

Questions for RFP # 68.

Answers in Bold

1. Proposal submission date has been mentioned as Dec 13 as well as Dec 09, please clarify .

Date is 09th December 2019.

2. Can we quote fee as
 - Fixed Price with milestones
 - 50% Advance payment
 - 30% upon submission of draft DD report
 - 20% upon final report
 - Out of pocket expenses (Amount to be ascertained based on location of the investee co)
 - Applicable sales tax and other levies

Please find below the fee structure:

- **Fixed Price with milestones**
 - **20% Inception Report**
 - **30% upon submission of draft DD report**
 - **50% upon final report**
- **Out of pocket expenses (Amount to be ascertained based on location of the investee co)**
- **Applicable sales tax and other levies**

Prices shall be inclusive of all applicable taxes & Out of pocket expenses.

3. In order to determine the quantum of work, can u please share the following info:
 - Existing annual sales of company
 - **Approx. PKR 400 million**
 - No of existing brands / drugs registered with DRAP
 - **One overall brand and multiple products registered with DRAP.**
 - Location of head office / key management staff
 - **Lahore**
 - Location of existing manufacturing facilities

- **One manufacturing facility in Lahore, new facility to be located in Faisalabad Special Economic Zone**
- 4. What is estimated investment volume / amount Karandaaz is contemplating
 - **Yet to be finalized.**
- 5. Section 2, C, 10: Customer reference: Can you please provide some format for customer reference letters ? What is meant by 'related to subject RFP'? Or we can just mention client name and assignment, period etc. and print 3 references on our letterhead?

Yes, that is Fine.

- 6. It is recommended to reduce the financial proposal weight to 30% as it is more important to hire suitably qualified consultant at reasonable cost

It is Karandaaz Discretion and the evaluation criteria will remain the same.

- 7. Is the potential investee co has any operations / foot print in hemodialysis or its a new business for them as a green field venture
 - **The company has been manufacturing hemodialysis concentrates in Pakistan for over a decade now.**
- 8. Comments / Queries related to terms of reference:
 - In a due diligence assignment, the consultant is expected to "develop sales and marketing strategy for the target markets in relation to industry best practices". This can be either reworded as " evaluate / assess the sales and marketing strategy..." or be deleted as it could be a separate advisory/consulting assignment (not a due diligence) in itself and does falls into heading " Business Model and Expansion Plan Review.
 - The Consultant can review and comment on sales and marketing strategy in place at investee co
 - Same is applicable for "Identify additional export markets..." and identify principal suppliers....
 - This can be however covered which will make this assignment as due diligence cum advisory assignment
 - In Industry Overview, "Provide an assessment of historic and prospective demand..." - Is the consultant required to make an assessment of company's existing products not related to dialysis?
 - For assessment of export market competitiveness of co products, please share the cost structure and target export markets preferably by country as this can be very broad statement otherwise
 - Please list the information expected to be available for consultant's review such as (with reference to ToR list)
 - Details of sales, marketing and distribution strategy?
 - Expansion Business Plan including commercial/industry, regulatory, technical and financial aspects?

- Export plan?
- New Facility drawings
- New Facility vendors and quotes
- Proposed HR plan
- Utilities plan
- ESG / HSE - Environmental management plan
- In house packing infrastructure
- Please explain:
 - ESG Analysis – what info will be provided. EPA is now provincial subject. Which province is relevant for assessment. Any international compliance assessment (such as IFC) required?
 - **The company is based in Punjab and respective provincial regulations will apply. We follow IFC's criteria when assessing ESG impact of any potential investment.**
 - Develop KPIs (Operational and financial) - KPIs for what? Investment monitoring post investment? Generally it is not part of due diligence exercise. If required, it can be covered but information about existing operations will be required
 - **KPIs related to the agreed business plan (financial and operational) which can be shared with the selected consultant during the DD process. Usually, industry norm KPIs related to operational efficiencies and profitability margins.**
- 9. How much maximum update calls post submission of final report can be made?
 - **2-3 updates depending upon the quality of final submission**
- 10. It is recommended to extend the assignment period to 6-8 weeks

This can be discussed during contracting phase.

- 11. How to separately reflect all identified activities in the financial proposal. For such DD assignments, a lump sum is recommended.

A lump sum cost is acceptable, it should include all applicable taxes & out of pocket expenses.