonic and other means to access required information and build deeper understanding as per the terms of reference of the study.

1. Is there a preference for composition of the Engagement Team?

The proposed team should be in line with the terms of reference specified in the RFP.

1. Is there a specified format for Consultant credentials?

There is no specific format. However, CV’s should not exceed 1-2 pages.

1. Is there a specified format for Engagement team CVs?

There is no specific format. However, CV’s should not exceed 1-2 pages.

1. Please Confirm that the Proposal submission date is April 20th, 2018.

The submission deadline is April 20th, 2018 as per the RFP document, unless otherwise intimated by Karandaaz Pakistan. Any delays will be announced via the company website: [www.karandaaz.com.pk](http://www.karandaaz.com.pk).

1. Have the Table of Contents (TOC) for the Draft Report been agreed upon by Karandaaz or shall be proposed by the Consultant.

The table of contents will be proposed by the consultant and finalized in consultation with Karandaaz.