

STUDY ON THE REVIVAL OF SICK INDUSTRIAL UNITS OF SINDH

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Request for Qualification Document



*December 2010*

**LETTER OF INVITATION**

Dear Sir/Madam,

This is with reference to the 'Expression of Interest' for conducting study on the revival of sick industrial units in Sindh, published on \_\_\_\_\_ 2010 in leading newspapers. The requisite information and Evaluation Criteria for short-listing Consulting Firm(s) / Consortia is attached herewith. The shortlisted Consulting Firm(s)/Consortia would be issued Request for Proposals (RFP) for submission of the Technical and Financial Proposals for the project.

2. In order to shortlist the firms / consortia for issuance of RFP, the interested firms are requested to fill forms (7 in number) attached herewith.

3. The filled in forms duly signed on every page should reach the office of undersigned in a sealed envelope (3 sets + soft copy in a CD) on or before **January 18<sup>th</sup>, 2011**.

**Director Administration  
Sindh Board of Investment  
Government of Sindh  
Block-B, Finance & Trade Centre,  
Sharah-e-Faisal, Karachi**

## **1. PROJECT BACKGROUND**

### **1. Introduction**

Sindh Board of Investment (SBI), Government of Sindh has been established to facilitate investment and increase economic activities in Sindh. In order to undertake a study to identify issues / problems faced by the existing businesses, and prepare a comprehensive plan for the revival of sick industries with a view to transform these units to a profitable ventures, SBI invites “Expression of Interest” from experienced firms/consortia.

It is, therefore, imperative to diagnose the causes of sickness so that preventive / curative measures are suggested for their revival. SBI therefore invites submission of proposals from interested consultant(s), firms or consortia to undertake study on the revival of sick industrial units in the province.

### **Objective**

Sickness in the industrial units is not a new phenomenon as is evident in the developing countries. Even in the industrially advanced countries of the world, varying degrees of sickness are found to occur. An industrial unit may face a number of odds during its implementation and operation stage because of a number of factors in the environment – internal and external. If the problems perpetuate & do not permit the unit to pursue the normal course of operations leading to reasonable utilization of capacity, generation of surplus, debt servicing, etc, it can be presumed that some kind of sickness has engulfed the unit and if this trend grows unchecked, it would adversely affect production and employment in the country besides other socio-economic repercussions.

## TERMS OF REFERENCE

### 1. Introduction

The Sindh Board of Investment, Government of Sindh in collaboration with Government of Sindh hereby invites submission of proposals to undertake a comprehensive Feasibility Study to diagnose the causes of sickness so that preventive measures are suggested for their revival.

There can be a number of causes and factors for industrial sickness, both internal and external. Some of the major causes pushing the industrial units towards sickness in Sindh can be summed up into management/personnel issues, production/technical issues, marketing, financial issues, Government policies and implementation and utilities and environmental issues. It is, therefore, imperative to diagnose the specific causes of sickness in the industrial units in Sindh so that preventive measures are suggested for their revival. SBI is therefore invites submission of proposals from interested consultant(s), firms or consortia to undertake study on the revival of sick industrial units in the province.

### 2. BACKGROUND:

The prime objective of the study is to obtain comprehensive information on the sick industrial units of the province, and assist the Government of Sindh in making informed decision to improve the performance of sick units, including utilizing technological interventions to turn these units into efficient enterprises which can act as engines of the economic growth for the province in particular and country in general. The study involves identifying reasons for the closure of the industries, update any existing studies and suggest measures i.e short term, medium term and long term to revive the closed/sick units and strengthen the existing one.

SBI being the primary investment promotion agency focuses to achieve its goals and objectives of attracting investment by facilitating the existing as well as potential investors to run their business smoothly and assist government to formulate investment friendly laws and striking out the laws which are hurting industrial growth in the province. The study shall contain;

- Gather and review/update the existing studies/reports from different departments/organizations.
- Survey existing industrial zones/estates of the province.
- Identify sector wise sick industries / closed units (large, medium and small), in the industrial estates/zones.
- undertake a study to develop criteria and identify the causes of sickness of manufacturing establishments in Sindh and find solutions to remove or at least reduce the impact of the cause
- Suggest measures (short term, medium term and long term) to revive the closed/sick units and strengthen the existing one.
- Review the existing trade/business related laws and suggest reforms.

