



TENDER NO. PSPA/ADMN/TENDER-01/2021-22

## BIDDING DOCUMENTS

### Hiring Service Provider (SP) for Interest Free Loans

Issued To: \_\_\_\_\_  
Issued On: \_\_\_\_\_  
Signature of: \_\_\_\_\_  
Issuing Officer: \_\_\_\_\_

**Punjab Social Protection Authority (PSPA)**  
**Government of the Punjab**  
72-Garden Block, New Garden Town, Lahore

Ph. No. 042-99232359

## INVITATION FOR BIDS

### **Hiring Service Provider (SP) for Interest Free Loans**

Punjab Social Protection Authority (PSPA) is a body corporate established under Punjab Social Protection Authority Act 2015. PSPA invites bids to provide interest free micro-finance / micro-credit loans to PSPA current / potential beneficiaries. Sealed bids are invited from interested organizations having valid license for microfinance / microcredit.

1. PSPA invites sealed bids for the provision of above mentioned services from Service Providers (SPs) who are on Active Taxpayers List of the Federal Board of Revenue and licensed under State Bank of Pakistan's / Securities & Exchange Commission of Pakistan's (SECP), microcrediting/microfinancing regulations.
2. PSPA shall use "Least Cost Selection" and bidding shall be conducted through Open Competitive Bidding as per Rule 38 (2) (a) (single stage two-envelope method) as specified in the Punjab Procurement Rules-2014 (as amended to date).

Description	Bid Security (Refundable)
Microcredit/Microfinance (Interest Free Loans)	PKR: 6 lac for each division (Approx. 2% of the estimated contract price i.e. Rs. 250 million for FY 2021-22 for 9 Divisions)

3. Interested eligible bidders can obtain tender document containing all details of required services, eligibility criteria and terms & conditions from PSPA "78-79, D-Block, Wahdat Road, New Muslim Town Lahore" during office hours on a formal request and nonrefundable cash payment of Rs. 1,000/- only.
4. Pre-bid clarification meeting will be held on August 27, 2021 at 02:00 PM.
5. Sealed Bids must be delivered to the office on or before, August 31, 2021 02:00 PM. Technical bid will be opened on August 31, 2021 same day at 02:30 PM in the presence of bidders or their representatives at the address mentioned above.
6. Services are required for the following 9 divisions:
  - a. Bahwalpur
  - b. Dera Ghazi Khan
  - c. Faisalabad
  - d. Gujranwala
  - e. Multan
  - f. Lahore
  - g. Rawalpindi
  - h. Sahiwal
  - i. Sargodha
7. After the completion of technical evaluation process, the financial bids of only technically qualified bidders will be opened on time and date conveyed thereafter.
8. The bidders are required to give their best and final prices (inclusive of all applicable taxes & duties etc.) as negotiations are not allowed.
9. Taxes will be deducted as per applicable government rules. Bid security, NTN and Sales Tax registration certificate and tender fee deposit slip must be provided with the technical bid.
10. Bids which are incomplete, not sealed, not signed and / or not stamped, late or submitted by other than specified mode shall be rejected.
11. The contract shall be awarded to the lowest evaluated financial bidder against each division initially for a period of **three years** extendable with mutual consent.
12. The tender / bid document is readily available on PSPA website (<http://pspa.punjab.gov.pk/tenders/all>) and PPRA website (<http://eproc.punjab.gov.pk/ActiveTenders.aspx>).

**General Manager (Admin)**  
**Punjab Social Protection Authority**  
**78-79 D-Block, Wahdat Road, New Muslim Town, Lahore-Pakistan**  
**gm.admin@pspa.punjab.gov.pk, [www.pspa.punjab.gov.pk](http://www.pspa.punjab.gov.pk)**

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Part-I

## Section I. Instructions to Service Providers (SPs)

### A. Introduction

- 1. Source of Funds** 1.1 The Procuring Agency named in the Bid Data Sheet has received budget from the Government of Punjab. The Procuring Agency intends to apply a portion of the proceeds of this budget for loans to eligible beneficiaries under the contract for which this Invitation for Bids is issued.
- 2. Eligible Service Providers** 2.1 This Invitation for Bids is open to all Service Providers, except as provided hereinafter.

2.2 Service Providers should not be associated, or have been associated in the past, directly or indirectly, with a firm or any of its affiliates which have been engaged by the Procuring Agency to provide consulting services for the preparation of the design, specifications, ToRs and other documents to be used for the procurement of the services to be procured under this Invitation for Bids.

2.3 Government-owned enterprises may participate only if they are legally and financially autonomous/special institutions, if they operate under commercial law, and if they are not a dependent agency of the Government as per PPRA Rules clause 59.

2.4 Service Providers shall not be under a declaration of blacklisting by any Government Department (Federal or Provincial) or Punjab Procurement Regulatory Authority (PPRA).
- 3. Eligible Services** 3.1 All Services to be supplied under the contract shall have their origin in eligible source countries, defined in the *Bid Data Sheet (BDS)*, and all expenditures made under the contract will be limited to such Services.

3.2 For purposes of this clause, “origin” means the place from where the services are supplied.

3.3 The origin of Services is distinct from the nationality of the Service Provider.
- 4. Cost of Bidding** 4.1 The Service Provider shall bear all costs associated with the preparation and submission of its bid, and the Procuring Agency named in the Bid Data Sheet, hereinafter referred to as “the

Purchaser," will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

## **B. The Bidding Documents**

- 5. Content of Bidding Documents**
- 5.1 The Services required, bidding procedures, and contract terms are prescribed in the bidding documents. In addition to the Invitation for Bids, the bidding documents include:
- Instructions to Service Providers (ITS)
  - Bid Data Sheet
  - Terms of Reference
  - Bid Submission Form
  - Price Schedules
  - Contract Form
  - Performance Security Form
  - General Conditions of Contract (GCC)
  - Special Conditions of Contract (SCC)
  - Annexures
- 5.2 The Service Provider is expected to examine all instructions, forms, terms, and specifications in the bidding documents. Failure to furnish all information required by the bidding documents or to submit a bid not substantially responsive to the bidding documents in every respect will be at the Service Provider's risk and may result in the rejection of its bid.
- 6. Clarification of Bidding Documents**
- 6.1 A prospective Service Provider requiring any clarification of the bidding documents may notify the Purchaser in writing or by email at the Purchaser's address indicated in the Bid Data Sheet. The Purchaser will respond in writing to any request for clarification of the bidding documents which it receives no later than seven (7) days prior to the deadline for the submission of bids prescribed in the Bid Data Sheet. Written copies of the Purchaser's response (including an explanation of the query but without identifying the source of inquiry) will be sent to all prospective Service Providers that have received the bidding documents.
- 6.2 Pre-bid clarification meeting will be held as specified in the Bid Data Sheet.
- 7. Amendment of Bidding Documents**
- 7.1 At any time prior to the deadline for submission of bids, the Purchaser, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Service Provider, may modify the bidding documents by amendment.

- 7.2 All prospective Service Providers that have received the bidding documents will be notified of the amendment in writing or by email, and will be binding on them.
- 7.3 In order to allow prospective Service Providers reasonable time in which to take the amendment into account in preparing their bids, the Purchaser, at its discretion, may extend the deadline for the submission of bids.

### **C. Preparation of Bids**

**8. Language of Bid** 8.1 The bid prepared by the Service Provider, as well as all correspondence and documents relating to the bid exchanged by the Service Provider and the Purchaser shall be written in the language specified in the Bid Data Sheet. Supporting documents and printed literature furnished by the Service Provider may be in same language.

**9. Documents Comprising the Bid** 9.1 The bid prepared by the Service Provider shall comprise the following components:

- (a) a Bid Form and a Price Schedule completed in accordance with ITS Clauses 10, 11, and 12;
- (b) documentary evidence established in accordance with ITS Clause 13 that the Service Provider is eligible to bid and is qualified to perform the contract if its bid is accepted;
- (c) documentary evidence established in accordance with ITS Clause 14 that the Services to be supplied by the Service Provider are eligible Services and conform to the bidding documents; and
- (d) bid security furnished in accordance with ITS Clause 15.

**10. Bid Form** 10.1 The Service Provider shall complete the Bid Form (Part I Sec V) and the appropriate Price Schedule furnished in the bidding documents, indicating the Services to be supplied, a brief description of the Services, quantum, and prices.

**11. Bid Prices** 11.1 The Service Provider shall indicate on the appropriate Price Schedule the unit prices (where applicable) and total bid price of the Services it proposes to supply under the contract.

11.2 Prices indicated on the Price Schedule shall be **inclusive of all taxes/provision for Bad Debts & Insurance etc.**

11.3 The Service Provider's separation of price components in accordance with ITS Clause 11.2 above will be solely for the purpose of facilitating the comparison of bids by the Purchaser and will not in any way limit the Purchaser's right to contract on any of the terms offered.

11.4 Prices quoted by the Service Provider shall be fixed during the Service Provider's performance of the contract and not subject to variation on any account, unless otherwise specified in the Bid Data Sheet. A bid submitted with an **adjustable price quotation** will be treated as nonresponsive and will be rejected, pursuant to ITS Clause 24.

## **12. Bid Currencies**

12.1 Prices shall be quoted in **Pak Rupees** unless otherwise specified in the Bid Data Sheet.

## **13. Documents Establishing Service Provider's Eligibility and Qualification**

13.1 Pursuant to ITS Clause 9, the Service Provider shall furnish, as part of its bid documents establishing the Service Provider's eligibility to bid and its qualifications to perform the contract if its bid is accepted.

13.2 The documentary evidence of the Service Provider's eligibility to bid shall establish to the Purchaser's satisfaction that the Service Provider, at the time of submission of its bid, is eligible as defined under ITS Clause 2.

13.3 The documentary evidence of the Service Provider's qualifications to perform the contract if its bid is accepted shall establish to the Purchaser's satisfaction:

- (a) that, in the case of a Service Provider offering to supply Services under the contract which the Service Provider did not produce or manufacture, the Service Provider has been duly authorized by the original Service provider to supply the services in Pakistan;
- (b) that the Service Provider has the financial, technical, and disbursement capability necessary to perform the contract;
- (c) that, in the case of a Service Provider not doing business within Pakistan, the Service Provider is or will be (if awarded the contract) represented by an Agent in that country equipped, and able to carry out the Service Provider's obligations prescribed in the Conditions of Contract and / or Terms of Reference; and

- (d) that the Service Provider meets the qualification criteria listed in the Bid Data Sheet.