## Study on the Revival of Sick Industrial Units of Sindh

The Consulting Firm is therefore expected to have all technical, legal and financial and project management expertise in its team/consortium.

### **Scope & Methodology**

The purpose of this study is to explain the incidence of sickness and causes thereof in the industrial sector of Sindh and suggest measures, both preventive and corrective, to address the problems of sick industries in the backdrop of pursuing the rapid industrialization strategy as the major prop for acceleration of economic growth. For this purpose, extensive physical survey, interviews of stakeholders are required apart from survey of literature and relevant Govt. publications, previous studies and various initiatives taken by the successive Governments.

### 3. EVALUATION CRITERIA:

The consulting firm (s)/consortium securing 60 marks as per following criteria will qualify for issuance of Request for Proposals.

S.No	Description	Marks
1	<b>Local Experience:</b> (Projects undertaken during last 5 years by the Firm(s)/consortium in Pakistan in similar areas)	30
2	<b>International Experience:</b> (Projects undertaken during last 5 years by the firm(s)/ consortium outside Pakistan in similar areas).	20
	<b>Personnel</b> in the Permanent Employment of the Organization	
3	<b>Qualified Personnel in permanent employment of the Firm</b> ( in number)	10
4	<b>Permanency of above Personnel with the Firm</b> ( in Years)	5
5	<b>Relevant Experience of the Core Team Identified for the Project</b> (in Years)	15
6	<b>Financial Worth</b> of the organization/consortium (Average annual turn-over of the organization during last three years, duly certified)	15
7	<b>Experience of working with Public Sector</b>	5
	<b>Total Marks</b>	<b>100</b>
	<b>Qualifying Marks</b>	<b>60</b>

#### A) Local Experience: (Projects undertaken during last 5 years by the Firm(s)/consortium in Pakistan in similar areas)

(Marks Allocated 30)

i) 1 project	06
ii) 2 – 4 projects	12
iii) 5 – 6 projects	15
iv) 7 and more projects	30

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- B) International Experience: (Projects undertaken during last 5 years by the firm(s)/consortium outside Pakistan in similar areas)** **(Marks Allocated 20)**
- |                          |    |
|--------------------------|----|
| i) 1 project             | 06 |
| ii) 2 projects           | 10 |
| iii) 3 and more projects | 20 |
- C) Personnel in the Permanent Employment of the Organization**
- a) Qualified Personnel in permanent employment of the Firm (in number)** **(Marks Allocated 10)**
- |                 |    |
|-----------------|----|
| i) 1 – 2        | 03 |
| ii) 3 – 4       | 06 |
| iii) 5 – 7      | 08 |
| iv) 8 and above | 10 |
- b) Permanency of above Personnel with the Firm (in years)** **(Marks Allocated 05)**
- |                        |    |
|------------------------|----|
| i) 1 – 2 years         | 02 |
| ii) 3 – 4 years        | 04 |
| iii) 5 years and above | 05 |
- c) Relevant Experience of the Core Team identified for the project (in years)** **(Marks Allocated 15)**
- |                       |    |
|-----------------------|----|
| i) 1 – 2 years        | 04 |
| ii) 3 – 4 years       | 08 |
| iii) 5 years          | 12 |
| iv) 6 years and above | 15 |
- D) Financial Worth of the organization/consortium (Average annual turn-over of the organization during last three years, duly certified)** **(Marks Allocated 15)**
- |   |    |
|---|----|
| i) Annual turnover of Rs.20 million and above   | 15 |
| ii) Annual turnover of Rs.11 - 19 million       | 10 |
| iii) Annual turnover of less than Rs.10 million | 05 |
- E) Experience of working with Public Sector** **(Marks Allocated 5)**
- |                          |    |
|--------------------------|----|
| i) 1 project             | 02 |
| ii) 2 projects and above | 05 |