**14. Documents Establishing Services' Eligibility and Conformity to Bidding Documents**

14.1 Pursuant to ITS Clause 9, the Service Provider shall furnish, as part of its bid, documents establishing the eligibility and conformity to the bidding documents of all Services which the Service Provider proposes to supply under the contract.

14.2 The documentary evidence of the eligibility of the Services shall consist of a statement in the Price Schedule of the country of origin of the Services offered which shall be confirmed by a **certificate of origin**.

14.3 The documentary evidence of conformity of the Services to the bidding documents may be in the form of data, and shall consist of:

- (a) a detailed description of the essential technical and performance characteristics of the Services ;
- (b) a list giving full particulars, including available sources necessary for the proper and continuing functioning of the Services for a period to be specified in the Bid Data Sheet, following commencement of the use of the Services by the Purchaser; and
- (c) an item-by-item commentary on the Purchaser's Terms of Reference demonstrating **substantial responsiveness** of the Services to those Terms of Reference and / or specifications, or a statement of deviations and exceptions to the provisions of the Terms of Reference.

14.4 For purposes of the commentary to be furnished pursuant to ITS Clause 14.3(c) above, the Service Provider shall note that standards for microcrediting/microfinancing services for interest free loans designated by the Purchaser in its Terms of Reference, are intended to be descriptive only and not restrictive. The Service Provider may substitute alternative standards in its bid, provided that it demonstrates to the Purchaser's satisfaction that the substitutions ensure substantial equivalence to those designated in the Terms of Reference.

**15. Bid Security**

15.1 Pursuant to ITS Clause 9, the Service Provider shall furnish, as part of its bid, a bid security in the amount specified in the Bid Data Sheet.



15.2 The bid security is required to protect the Purchaser against the risk of Service Provider's conduct which would warrant the security's forfeiture, pursuant to ITS Clause 15.7.

15.3 The bid security shall be in Pak. Rupees and shall be in one of the following forms:

Bank Call-Deposit Receipt (CDR), Demand Draft (DD), Pay Order (PO) or Banker's cheque valid for thirty (30) days beyond the validity of bid.

15.4 Bid Security should be part of Technical Bid and any bid not secured in accordance with ITS Clauses 15.1 and 15.3 will be rejected by the Purchaser as nonresponsive, pursuant to ITS Clause 24.

15.5 Unsuccessful Service Providers' bid security will be discharged or returned on a formal request as promptly as possible but not later than thirty (30) days after the expiration of the period of bid validity prescribed by the Purchaser pursuant to ITS Clause 16.

15.6 The successful Service Provider's bid security will be discharged upon the Service Provider signing the contract, pursuant to ITS Clause 32, and furnishing the performance security, pursuant to ITS Clause 33.

15.7 The bid security may be forfeited:

(a) if a Service Provider withdraws its bid during the period of bid validity specified by the Service Provider on the Bid Form; or

(b) in the case of a successful Service Provider, if the Service Provider fails:

(i) to sign the contract in accordance with ITS Clause 32;

**or**

(ii) to furnish performance security in accordance with ITS Clause 33.

**16. Period of  
Validity of Bids**

16.1 Bids shall remain valid for the period specified in the Bid Data Sheet after the date of bid opening prescribed by the Purchaser, pursuant to ITS Clause 19. A bid valid for a shorter period shall be rejected by the Purchaser as nonresponsive.

16.2 In exceptional circumstances, the Purchaser may solicit the Service Provider's consent to an extension of the period of

validity. The request and the responses thereto shall be made in writing (or by email). The bid security provided under ITS Clause 15 shall also be suitably extended. A Service Provider may refuse the request without forfeiting its bid security. A Service Provider granting the request will not be required nor permitted to modify its bid, except as provided in ITS Clause 16.3.

16.3 In the case of fixed price contracts, if the award is delayed by a period exceeding sixty (60) days beyond the expiry of the initial bid validity, the contract price will be adjusted by a factor specified in the request for extension.

**17. Format and  
Signing of Bid**

17.1 The Service Provider shall prepare an original and the number of copies of the bid indicated in the Bid Data Sheet, clearly marking each "ORIGINAL BID" and "COPY OF BID," as appropriate. In the event of any discrepancy between them, the original shall govern.

17.2 The original and the copy or copies of the bid shall be typed or written in indelible ink and shall be signed by the Service Provider or a person or persons duly authorized to bind the Service Provider to the contract. All pages of the bid, except for un-amended printed literature, shall be initialed by the person or persons signing the bid.

17.3 Any interlineation, erasures, or overwriting shall be valid only if they are initialed by the person or persons signing the bid.

17.4 The Service Provider shall furnish information as described in the Form of Bid on commissions or gratuities, if any, paid or to be paid to agents relating to this Bid, and to contract execution if the Service Provider is awarded the contract.

**D. Submission of Bids**

**18. Sealing and  
Marking of Bids**

18.1 The Service Provider shall seal the original and each copy of the bid in separate envelopes, duly marking the envelopes as "ORIGINAL" and "COPY." The envelopes shall then be sealed in an outer envelope.

18.2 The inner and outer envelopes shall:

- (a) be addressed to the Purchaser at the address given in the Bid Data Sheet; and
- (b) bear the title of procurement Activity indicated in the Bid Data Sheet, the Invitation for Bids (IFB) title and number

indicated in the Bid Data Sheet, and a statement: "DO NOT OPEN BEFORE," to be completed with the time and the date specified in the Bid Data Sheet, pursuant to ITS Clause 2.2.

18.3 The inner envelopes shall also indicate the name and address of the Service Provider to enable the bid to be returned unopened in case it is declared "late".

18.4 If the outer envelope is not sealed and marked as required by ITS Clause 18.2, the Purchaser will assume no responsibility for the bid's misplacement or premature opening.

18.5 Bidder can bid for as many divisions as possible provided the bid security for each division is provided separately. Separate applications for different divisions are not required.

**19. Deadline for Submission of Bids**

19.1 Bids must be received by the Purchaser at the address specified under ITS Clause 18.2 no later than the time and date specified in the Bid Data Sheet.

19.2 The Purchaser may, at its discretion, extend this deadline for the submission of bids by amending the bidding documents in accordance with ITS Clause 7, in which case all rights and obligations of the Purchaser and Service Providers previously subject to the deadline will thereafter be subject to the deadline as extended.

**20. Late Bids**

20.1 Any bid received by the Purchaser after the deadline for submission of bids prescribed by the Purchaser pursuant to ITS Clause 19 will be rejected and returned unopened to the Service Provider.

**21. Modification and Withdrawal of Bids**

21.1 The Service Provider may modify or withdraw its bid after the bid's submission, provided that written notice of the modification, including substitution or withdrawal of the bids, is received by the Purchaser prior to the deadline prescribed for submission of bids.

21.2 The Service Provider's modification or withdrawal notice shall be prepared, sealed, marked, and dispatched in accordance with the provisions of ITS Clause 18. A withdrawal notice may also be sent by email, but followed by a signed confirmation copy, postmarked not later than the deadline for submission of bids.

21.3 No bid may be modified after the deadline for submission of bids.

21.4 No bid may be withdrawn in the interval between the deadline for submission of bids and the expiration of the period of bid validity specified by the Service Provider on the Bid Form. Withdrawal of a bid during this interval may result in the Service Provider's forfeiture of its bid security, pursuant to the ITS Clause 15.7.

## **E. Opening and Evaluation of Bids**

### **22. Opening of Bids by the Purchaser**

22.1 The Purchaser will open all the technical bids in the presence of Service Providers' representatives who choose to attend, at the time, on the date, and at the place specified in the Bid Data Sheet. The Service Providers' representatives who are present shall sign an attendance sheet evidencing their presence.

22.2 Initial screening would be done initially and no bid shall be rejected at bid opening, except for late bids, which shall be returned unopened to the Service Provider pursuant to ITS Clause 20.

22.3 The Service Providers' names, bid modifications or withdrawals and the presence or absence of requisite bid security, which must be part of technical bid, and such other details as the Purchaser, at its discretion, may consider appropriate, will be announced at the opening.

22.4 The Bidders conforming to terms and conditions of this bid document in technical bid will be considered for financial evaluation. After evaluation of the technical bids, financial bids of the technically accepted bids scoring at least 70 marks in technical evaluation will be opened, publically at a time, date and venue, which will be announced and communicated to the bidders in advance, within the bid validity period.

22.5 At the time of Financial Bid openings the Purchaser will open all the financial bids in the presence of Service Providers' representatives who choose to attend. The Service Providers' representatives who are present shall sign an attendance sheet evidencing their presence.

22.6 The Service Providers' names, bid prices and discounts and such other details as the Purchaser, at its discretion, may consider appropriate, will be announced in the Financial Bid opening meeting.

22.7 The financial bids found technically nonresponsive shall be returned un-opened to the respective bidders. Bids (and

modifications sent pursuant to ITS Clause 21.2) that are not opened and read out at bid opening shall not be considered further for evaluation, irrespective of the circumstances. Withdrawn bids will be returned unopened to the Service Providers.

22.8 The bidder with the lowest quote against each division shall be awarded the contract. A bidder cannot bid for partial services.

22.9 The Purchaser will prepare minutes of the bid opening.

**23. Clarification of Bids**

23.1 During evaluation of the bids, the Purchaser may, at its discretion, ask the Service Provider for a clarification of its bid. The request for clarification and the response shall be in writing, and no change in the prices or substance of the bid shall be sought, offered, or permitted.

**24. Preliminary Examination**

24.1 The Purchaser will examine the bids to determine whether they are complete and not partially submitted, whether any computational errors have been made, whether required sureties have been furnished, whether the documents have been properly signed and whether the bids are generally in order.

24.2 Arithmetical errors will be rectified on the following basis. If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail, and the total price shall be corrected. If the Service Provider does not accept the correction of the errors, its bid will be rejected, and its bid security may be forfeited. If there is a discrepancy between words and figures, the amount in words will prevail.

24.3 The Purchaser may waive any minor informality, nonconformity, or irregularity in a bid which does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any Service Provider.

24.4 Prior to the detailed evaluation, pursuant to ITS Clause 25 the Purchaser will determine the substantial responsiveness of each bid to the bidding documents. For purposes of these Clauses, a substantially responsive bid is one which conforms to all the terms and conditions of the bidding documents without material deviations. Deviations from, or objections or reservations to critical provisions, **such as** those concerning **Bid Security** (ITS Clause 15), **Applicable Law** (GCC Clause 26), and **Taxes and Duties** (GCC Clause 28), will be deemed to be a material deviation. The Purchaser's determination of a bid's

responsiveness is to be based on the contents of the bid itself without recourse to extrinsic evidence.

24.5 If a bid is not substantially responsive, it will be rejected by the Purchaser and may not subsequently be made responsive by the Service Provider by correction of the nonconformity.

**25. Qualification & Evaluation of Bids**

25.1 The Service Provider must be qualified to perform the contract satisfactorily, in accordance with the criteria listed in ITS Clause 13.3.

25.2 The Service Provider's financial, technical, and service capabilities must be backed up by the documentary evidence of the Service Provider's qualifications submitted by the Service Provider, pursuant to ITS Clause 13.3, as well as such other information as the Purchaser deems necessary and appropriate.

25.3 The Purchaser will **technically evaluate** and compare the bids which have been determined to be substantially responsive, pursuant to ITS Clause 24, as per Terms of Reference required.

25.4 The Purchaser's **financial evaluation** of a bid will be on lowest price inclusive of prevailing taxes and duties against each division.

**26. Contacting the Purchaser**

26.1 Subject to ITS Clause 23, no Service Provider shall contact the Purchaser on any matter relating to its bid, from the time of the bid opening to the time evaluation report is made public i.e. 10 days before the contract is awarded. If the Service Provider wishes to bring additional information or has grievance to the notice of the Purchaser, it should do so in writing.

26.2 Any effort by a Service Provider to influence the Purchaser during bid evaluation, or bid comparison may result in the rejection of the Service Provider's bid.

**27. Redressal of Grievances**

27.1 The Purchaser has constituted a committee comprising odd number of persons, with proper powers and authorizations, to address the complaints of bidders that may occur prior to the entry into force of the procurement contract.

27.2 Any bidder feeling aggrieved by any act of the Purchaser after the submission of his bid may lodge a written complaint concerning his grievances not later than ten days after the announcement of the bid evaluation report.

27.3 The committee shall investigate and decide upon the complaint within fifteen days of the receipt of the complaint.

27.4 Mere fact of lodging of a complaint shall not warrant suspension of the procurement process.

## **F. Award of Contract**

- |   |   |
|---|---|
| <b>28. Award Criteria</b>   | 28.1 Subject to ITS Clause 30, the Purchaser will award the contract to the successful Service Provider whose bid has been determined to be substantially responsive and has been determined to be the lowest evaluated bid against each division, provided further that the Service Provider is determined to be qualified to perform the contract satisfactorily.   |
| <b>29. Purchaser's Right to Vary Duration and Quantities at Time of Award</b> | 29.1 The Purchaser reserves the right at the time of contract award to increase or decrease, by the percentage indicated in the Bid Data Sheet, the quantity of Services originally specified in the Terms of Reference without any change in unit price or other terms and conditions.   |
| <b>30. Purchaser's Right to Accept or Reject All Bids</b>                     | 30.1 The Purchaser reserves the right to accept or reject all bids, and to annul the bidding process at any time prior to contract award, without thereby incurring any liability to the Service Provider or Service Providers or any obligation to inform the Service Provider or Service Providers of the grounds for the Purchaser's action.   |
| <b>31. Notification of Award</b>  | 31.1 Prior to the expiration of the period of bid validity, the Purchaser will notify the successful Service Provider in writing by registered letter or by email, to be confirmed in writing by registered letter, that its bid has been accepted.<br><br>31.2 The notification of award will constitute the formation of the Contract.<br><br>31.3 Upon the successful Service Provider's furnishing of the performance security pursuant to ITS Clause 33, the Purchaser will promptly notify each unsuccessful Service Provider and will discharge its bid security on a formal request, pursuant to ITS Clause 15. |
| <b>32. Signing of Contract</b>  | 32.1 The Purchaser notifies the successful Service Provider that its bid has been accepted, the Purchaser will send the Service Provider the Contract Form provided in the bidding documents, incorporating all agreements between the parties.   |

**33 Performance Security**

- 32.2 Within seven (07) days of receipt of the Contract Form, the successful Service Provider shall sign and date the contract and return it to the Purchaser.
- 33.1 Within fourteen (14) days of the receipt of notification of award from the Purchaser, the successful Service Provider shall furnish the performance security as bank guarantee in accordance with the Conditions of Contract, in the Performance Security Form provided in the bidding documents, or in another form acceptable to the Purchaser.
- 33.2 Failure of the successful Service Provider to comply with the requirement of ITS Clause 32 or ITS Clause 33.1 shall constitute sufficient grounds for the annulment of the award and forfeiture of the bid security, in which event the Purchaser may make the award to the next lowest evaluated Service Provider against each division or call for new bids.
- 33.3 For a sum equivalent of 5% of the total value of the contract price against each division. "Total value" here means the value of the funds that are to be disbursed for micro-credit / micro-finance loan and not the service charges alone.
- 33.4 Performance security will not be adjusted against any payment.
- 33.5 Will be retained and must be valid until successful delivery of the services or the contract period whichever comes later.
- 33.6 The Purchaser shall cause the validity period of the Performance Security to be extended for such period(s) as the contract may be extended.
- 33.7 Punjab Social Protection Authority is not responsible to pay any interest / benefit on the amount submitted as Performance Security against this tender that could accumulate in the same period by investing / depositing in any bank or any other such institution / organization.
- 33.8 The amount of 5% performance security of the contract price is to be maintained according to the amount of the contract price paid from time to time to the SP.



**34. Corrupt or Fraudulent Practices**

34.1 (a) The Procuring Agency requires that Service Providers, Suppliers, and Contractors observe the highest standard of ethics during the procurement and execution of contracts. For the purposes of this provision, the terms set forth below are defined as follows:

(i) “corrupt practice” means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution; and

(ii) “fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Procuring Agency,

(iii) “collusive practice” is an arrangement among Service Providers (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels for any wrongful gains, and to deprive the Procuring Agency of the benefits of free and open competition;

(b) The Procuring Agency will reject a bid for award if it determines that the Service Provider recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question;

(c) The Procuring Agency will sanction a firm, in accordance with prevailing Blacklisting procedures under Punjab Procurement Rules 2014, if it at any time determines that the firm has engaged in corrupt or fraudulent practices in competing for, or in executing, a Bank-financed contract.

34.2 Furthermore, Service Providers shall be aware of the provision stated in sub-clause 5.4 and sub-clause 24.1 of the General Conditions of Contract.

**G. Contract Completion**

**35. Closure of Contract**

35.1 The Service Provider will be responsible to refund the Principal Amount along with profit at the closure of contract / project.



## Part-I Section II. Bid Data Sheet

The following specific data for the Services to be procured shall complement, supplement, or amend the provisions in the Instructions to Service Providers (ITS) Part One. Whenever there is a conflict, the provisions herein shall prevail over those in ITS.

<b>A-Introduction</b>	
<b>ITS 1.1</b>	Name of Procuring Agency: <b>Punjab Social Protection Authority (PSPA)</b>
<b>ITS 1.1</b>	Name of Contract: <b>Hiring Service Provider (SP) for Interest Free Loans</b>
<b>ITS 4.1</b>	Name of Purchaser: <b>Punjab Social Protection Authority (PSPA)</b>
<b>ITS 6.1</b>	<p>For clarification purposes, the Employer's address is <b>78-79, D-Block, Wahdat Road, New Muslim Town, Lahore.</b></p> <p>The contact information shall be sought in writing on following:            Mr. Muhammad Kamran Akhtar            GM Admin &amp; HR  <a href="mailto:gm.admin@pspa.punjab.gov.pk">gm.admin@pspa.punjab.gov.pk</a>            Phone # 042-99232357 (09:00 AM to 05:00 PM)</p> <p>The Employer shall receive requests for clarification no later than <b>27.08.2021 (Day)</b> during office hours.</p> <p>A pre-bid meeting will be held on <b>27.08.2021 (Day)</b> at <b>02:00 PM</b> in Meeting Room of PSPA.</p>
<b>ITS 8.1</b>	Language of the bid is: <b>English</b>

<b>B-Bid Price and Currency</b>	
<b>ITS 11.2</b>	<p>The price quoted shall be best / final / aggregate i.e. not subject to variation / valid until completion of contract period and inclusive of all taxes, provision of bad debts &amp; insurance etc., duties &amp; charges involved in the delivery / performance of contract in accordance with the General &amp; Special Conditions of Contract and Terms of References.</p> <p><b>No payment shall be made in addition to quoted price.</b></p>
<b>ITS 11.5</b>	The price shall be in <b>Pak Rupees</b> and shall be <b>fixed</b> . Price Schedule shall only be submitted with the sealed financial Bid.