**Form 1: General Information about the Organization**

S. No.	Particulars	Details
a)	Name of organization	<i>(indicate complete legal name of the organization)</i>
b)	Operating name of the organization	<i>(if different from legal name)</i>
c)	Country of incorporation	
d)	Ownership of the Organization	Sole Proprietorship/ Partnership/ Private Limited Company/ Public Unlisted/ Public Listed Company/ Other <i>(please specify)</i>  <i>(strike out whichever is not applicable)</i>
e)	Date of establishment/ incorporation	
f)	Date of commencement of business	
g)	Address of the corporate headquarters and its registered office, if any, in Pakistan along with telephone and	
h)	Communication address along with telephone and fax numbers	
i)	Website	
j)	Status in the Project	Single Bidder/ Lead Consortium Member/ Other Consortium Member  <i>(strike out whichever is not applicable)</i>
k)	List of stakeholders / members who own 10% or more stocks & their interest in the company	
l)	List of current directors	
m)	Key Contact Person	<i>(indicate their name, designation/ title and contact address along with telephone, fax and email address)</i>
n)	Other key management personnel	
o)	International affiliations, if any	
p)	Professional membership(s), if any	
q)	Tax registration number	
r)	Has the company operated under a different name	Yes/ No  <i>(strike out whichever is not applicable)</i>
s)	If answer to above is Yes, please indicate the previous name and the reason for change in name	

<sup>1</sup> Individual firms/ consortia may, in addition to the above, attach their company profiles as an annexure to

\_\_\_\_\_ this form

<sup>2</sup> In case the consortium comprises of more than one firm, the above information shall be provided in

\_\_\_\_\_ respect of each of the firm.



**Form 2: Business Description**

<b>S. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Brief description of the business	
b)	Details of main business lines/ services/ products offered	
	<b>Details of correspondent offices/ branches other than the registered offices in Pakistan, including:</b>	
c)	(a) Name of the key contact person (b) Designation/ Title (c) Registered mailing address (d) Telephone number (e) E-Mail address (f) Fax number	
	Details of offices/ branches, if any, outside Pakistan	
	(a) Name of the key contact person d)(b) Designation/ Title (c) Registered mailing address (d) Telephone number (e) E-Mail address (f) Fax number	

**Form 3: Key Contact Details**

Particulars	Details
Details of individual (s) who will serve as the primary point of contact within the organization:	
(a) Name	
(b) Designation/ Title	
(c) Address	
(d) Telephone Number	
(e) E-Mail Address	
(f) Fax Number	

**Form 4: Financial Information Summary**

Particulars	Details	
Banking Details <i>(Bank name and branch)</i>		
Paid up Capital <sup>3</sup>		
Net Worth <sup>3</sup>		
Annual Turnover <sup>4</sup>	<b>Year</b>	<b>Turnover</b>
Number of Employees	<b>Year</b>	<b>Number of Employees</b>

<sup>3</sup>Based on latest audited financial statements, attach copies

<sup>4</sup>Attach audited financial statements for the last three years

**Form 5: Experience Summary – Projects in Pakistan**

S. No.	Project Name and Location	Project Description	Project Value (PKR)	Role	Sector (Infrastructure/ providing consultancy in conducting study on the revival of sick industrial units of sindh/ or other province/ Others (please specify))	Project Duration (months)	Project Start Date	Project Completion Date	Client Name	Status (Completed/ In Progress)	Remarks
1.											
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
10.											
11.											
12.											
13.											
14.											

**Assignments details must be attached**

**Form 6: Experience Summary – Projects Abroad**

S. No.	Project Name and Location	Project Description	Project Value (US\$)	Role	Sector. (Infrastructure / providing consultancy in conducting study on the revival of sick industrial units of sindh/or other province/ Others (please specify))	Project Duration (months)	Project Start Date	Project Completion Date	Client Name	Status (Completed/ In Progress)	Remarks
1.											
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
10.											
11.											
12.											
13.											
14.											

**Assignment details must be attached**

**Form 7: Personnel Experience Summary – Project Team Members**

S. No.	Name of the Employee	Designation/ Title	Employment Status (Permanent/ Temporary/ Contract)	Overall Professional Experience (Years)	Experience with the Organization (Years)	Relevant Experience (Years)	Proposed Role	Qualification(s)	Key Projects handled	Remarks
1.										
2.										
3.										
4.										
5.										
6.										
7.										
8.										
9.										
10.										
11.										
12.										
13.										
14.										

**Detailed resumes must be attached.**