<b>C-Preparation and Submission of Bids</b>	
<b>ITS 11.2</b>	In case of exemption from any tax, duly issued and valid Exemption Certificate must be attached.
<b>ITS 15.1</b>	<p><b>Amount of Bid Security: PKR 6 lac for each division</b> (Approx. 2% of the estimated contract price i.e. Rs. 250 million for FY 2021-22 for 9 Divisions)</p> <p>Bids shall be in the prescribed format, sealed and accompanied by the Bid Security in the form of Call Deposit, Demand Draft, Bankers' Cheque, or Pay Order duly issued from a scheduled bank of Pakistan in favor of Punjab Social Protection Authority.</p> <p><b>NOTE:</b> The amount of <b>Performance Security</b> is <b>5%</b> of the Contract Price in the form of Bank Guarantee to be provided by the successful bidder within fourteen (14) days of the receipt of notification of award from the Purchaser.</p>
<b>ITS 16.1</b>	<b>Bid Validity Period: 90 days</b> after the date of opening of bid.
<b>ITS 18.1</b>	<p>The evaluation of bids shall be to the lowest bidder against each division in financial bid for among bidders who have been declared as qualified in Technical Evaluation.</p> <p>Bids shall be submitted in the format of <b>Signal Stage – Two Envelope</b> bidding procedures as provided in Punjab Procurement Rule-2014 (as amended). The envelopes shall be marked as <b>“Technical Bid &amp; Financial Bid”</b> along with the name and address of the bidder.</p> <p><b>Financial Bid</b> shall be on prescribed forms i.e. Bid Submission Form &amp; Price Schedule. The above-mentioned forms are placed in Section V of part I of these bidding documents.</p> <p>The envelopes of Technical Bid and Financial Bid shall be placed in a <b>common outer envelope</b> containing the <b>name of bidder</b> with the title: <b>Hiring Service Provider (SP) for Interest Free Loans</b></p>
<b>ITS 18.2</b>	<p><b>(a) Technical Bid:</b> Every page of the Bid must be signed and stamped.</p> <p><b>(b) Financial Bid:</b> Every page must be signed and stamped.</p> <p><b>Note:</b> Neither Financial Bid nor a reference to financial cost be provided in Technical Bid. Failure would lead to rejection of participation of SP in the selection process.</p>

ITS 18.2 (a)	Address for Bid Submission: <b>78-79, D-Block, Wahdat Road, New Muslim Town, Lahore</b>
ITS 18.2 (b)	IFB Title and Number:  Title: <b>Hiring Service Provider (SP) for Interest Free Loans</b>  Number: <b>PSPA/ADMN/TENDER-01/2021-22</b>
ITS 19.1	Deadline for Bid Submission: <b>02:00 PM on 31-08-2021</b>
ITS 22.1	Time, Date, and Place for Bid Opening: <b>Time: 02:30 PM</b> <b>Date: 31-08-2021</b> <b>Place: 78-79, D-Block, Wahdat Road, New Muslim Town, Lahore</b>

<b>D – Bid Evaluation</b>																															
<b>ITS 25.3</b>	<p><b>Evaluation Criteria of Technical Bid</b></p> <p><b>MANDATORY REQUIREMENTS / INITIAL SCREENING</b> (Please attach valid copies of all certificates / relevant Documents)</p> <p><b>These Documents are required with Technical Bid</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Sr. No.</th> <th style="width: 90%;">Documents</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;"><b>1</b></td> <td>Bid Security</td> </tr> <tr> <td style="text-align: center;"><b>2</b></td> <td>Minimum experience of 5 years of Microfinancing / Microcrediting loans</td> </tr> <tr> <td style="text-align: center;"><b>3</b></td> <td>Valid microfinance/microcredit license from relevant Regulator (SECP/SBP)</td> </tr> <tr> <td style="text-align: center;"><b>4</b></td> <td>Valid Income Tax Registration (Status Active with FBR)</td> </tr> <tr> <td style="text-align: center;"><b>5</b></td> <td>Valid Registration with Punjab Revenue Authority for PST, <i>if applicable</i></td> </tr> <tr> <td style="text-align: center;"><b>6</b></td> <td>The Applicant shall have its own branch network / service center at least at District Level in Punjab for the Division it is quoting for</td> </tr> <tr> <td style="text-align: center;"><b>7</b></td> <td>Fulfilling all requirements of clause 2 "Eligibility" of Instructions to the service providers</td> </tr> <tr> <td style="text-align: center;"><b>8</b></td> <td>Affidavit of non-blacklisting and correctness of information on prescribed format placed at <b>Annexure-I</b></td> </tr> <tr> <td style="text-align: center;"><b>9</b></td> <td>Name, address, Phone, Fax and E-mail address along with postal and telegraphic address for the head office, sub offices/centers and contact personnel;</td> </tr> </tbody> </table> <p><b>The contract will be awarded to the lowest quoted bidder at each Division Level i.e. the bidder who will quote the lowest financials at each Division after qualifying for the following criteria:</b></p> <p><b><u>Criteria, sub-criteria, and marks system for the evaluation of the Technical Bids:</u></b> <span style="float: right;"><b>[100 Marks]</b></span></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Sr. No</th> <th style="width: 50%;">Description of Main Criteria for Technical Evaluation</th> <th style="width: 20%;">Marks against</th> <th style="width: 20%;">Marks against</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>			Sr. No.	Documents	<b>1</b>	Bid Security	<b>2</b>	Minimum experience of 5 years of Microfinancing / Microcrediting loans	<b>3</b>	Valid microfinance/microcredit license from relevant Regulator (SECP/SBP)	<b>4</b>	Valid Income Tax Registration (Status Active with FBR)	<b>5</b>	Valid Registration with Punjab Revenue Authority for PST, <i>if applicable</i>	<b>6</b>	The Applicant shall have its own branch network / service center at least at District Level in Punjab for the Division it is quoting for	<b>7</b>	Fulfilling all requirements of clause 2 "Eligibility" of Instructions to the service providers	<b>8</b>	Affidavit of non-blacklisting and correctness of information on prescribed format placed at <b>Annexure-I</b>	<b>9</b>	Name, address, Phone, Fax and E-mail address along with postal and telegraphic address for the head office, sub offices/centers and contact personnel;	Sr. No	Description of Main Criteria for Technical Evaluation	Marks against	Marks against				
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		each sub-criteria	each Main criteria
<b>A)</b>	<b>Overall Experience in Microfinancing / Microcrediting &amp; Technology Capability of SP</b>		<b>20</b>
i)	Capability of SP <ul style="list-style-type: none"> <li>a) No of years of experience in Punjab in Microcrediting / Microfinancing               <ul style="list-style-type: none"> <li>- Above 7 years – (full marks)</li> <li>- 5 to 7 years – (3 marks)</li> </ul> </li> </ul>	4	10
	b) Volume handled in such mandates requiring intensive disbursements <ul style="list-style-type: none"> <li>- Above 50k active beneficiaries – (full marks)</li> <li>- Above 25k but less than 50k active beneficiaries – (2 marks)</li> <li>- Up to 25k active beneficiaries – (1 marks)</li> </ul>	4	
	c) Similar type of Real Time Integrations as per task 1 of TOR with different organizations <ul style="list-style-type: none"> <li>- Integrations with three or more organizations – (2 marks)</li> <li>- Integrations with Up to 2 organizations – (1 marks)</li> </ul>	2	
ii)	Ability to individually / bulk disbursements, (fulfilling all SECP/SBP requirements) and operate microfinancing / microcrediting. <ul style="list-style-type: none"> <li>- Existing / already deployed module for microfinancing / miccrediting – (full marks)</li> <li>- Proposed with definitive timelines for deployment of microfinancing / miccrediting types of modules with supportive documents – (3 Marks)</li> <li>- Proposed with no definitive timelines for deployment of microfinancing / miccrediting types of modules – (zero Marks)</li> </ul>		5
iii)	Ability to provide periodical reporting for disbursements and recoveries through integrations with PSPA’s MIS. <ul style="list-style-type: none"> <li>- System based reporting &amp; reconciliation capability already exists – (full marks)</li> </ul>		5

		<ul style="list-style-type: none"> <li>- System based reporting &amp; reconciliation proposed with definitive timelines – (3 marks)</li> <li>- System based reporting &amp; reconciliation proposed but with no definitive timelines – (zero marks)</li> </ul>		
<b>B)</b>	<b>Branch/Centers Network</b>			<b>10</b>
i)	Branches all over Punjab <ul style="list-style-type: none"> <li>- At District Level (0.28 marks for each district)</li> </ul>			
<b>C)</b>	<b>Complaint Management, Reporting and Fraud Management Capacity</b>			<b>15</b>
i)	Ability to handle all types / subtypes of complaints of beneficiaries through SPs existing call center <ul style="list-style-type: none"> <li>- SP has its own dedicated agents to handle beneficiaries' complaints – (full marks)</li> <li>- SP do not have dedicated agents which can handle beneficiaries' complaints – (zero marks)</li> </ul>		5	
ii)	Ability to provide secured services along with fulfilment of all requirements before initiating disbursements. <ul style="list-style-type: none"> <li>- SP is fully compliant with the guidelines of regulators (SECP / SBP etc.). (full marks)</li> <li>- SP not able to comply with guidelines of regulators (SECP / SBP etc.). (zero marks)</li> </ul>		5	
iii)	Ability to bring all Microfinancing / Microcrediting Loans for Beneficiaries, within the monitoring system / structure of the already existing fraud management system of SP to generate and report all types of alerts; including but not limited to SPs standard fraud policy and any other abnormal & suspect activities defined by PSPA. <ul style="list-style-type: none"> <li>- Fraud management system is already deployed by the SP with alerts / reporting capabilities – (full marks)</li> <li>- Fraud management system is already deployed by the SP without alerts / reporting capabilities – (3 marks)</li> </ul>		5	

	- Fraud management system is not deployed by the SP – (zero marks)		
<b>D)</b>	<b>Disbursement Volume &amp; Recovery</b>		<b>20</b>
i)	Volume handled in such mandates requiring intensive disbursements (accumulated) <ul style="list-style-type: none"> <li>- Above Rs. 2 Billion – (full marks)</li> <li>- Above Rs. 1 Billion but less than Rs. 2 Billion – (7 marks)</li> <li>- Up to Rs. 1 Billion – (5 marks)</li> </ul>	10	
ii)	<b>Efficiency of Recovery (Current)</b> <ul style="list-style-type: none"> <li>- 95% - 100% recovery – (full marks)</li> <li>- 90% - 95% - (5 marks)</li> </ul>	10	
<b>E)</b>	<b>Work Plan &amp; SP Staffin</b>		<b>15</b>
i)	Team Structure / Staffing: (For each category as described below: <ul style="list-style-type: none"> <li>- 100% marks for complete</li> <li>- 50% for partial</li> <li>- 0% for non existing</li> </ul>		
	a) Dedicated Head of Business with relevant experience.	2	10
	b) Dedicated MIS and Technology expert with relevant technology experience.	2	
	c) Dedicated Reconciliation & Reporting expert.	2	
	d) A structured distribution team to ensure at least one focal persons at each level i.e. division	2	
	e) Staffing Plan for a separate Fraud Management Team for ensuring IT System security, secure reporting and ensure monitoring (system & field), to engage and coordinate with PSPA, in case of any fraudulent activity or embezzlement to conduct Joint Inquiries.	2	
ii)	Ability to provide Education, Information and Awareness for beneficiaries including SMS texts by SPs. Marks Allocation: <ul style="list-style-type: none"> <li>- Communication Strategy / plan for building awareness of the beneficiaries – (1 Mark)</li> <li>- Communication Strategy / plan for building awareness of branches / centers for better service delivery for the beneficiaries – (1 Mark)</li> </ul>		3



	- Plan to utilize SMS service for education, info and awareness – (1 Mark)		
iii)	Structure for Monitoring: The SP needs to devise and submit its fully structured M&E plan and reporting of activities on periodical basis with PSPA.		2
<b>F)</b>	<b>Reconciliation and Reporting</b>		<b>10</b>
i)	Plan for monthly reconciliation of Disbursements / Recoveries with PSPA.	2	
ii)	Plan for reporting of outstanding loans.	3	
iii)	Plan for reporting of registration, disbursements and recoveries.	5	
<b>G)</b>	<b>Credibility &amp; Financial Soundness</b>		<b>10</b>
i)	Audited Financial Statements: - Last 5 years – (full marks) - Last 3 years – 2 marks	10	
<b>Total Marks</b>			<b>100</b>
<p><b>The minimum score to qualify is: <u>70 Marks</u></b></p> <p>.....</p> <p><b>Evaluation Criteria of Financial Bid</b></p> <p>Technically qualified bidder with Lowest Quote against each Division will be awarded the contract.</p>			

<b>F-Contract Award</b>	
<b>ITS 28.1</b>	Increase in Percentage for Price Quoted: <b>15%</b> (maximum)

<b>G-Contract Completion</b>	
<b>ITS 35.1</b>	Principal amount along with profit to be paid to PSPA

## Part-I Section III

### Terms of Reference (ToR)

After successfully deploying an existing microcredit program during the last few years, PSPA plans to enhance and own the program for potential beneficiaries in a totally new way leading it to new horizons by enabling its existing beneficiaries, other potential beneficiaries as well as beneficiaries of all future initiatives by providing them with microcredit/microfinance loans. In this regard, PSPA has set forth its objectives to hire the services of Service Providers for the provision of Microcrediting/Microfinancing interest free loans; that is:

#### Scope of Services

The overall goal of the program is to assist various marginalized groups of the society and these loans may include but are not limited to livestock, poultry, fish farming, petty trading, agriculture inputs for crops, vegetables and fruits, manufacturing / light engineering, handicrafts, tailoring, assistive devices & emergency needs, new small business & rehabilitation COVID effected SMEs etc.

Eligibility criteria for each loan type will be shared by PSPA and mutually agreed SOPs for each type of loan will be formulated and implement by the PSPA & SP. In order to meet the above objectives, the scope of services comprise of the following tasks:

#### General

1. PSPA is seeking services of SPs through Microcrediting / Microfinancing network.
2. The loan to be provided would be interest free.
3. PSPA requires the interest free loan to be provided in the following 9 Divisions:

Division	District
Bahawalpur	Bahawalpur District, Bahawalnagar District, Rahim Yar Khan District
Dera Ghazi Khan	Dera Ghazi Khan District, Layyah District, Muzaffargarh District, Rajanpur District
Faisalabad	Faisalabad District, Chiniot District, Toba Tek Singh District, Jhang District
Gujranwala	Gujranwala District, Gujrat District, Hafizabad District, Mandi Bahauddin District, Narowal District, Sialkot District
Lahore	Lahore District, Kasur District, Nankana Sahib District, Sheikhpura District
Multan	Multan District, Lodhran District, Khanewal District, Vehari District
Rawalpindi	Rawalpindi District, Jhelum District, Chakwal District, Attock District
Sahiwal	Sahiwal District, Pakpattan District, Okara District
Sargodha	Sargodha District, Khushab District, Mianwali District, Bhakkar District

4. Initially, the interest-free loan will be started with Rs. 250 million, but with the addition of new groups/loan types, funding may be increased in-line with the budgetary allocation from time to time. Interest-free loan from the fund will continue on a revolving basis.
5. The amount of loan would be from a minimum of Rs. 25,000/- to a maximum of Rs. 300,000/-. The limits are subject to revision from time to time as per the requirements of PSPA.
6. Area, for which payment services are being sought through these TORs, is entire province of Punjab. Award of the contract will be on the basis of the evaluation criteria.
7. PSPA requires that participating SPs would need to disburse/recover loans through their branch network / service centers.
8. SP can bid for as many divisions as possible provided it has branch / service center in all districts of the division(s) quoted.
9. SP must apply for the division in which it has at least one branch/service center at each District Level.
10. Contract with the successful bidders will be executed initially for a period of three years extendable with mutual consent. However, the contract has a termination clause.

## **Task 1**

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### **1. SP's Data Requirements and Integrations between PSPA and SP**

- (i) Service provider will develop/provide data access to PSPA through mutually agreed mechanism with following features:
  - i. Executive Summary Dashboard and downloadable reports in various formats such as PDF, Excel
  - ii. Custom Reports with possibility to add/select different fields/parameters/ranges (dates, amount etc.)
  - iii. Reports on regular intervals through email (Daily/Weekly/Fortnightly, Monthly, Quarterly, Mid-Year, Annually)
  - iv. Data will also be provided to PSPA through secure mechanism.

- v. Dashboard must be capable of reporting beneficiaries' loans activities through integration with PSPA Systems including registration, disbursements & recoveries etc.

## Task 2

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### 2. Funds Flow Mechanism

#### (i) Opening of Bank Accounts for PSPA

- i. All the accounts to be opened for PSPA must be daily average saving accounts
- ii. SPs, if required will open and maintain separate accounts for disbursements, recoveries and savings from beneficiaries (if any) of loans and cannot be used for any other purpose whatsoever.
- iii. The closure of the PSPA's accounts for any of the initiative shall be as per PSPA instructions to the SP.

#### (ii) Disbursements of Loans

- i. The eligibility criteria will be provided by PSPA and SPs will disburse loans after their own assessment/appraisal.
- ii. SPs will disburse the funds for the tenure as agreed with PSPA which may vary from program to program and within different groups within the program.
- iii. SPs must be capable to initiate bulk disbursements services as per PSPA requirements as and when required.
- iv. Reviewing of applications from the potential borrowers.
- v. SP shall obtain the requisite social guarantee from the beneficiary for processing the interest free loan.
- vi. SPs must ensure fulfilment of all KYC requirements as per SECP/SBP Regulation (if any). SP will also develop a functionality to capture the existing mobile number / MSISDN of the beneficiaries at the time of registration / enrolment. The same to be subsequently shared with PSPA.

- vii. The SPs must at any time also block beneficiary(ies) loan facility in real time manner without any delay, if the same is required as per PSPA's instructions.
- viii. SP will not receive any amount from beneficiaries on account of savings, reinvestments etc.
- ix. With the availability of new targeting data, the SPs must be able to register / disburse loans of a large number of new beneficiaries through bulk functionality and also block/blacklisting beneficiary(ies)' loans exiting from the programme, as per PSPA's instructions.
- x. SP will ensure and would be sole responsible while having KYC that no beneficiary would be allowed loan who is defaulter / blacklisted at any forum in Pakistan.
- xi. Funds for each initiative will be handed over to SP through cross cheque after confirmation of data alignment between PSPA and SP and will be deposited in SP's disbursement account opened for PSPA.
- xii. SPs will provide monthly statements of all Accounts to PSPA's Finance Wing.
- xiii. Once funds are deposited in PSPA Disbursement account, SPs will be responsible to disburse loans to beneficiaries within two weeks time after approval of the case.
- xiv. The payment made against the dubious / suspicious CNIC will be the sole responsibility of the SP as the KYC process was not conducted up to the mark and the loss occurred in such a scenario will not be charged to PSPA.
- xv. The loan cycle can be 12 months to 3 years as per the requirements of the beneficiaries.
- xvi. Mode of repayment can be monthly, quarterly, biannually, and/or through lump sum.

### **Task 3**

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#### **3. Recoveries of Loans**

**(i) Recoveries**

- i. SP shall be responsible to recover all the loans from the beneficiaries as per the loan schedule.
- ii. SP shall be responsible to deposit the recovered amount from the beneficiaries against due recoveries into main recovery account as and when recovered and the same shall be transmitted to PSPA as per the instructions of PSPA or at the end of the project.
- iii. SP shall be responsible to remit the profit earned from the bank deposits of disbursement and recovery accounts to PSPA as per instructions of the PSPA or at the closure of the project.

**(ii) PSPA Recovery Account Reconciliation**

- i. SP shall provide statements, transactions details and other full disclosure of main recovery account of PSPA as per PSPA Finance Wing's requirements to ensure the full visibility of its recovery account.
- ii. SP will be responsible to reconcile the recovery account maintained for beneficiaries and PSPA with PSPA on regular basis i.e. monthly, quarterly, and yearly as per requirement of PSPA's Finance Wing.
- iii. SP shall be responsible for timely redressal of any disparities in reconciliation.

**Task 4**

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**4. Branch / Center Facilitation Network and Management**

- (i) SP must have a branch / center as per the rules and regulations of the regulators.
- (ii) Delivery of services via branches / centers, if not appropriately managed, can increase the risks for SPs, PSPA and beneficiaries as a result of dependence on these branches. SPs therefore, need to effectively manage these risks through the adoption of sound risk management practices. SPs shall have the ultimate responsibility and accountability of all branch / center based SP activities and protection of beneficiaries.

## Task 5

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### 5. Coordination between SPs and PSPA Offices

- (i) SP shall share its staffing plan for proper coordination with PSPA officials at the headoffice and field levels (if any). SP shall nominate dedicated Project Head , MIS and technology expert, anti-fraud expert, reconciliation and reporting expert for coordination with PSPA.
- (ii) SP will be required to provide all type of data/information required for redressal of grievances of beneficiaries with regard to loan disbursements/recoveries etc.
- (iii) PSPA & SP can mutually devise monitoring and control mechanisms for branches / centers locations. Joint monitoring visits/ plans at each district and headoffice level have to be agreed and conducted for ensuring better service delivery for beneficiaries.

## Task 6

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### 6. Education, Information and Awareness for Beneficiaries by SPs

- (i) Customer awareness is a key defense against fraud, theft and security breach. Customer awareness program, at a minimum, should cover information regarding loan disbursements, recovery mechanism, protection against frauds etc.
- (ii) SPs will provide necessary guidance and support to the beneficiaries enabling them to transact easily without any hurdles, hardships or multiple visits.
- (iii) SPs should provide guidance to beneficiaries via appropriate means and clear instructions in Urdu and Regional languages as per instructions / requirements given by PSPA.
  - i. Guidelines for proper and secure use of loans.
  - ii. Description of the procedure for the customer to submit and authorize loans and/or obtain information regarding recoveries and consequences of each action.
  - iii. Customer assistance through written, voice, tutorials or in-person communication should be made available by SPs for all questions, complaints, requests etc.
  - iv. Initiating customer education and awareness programs about security issues, rights and obligations enabling customers to use their services safely and efficiently.
  - v. Educating customers as well as employees about security measures for fraud prevention.

## Task 7

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### 7. Complaint Redressal Mechanism by SPs

- (i) “Complaint” means any written or verbal expression of dissatisfaction from PSPA beneficiary(ies) including alleging financial loss arising due to any fraud/embezzlement.
- (ii) SPs must put in place a proper dedicated complaint redressal mechanism for efficiently and quickly disposing of complaints received from beneficiaries. The mechanism, at a minimum, shall include;
  - i. Receiving and processing customers’ complaints during office hours.
  - ii. Generate acknowledgement of complaint giving it a unique complaint number and communicate the same to complainant with estimated disposal time for the same
  - iii. Keep track/logs of all complaints and give status of every complaint.
  - iv. Complaints shall be resolved within the given Turn Around Time (TATs) as agreed.
- (iii) The Complaint Redressal Mechanism (CRM) and the relevant phone numbers etc. of the SPs should be widely publicized using appropriate channels and should also be placed at SP’s website.
- (iv) Appropriate protection against risks of fraud, loss of privacy and even loss of service is needed for establishing trust among beneficiaries and gaining their confidence. As SPs may be dealing with a large number of first-time customers with low financial literacy level, SPs need to ensure that adequate measures for customer protection, awareness and dispute resolution are in place.
- (v) SPs shall devise and enforce effective complaint handling and consumer awareness policy keeping in compliance with SECP/SBP relevant regulations/ circular/notification issued from time to time.
- (vi) SP shall be liable to compensate the beneficiaries/PSPA in case of any fraud or embezzlement due to any reasons, if proven through joint investigation.

## Task 8

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### 8. Service Charges



- (i) Invoicing and Payment of Services Charges shall be made as per below given details:
  - i. SPs will raise the invoice on the first working day of every quarter, against the loans disbursed to the beneficiaries, while ensuring that all the invoiced amounts are reconciled and reported to PSPA.
  - ii. PSPA will make the payment within 30 days of receipt of fully reconciled invoice.
  - iii. SPs shall not charge beneficiaries for any services.
  - iv. Rescheduling of loans to beneficiaries before the completion of initially agreed tenure will be granted with the prior approval from PSPA at individual case basis.

Further details are provided in the contract

## **Task 9**

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### **9. Innovation in Business Process / New Technologies**

SP shall have the ability to integrate to any future innovative business processes / new technologies as per SBP's relevant regulations, especially any upcoming scheme by the regulators, creating the functionality of interoperability among the Microcrediting/Microfinancing Platforms.

## **Task 10**

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### **10. Financial Discipline and Audit Requirements of Organization**

The activities carried out by SP under agreement with PSPA shall be subjected to three (3) layers of Audit:

- i. External audit of SP on annual basis by a Chartered Accountants firm having satisfactory quality control rating (QCR) acceptable to PSPA, and.
- ii. Audit of SP by PSPA's internal auditors. Audit findings are reported directly to PSPA's Board Audit Committee. In addition to this.
- iii. AGP Auditors may also conduct annual audits of SP and Partner Organizations

# Part-I Section V. Bidding Forms

## 1. Bid Submission Form

Date: \_\_\_\_\_  
Ref. No: \_\_\_\_\_

**General Manger Admin & HR,  
78-79, D-Block, Wahdat Road,  
New Muslim Town,  
Lahore.**

Having examined the bidding documents, I / we, the undersigned, offer to provide **Hiring Service Provider (SP) for Interest Free Loans** in conformity with the said bidding documents, including ToRs, contained therein, as for the sum **as mentioned in Schedule of Prices** or such other sums as may be ascertained in accordance with the schedule of prices attached herewith and made part of this Bid.

I / We undertake that, if my / our Bid is accepted, to provide the Services in accordance with the delivery schedule specified in the ToRs.

If my / our Bid is accepted, I / we will obtain the **guarantee of a bank/Insurance Company in a sum equivalent to 5% percent of the Contract Price** for the due performance of the Contract, in the form prescribed by the Purchaser.

I / We agree to abide by this Bid during the bid validity period starting from the date fixed for Bid opening under Clause 22 of the Instructions to Service Providers, and it shall remain binding upon me / us and may be accepted at any time before the expiration of that period.

Until a formal Contract is prepared and executed, this Bid, together with your written acceptance thereof and your notification of award, shall constitute a binding Contract between us.

Commissions or gratuities, if any, paid or to be paid by me / us to agents relating to this Bid, and to contract execution if I / we are awarded the contract, are listed below:

Name and address of agent	Amount and Currency	Purpose of Commission or gratuity
_____	_____	_____
_____	_____	_____
_____	_____	_____

(if none, state "none")

We understand that you are not bound to accept the lowest or any bid you may receive.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

\_\_\_\_\_  
*[signature]*

\_\_\_\_\_  
*[in the capacity of]*

Duly authorized to sign Bid for and on behalf of \_\_\_\_\_

## 2. Price Schedules

### 2.1 Bid Price

Cost Components	Division	Price Quoted (% age of amount disbursed per division)
Service Charges on Disbursement (ToRs/Task 1-10) / Rate	Bahawalpur	
	Dera Ghazi Khan	
	Faisalabad	
	Gujranwala	
	Lahore	
	Multan	
	Rawalpindi	
	Sahiwal	
	Sargodha	

**Note:**

- SPs shall not charge Beneficiaries for any services charges

Signature of Bidder: \_\_\_\_\_

Date: \_\_\_\_\_

## Part-II Section I. Contract Forms

### 1. Contract Form

THIS AGREEMENT made the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ between **Punjab Social Protection Authority** (hereinafter called “the Purchaser”) of the one part and [*name of Service Provider*] of (hereinafter called “the Service Provider”) of the other part:

WHEREAS the Purchaser invited bids for **Hiring Service Provider (SP) for Interest Free Loans** and has accepted a bid by the Service Provider for the supply of these services for a sum of [*contract price in words & figures*] (hereinafter called “the Contract Price”):

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.
2. The following documents shall be deemed to form and be read and construed as part of this Agreement, viz.:
  - The Bid Form and the Price Schedule submitted by the Service Provider;
  - The Terms of Reference;
  - The General Conditions of Contract;
  - The Special Conditions of Contract; and
  - The Purchaser’s Notification of Award
  - Mutually agreed Service Level Agreements, Project Implementation Plan, and Division of Roles & Responsibilities between Client and the Service Providers
3. In consideration of the payments to be made by the Purchaser to the Service Provider as hereinafter mentioned, the Service Provider hereby covenants with the Purchaser to provide the services and to remedy defects therein in conformity in all respects with the provisions of the Contract
4. The Purchaser hereby covenants to pay the Service Provider in consideration of the provision of the services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the contract at the times and in the manner prescribed by the contract.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with their respective laws the day and year first above written.

Signed, sealed, delivered by \_\_\_\_\_ the \_\_\_\_\_ (for the Purchaser)

Signed, sealed, delivered by \_\_\_\_\_ the \_\_\_\_\_ (for the Service Provider)

**(INTEGRITY PACT)**

Contract No. \_\_\_\_\_

Dated \_\_\_\_\_

Contract Value: \_\_\_\_\_

Contract Title: \_\_\_\_\_

..... [name of Supplier] hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from Government of Punjab (GoPb) or any administrative subdivision or agency thereof or any other entity owned or controlled by GoPb through any corrupt business practice.

Without limiting the generality of the foregoing, [name of Supplier] represents and warrants that it has fully declared the brokerage, commission, fees etc. **paid or payable** to anyone and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kickback, whether described as consultation fee or otherwise, with the object of obtaining or inducing the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoPb, except that which has been expressly declared pursuant hereto.

[name of Supplier] certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with GoPb and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.

[name of Supplier] accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other rights and remedies available to GoPb under any law, contract or other instrument, be voidable at the option of GoPb.

Notwithstanding any rights and remedies exercised by GoPb in this regard, [name of Supplier] agrees to **indemnify GoPb** for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to GoPb in an **amount equivalent to ten times** the sum of any commission, gratification, bribe, finder's fee or kickback given by [name of Supplier] as aforesaid for

the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoPb.

Name of Buyer/Purchaser: .....

Name of Seller/Supplier: .....

Signature: .....

Signature: .....

[Seal]

[Seal]

## Part-II Section II. General Conditions of Contract

### 1. Definitions

Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

- 1.1 "Main Account" means a bank account of PSPA wherein funds shall be given to SP and/or where the recoveries from beneficiaries will be deposited.
- 1.2 "Applicable Rules" means Punjab Procurement Rules 2014
- 1.3 "Applicable Law" means the laws of Islamic Republic of Pakistan, as they may be issued and in force from time to time.
- 1.4 "API" mean Application Program interface
- 1.5 "Beneficiary" means a citizen of Pakistan having a valid CNIC belonging to Eligible Household and declared as eligible for provision of financial assistance by the PSPA board or any other member of an eligible household as and when approved by the Board as Eligible Beneficiary.
- 1.6 "Client" means the Procuring Agency that signs the Contract for the Services with the Selected Service Provider.
- 1.7 "CNIC" means the Computerized National Identity Card issued by the National Database and Registration Authority, Pakistan.
- 1.8 "Contract" means the legally binding written agreement signed between the Client and the Service Provider and which includes all the attached documents listed in its paragraph 1 of the Form of Contract (the General Conditions (GCC), the Special Conditions (SCC), and the Appendices).
- 1.9 "Contract Price" means the amount of fund that would be provided to the Service Provider for disbursements of the loans to the beneficiaries from time to time as provided & instructed by the GoPb.
- 1.10 "Collection" mean the beneficiary collect the financial assistance (loan) from the SP
- 1.11 "Disbursement" means the disbursement of the funds to the Beneficiaries in shape of microcredit/microfinance loans.
- 1.12 "Disbursement Channels" means the modes of payment to the Beneficiaries through the SP.



- 1.13 “Effective Date” means the date on which this Contract comes into force and effect pursuant to Clause GCC 9.
- 1.14 “Force Majeure” means and includes an event which is beyond the reasonable control of a Party, not foreseeable, unavoidable, and which makes a Party’s performance of obligations mentioned hereunder impossible or so impracticable as reasonably to be considered impossible in particular circumstances, and includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action are within the power of the Party invoking Force Majeure to prevent), confiscation or any other action by Government agencies. Force Majeure shall not include:
- (a) any event, which is caused by the negligence or intentional action of a Party or its agents or its employees;
  - (b) any event, which a diligent Party could reasonably have been expected both to take into account at the time of the conclusion of the Agreement, and avoid or overcome in the carrying out of its obligations hereunder; and
  - (c) Insufficiency of funds or failure to make any payment required hereunder.
- 1.15 “GCC” means these General Conditions of Contract.
- 1.16 “KYC” means Know Your Client as per the requirements of the regulators.
- 1.17 “Microcredit/Microfinance” means the delivery of the services outlined in the Microcredit/Microfinance Regulations devised by the State Bank of Pakistan.
- 1.18 “Microcredit/Microfinance Regulations” means the Microcredit/Microfinance Regulations issued by the Policy and Regulations Department of the State Bank of Pakistan, and any other rules, regulations or laws that may be applicable to the Service Provider as amended from time to time.
- 1.19 “SCC” means the Special Conditions of Contract by which the GCC may be amended or supplemented but not over-written.
- 1.20 “Services” means the services to be provided by SP specifically mentioned in clause 3 of this Agreement.

- 1.21 "Service Charges" means the charges mentioned in clause 3.16 of this Contract.
- 1.22 "Service Provider / SP" means a legally-established professional consulting firm or entity selected by the PSPA to provide the Services under the signed Contract.
- 1.23 "SMS" means the electronic short messaging service sent to beneficiary from Purshaser's provided masking in addition to disbursement message
- 2. Application** 2.1 These General Conditions shall apply to the extent that they are not superseded by provisions of other parts of the Contract.
- 3. Country of Origin** 3.1 For purposes of this Clause, "origin" means the place from where the Services are supplied.
- 3.2 The origin of Services are distinct from nationality of the Service Provider.
- 4. Standards** 4.1 The Services provided under this Contract shall conform to the standards mentioned in the Terms of Reference, and, when no applicable standard is mentioned, to the authoritative standards appropriate to the Services ' country of origin. Such standards shall be the latest issued by the concerned institution.
- 5. Use of Contract Documents and Information; Inspection and Audit by SP** 5.1 The Service Provider shall not, without the Purchaser's prior written consent, disclose the Contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the Purchaser in connection therewith, to any person other than a person employed by the Service Provider in the performance of the Contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The Service Provider shall not, without the Purchaser's prior written consent, make use of any document or information enumerated in GCC Clause 5.1 except for purposes of performing the Contract.
- 5.3 Any document, other than the Contract itself, enumerated in GCC Clause 5.1 shall remain the property of the Purchaser and shall be returned (all copies) to the Purchaser on completion of the Service Provider's performance under the Contract if so required by the Purchaser.

- 5.4 The Service Provider shall permit the Procuring Agency to inspect the Service Provider's accounts and records relating to the performance of the Service Provider and to have them audited by auditors appointed by the Procuring Agency, if so required by the Procuring Agency.
- 6. Patent Rights**
- 6.1 The Service Provider shall indemnify the Purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the Services or any part thereof.
- 7. Performance Security**
- 7.1 Within fourteen (14) days of receipt of the notification of Contract award, the successful Service Provider shall furnish to the Purchaser the performance security in the amount specified in SCC.
- 7.2 The proceeds of the performance security shall be payable to the Purchaser as compensation for any loss resulting from the Service Provider's failure to complete its obligations under the Contract.
- 7.3 The performance security shall be denominated in the currency of the Contract acceptable to the Purchaser and shall be in one of the following forms:
- (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in Pakistan, in the form provided in the bidding documents or another form acceptable to the Purchaser; or
  - (b) a cashier's or certified cheque.
- 7.4 The performance security will be discharged by the Purchaser on a formal request and returned to the Service Provider not later than sixty (60) days following the date of completion of the Service Provider's performance obligations under the Contract, including any warranty obligations, unless specified otherwise in SCC.
- 8. Inspections and Tests**
- 8.1 The Purchaser or its representative shall have the right to inspect and / or to test the Services to confirm their conformity to the Contract specifications at no extra cost to the Purchaser. SCC and the Terms of Reference shall specify what inspections and tests the Purchaser requires and where they are to be conducted. The Purchaser shall notify the Service Provider in writing, in a timely manner, of the identity of any representatives retained for these purposes.

- 8.2 The inspections and tests may be conducted at any time and place even as a dummy beneficiary in the data provided to ensure the procedures are followed properly. If conducted, all reasonable facilities and assistance, including access to accounts, shall be furnished to the inspectors at no charge to the Purchaser.
- 8.3 The Purchaser's right to inspect, test and, where necessary, reject the Services after the Services provided shall in no way be limited or waived by reason of the Services having previously been inspected, tested, and passed by the Purchaser.
- 8.4 Nothing in GCC Clause 8 shall in any way release the Service Provider from any warranty or other obligations under this Contract.
- 9. Delivery and Documents**
- 9.1 Delivery of the Services shall be made by the Service Provider in accordance with the terms specified in the Terms of Reference.
- 9.2 Documents to be submitted by the Service Provider are specified in SCC.
- 10. Insurance**
- 10.1 The Services and the amount of loans provided to the SP under the Contract shall be inclusive of all duties and taxes under which risk is transferred to the SP after having been delivered, hence insurance coverage is SPs responsibility. In case of default by a beneficiary where recovery is not made the amount lost is at risk of the SP and must be insured.
- 11. Warranty**
- 11.1 The Service Provider warrants that the Services supplied under the Contract are only for potential beneficiaries and the funds are utilized only for the purpose of loan disbursement to the said beneficiaries unless provided otherwise in the Contract.
- 11.2 This warranty shall remain valid for six (06) months after the Services, till the complete recovery is made and no more grievances are received from the beneficiaries.
- 12. Payment**
- 12.1 The method and conditions of payment to be made to the Service Provider under this Contract shall be specified in SCC.
- 12.2 The Service Provider's request(s) for payment shall be made to the Purchaser in writing, accompanied by an invoice describing, as appropriate, the Services performed, and by documents

submitted pursuant to GCC Clause 10, and upon fulfillment of other obligations stipulated in the Contract.

12.3 Payments shall be made promptly by the Purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the Service Provider.

12.4 The currency of payment is Pak. Rupees.

### **13. Prices**

13.1 Prices charged by the Service Provider for Services performed delivered under the Contract shall not vary from the prices quoted by the Service Provider in its bid, with the exception of any price adjustments authorized in SCC or in the Purchaser's request for bid validity extension, as the case may be.

### **14. Change Orders**

14.1 The Purchaser may at any time, by a written order given to the Service Provider pursuant to GCC Clause 31, make changes within the general scope of the Contract in any one or more of the following:

- (a) the Services to be provided by the Service Provider and / or
- (b) changes in specifications or nature / amount of the loan to be disbursed

14.2 If any such change causes an increase or decrease in the cost of, or the time required for, the Service Provider's performance of any provisions under the Contract, an equitable adjustment shall be made in the Contract Price or delivery schedule, or both, and the Contract shall accordingly be amended. Any claims by the Service Provider for adjustment under this clause must be asserted within thirty (30) days from the date of the Service Provider's receipt of the Purchaser's change order.

### **15. Contract Amendments**

15.1 Subject to GCC Clause 18, no variation in or modification of the terms of the Contract shall be made except by written amendment signed by the parties.

### **16. Assignment**

16.1 The Service Provider shall not assign, in whole or in part, its obligations to perform under this Contract, except with the Purchaser's prior written consent.

### **17. Subcontracts**

17.1 The Service Provider shall notify the Purchaser in writing of all subcontracts awarded under this Contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the Service Provider from any liability or obligation under the Contract.

- 17.2 Subcontracts must comply with the provisions of GCC Clause 3.
- 18. Delays in the Service Provider's Performance**
- 18.1 Performance of the Services shall be made by the Service Provider in accordance with the time schedule prescribed by the Purchaser in the Terms of Reference.
- 18.2 If at any time during performance of the Contract, the Service Provider or its subcontractor(s) should encounter conditions impeding timely performance of Services, the Service Provider shall promptly notify the Purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Service Provider's notice, the Purchaser shall evaluate the situation and may at its discretion extend the Service Provider's time for performance, with or without liquidated damages, in which case the extension shall be ratified by the parties by amendment of Contract.
- 18.3 Except as provided under GCC Clause 25, a delay by the Service Provider in the performance of its delivery obligations shall render the Service Provider liable to the imposition of liquidated damages pursuant to GCC Clause 23, unless an extension of time is agreed upon pursuant to GCC Clause 22.2 without the application of liquidated damages.
- 19. Liquidated Damages**
- 19.1 Subject to GCC Clause 25, if the Service Provider fails to perform the Services within the period(s) specified in the Contract, the Purchaser shall, without prejudice to its other remedies under the Contract, deduct from the Contract Price, as liquidated damages, a sum equivalent to the percentage specified in SCC of the unperformed Services for each week or part thereof of delay until actual performance, up to a maximum deduction of the percentage specified in SCC. Once the maximum is reached, the Purchaser may consider termination of the Contract pursuant to GCC Clause 24.
- 20. Termination for Default**
- 20.1 The Purchaser, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the Service Provider, may terminate this Contract in whole or in part:
- (a) if the Service Provider fails to perform any or all of Services within the period(s) specified in the Contract, or within any extension thereof granted by the Purchaser pursuant to GCC Clause 22; or
  - (b) if the Service Provider fails to perform any other obligation(s) under the Contract.

- (c) if the Service Provider, in the judgment of the Purchaser has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.

For the purpose of this clause:

“corrupt practice” means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.

“fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Procuring Agency, and includes collusive practice among Service Providers (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the Procuring Agency of the benefits of free and open competition.

- 20.2 In the event the Purchaser terminates the Contract in whole or in part, pursuant to GCC Clause 24.1, the Purchaser may procure, upon such terms and in such manner as it deems appropriate, Services similar to those undelivered, and the Service Provider shall be liable to the Purchaser for any excess costs for such similar Services. However, the Service Provider shall continue performance of the Contract to the extent not terminated.

## **21. Force Majeure**

- 21.1 Notwithstanding the provisions of GCC Clauses 22, 23, and 24, the Service Provider shall not be liable for forfeiture of its performance security, liquidated damages, or termination for default if and to the extent that its delay in performance or other failure to perform its obligations under the Contract is the result of an event of Force Majeure.
- 21.2 For purposes of this clause, “Force Majeure” means an event beyond the control of the Service Provider and not involving the Service Provider’s fault or negligence and not foreseeable. Such events may include, but are not restricted to, acts of the Purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes.
- 21.3 If a Force Majeure situation arises, the Service Provider shall promptly notify the Purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the Purchaser

in writing, the Service Provider shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.

**22. Termination for Insolvency**

22.1 The Purchaser may at any time terminate the Contract by giving written notice to the Service Provider if the Service Provider becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the Service Provider, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Purchaser.

**23. Termination for Convenience**

23.1 The Purchaser, by written notice sent to the Service Provider, may terminate the Contract, in whole or in part, at any time for its convenience. The notice of termination shall specify that termination is for the Purchaser's convenience, the extent to which performance of the Service Provider under the Contract is terminated, and the date upon which such termination becomes effective.

23.2 The Services that are complete and ready for delivery within thirty (30) days after the Service Provider's receipt of notice of termination shall be accepted by the Purchaser at the Contract terms and prices. For the remaining Services, the Purchaser may elect:

- (a) to have any portion completed and delivered at the Contract terms and prices; and/or
- (b) to cancel the remainder and pay to the Service Provider an agreed amount for partially completed Services and for services already procured by the Service Provider.

23.3 Either party may terminate the contract by giving three months prior notice to the other party without any obligations to pay compensation for termination. Upon termination, neither party shall have any rights nor obligations to the other party except as stated in the contract. However, all rights and obligations accruing prior to the termination shall continue to subsist.

**24. Resolution of Disputes**

24.1 The Purchaser and the Service Provider shall make every effort to resolve amicably by direct informal negotiation any disagreement or dispute arising between them under or in connection with the Contract.



24.2 If, after thirty (30) days from the commencement of such informal negotiations, the Purchaser and the Service Provider have been unable to resolve amicably a Contract dispute, either party may require that the dispute be referred for resolution to the formal mechanisms specified in SCC. These mechanisms may include, but are not restricted to, conciliation mediated by a third party, adjudication in an agreed and / or arbitration.

**25. Governing Language**

25.1 The Contract shall be written in the language specified in SCC. Subject to GCC Clause 30, the version of the Contract written in the specified language shall govern its interpretation. All correspondence and other documents pertaining to the Contract which are exchanged by the parties shall be written in the same language.

**26. Applicable Law**

26.1 The Contract shall be interpreted in accordance with the laws of Islamic Republic of Pakistan.

**27. Notices**

27.1 Any notice given by one party to the other pursuant to this Contract shall be sent to the other party in writing or by fax and confirmed in writing to the other party's address specified in SCC.

27.2 A notice shall be effective when delivered or on the notice's effective date, whichever is later.

**28. Taxes and Duties**

28.1 Service Provider shall be entirely responsible for all taxes, duties, license fees etc., incurred until delivery of the contracted Services to the Purchaser.

28.2 Stamp duties / paper will be paid by service provider for the contract as per Stamp Act of Pakistan.

## **Part-II Section III. Special Conditions of Contract**

The following Special Conditions of Contract shall supplement the General Conditions of Contract. Whenever there is a conflict, the provisions herein shall prevail over those in the General Conditions of Contract. The corresponding clause number of the GCC is indicated in parentheses.

### **1. Definitions (GCC Clause 1)**

GCC 1.1 (g)—The Purchaser is: **Punjab Social Protection Authority, 78-79, D-Block, Wahdat Road, New Muslim Town, Lahore.**

GCC 1.1 (h)—The Purchaser's country is: **Islamic Republic of Pakistan**

GCC 1.1 (i)—The Service Provider is: [Detail]

GCC 1.1 (j)—The Project Site is: **Punjab**

### **2. Performance Security (GCC Clause 7)**

GCC 7.1—The amount of performance security, as a percentage of the Contract Price, shall be **5% (Five per cent of the Contract Price)** in the shape of CDR, Pay Order, Demand Draft, Banker's Cheque, or Bank Guarantee duly issued from a scheduled bank of Pakistan. The amount of 5% performance security of the contract price is to be maintained according to the amount of the contract price paid from time to time to the SP.

### **3. Insurance (GCC Clause 10)**

GCC 10.1— **Insurance coverage of all types is Service Provider's responsibility, they may arrange appropriate insurance coverage.**

### **4. Payment (GCC Clause 12)**

GCC 12.1—The method and conditions of payment to be made to the Service Provider under this Contract shall be as follows:

#### **Payment of Service Charges:**

- i. All payments shall be made in PKR
- ii. Payment of transaction service on quarterly basis as per the following criteria.

### **5. Prices (GCC Clause 13)**

GCC 13.1—Prices shall be: **Fixed**.

**6. Liquidated Damages/Penalties (GCC Clause 19)**

- a) GCC 19.1—Applicable rate: 0.01 % of contract price per day & Maximum deduction: 5 % of Contract Price
- b) The SP will bear all losses/expenses, in case any loan is issued, that was not provided in the list shared by PSPA or who is issued loan without fulfilling codal formalities in prescribed manner agreed between SP & PSPA.

**7. Resolution of Disputes (GCC Clause 24)**

GCC 24.3—The dispute resolution mechanism to be applied pursuant to GCC Clause 24.2 shall be as follows:

In the case of a dispute between the Purchaser and the Service Provider, the dispute shall be referred to arbitration at Lahore in accordance with the Pakistan Arbitration Act, 1940.

**8. Governing Language (GCC Clause 25)**

GCC 25.1—The Governing Language shall be: English.

**9. Applicable Law (GCC Clause 26)**

GCC 26.1-The Contract shall be interpreted in accordance with the laws of Islamic Republic of Pakistan.

**10. Notices (GCC Clause 27)**

GCC 27.1—Purchaser’s address for notice purposes – **Punjab Social Protection Authority, 78-79, D-Block, Wahdat Road, New Muslim Town, Lahore.**

—Service Provider’s address for notice purposes:

## **Annexure-I**

### **Affidavit for Correctness of Information and Non-Blacklisting**

*(To be printed on PKR 100 Stamp Paper)*

I, the undersigned, do hereby certify that all the statements made in the RFP and in the supporting documents are true, correct and valid to the best of my knowledge and belief and may be verified by Procuring Agency at any time, if deems it necessary.

That the undersigned hereby authorize and request the bank, person, firm or corporation to furnish any additional information requested by the Procuring Agency deemed necessary to verify this statement regarding my (our) competence and general reputation.

That the undersigned understands and agrees that further qualifying information may be requested and I agree to furnish any such information at the request of the Procuring Agency.

That the undersigned / Applicant is not insolvent and not blacklisted by any of Provincial or Federal Government Department, Agency, Organization, NGO, INGO, IGO, or any other autonomous or corporate body anywhere in Pakistan.

*Signed by an authorized representative*

Name of the Applicant: \_\_\_\_\_

Date: \_\_\_\_\_

## Annexure – II

### Power of Attorney (For signatory of Application)

[To be printed on a PKR 100 stamp paper]

**KNOW ALL MEN BY THESE PRESENTS THAT** by this Power of Attorney ("**Power of Attorney**"), \_\_\_\_\_ [Insert name firm/Consortium] having its registered office at [ \_\_\_\_\_ ], does hereby nominate, appoint and authorize Mr. \_\_\_\_\_, having CNIC No. \_\_\_\_\_ hereinafter referred to as the "**Signatory of Application**", to do in our name and on our behalf the following:

Sign and submit to Punjab Social Protection Authority or its authorized nominee, the EOI / Tender / Bid for "**Hiring Service Provider (SP) for Interest Free Loans**", in response to the EOI advertisement dated [---] issued by The Procuring Agency and all other documents and instruments required to submit the EOI/Tender/Bid.

- i. Execute all such contracts, deeds, documents and instruments as may be considered necessary and expedient in relation to the foregoing; and
- ii. Do and carry out all other actions as may be required by the Procuring Agency in connection with the EOI / Tender / Bidding process as a whole;
- iii. To immediately notify The Procuring Agency in writing of any impending or actual revocation as well as any change in the terms of this Power of Attorney.
- iv. To do in our name and on our behalf, all such acts, deeds and things necessary in connection with or incidental to our EOI and / or Bid in response to the above referred tenders including signing and submission of all documents, instruments and deeds (including correcting any deficiencies or mistakes therein), attending any meetings organized by the Procuring Agency (including pre-bid clarification meetings and bid opening meetings) and providing information / responses to the Procuring Agency in all matters in connection with our Bid.

We, [Insert name of Firm / Consortium], do hereby ratify and confirm whatsoever the Signatory of Application shall do by virtue of these presents and further agree that whatever the Signatory of Application shall do or cause to be done pursuant to this Power of Attorney shall be binding on us.

Furthermore, each provision of this Power of Attorney is severable and distinct from the others. The invalidity, illegality or unenforceability of any one or more provisions of this Power of Attorney at any time shall not in any way affect or impair the validity, legality and enforceability of the remaining provisions hereof.

**IN WITNESS WHEREOF**, we have executed this **POWER OF ATTORNEY** as of [Date].

**FOR: [INSERT NAME OF APPLICANT FIRM/ CONSORTIUM]**

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
CNIC/Passport No. : \_\_\_\_\_

## **Annexure – III**

Litigation History

NAME: *(APPLICANT)*

<b>Year</b>	<b>Award FOR or AGAINST Applicant</b>	<b>Name of Client, Cause of litigation and matter in dispute</b>	<b>Disputed amount (Current value in Pakistani Rs. or US\$ equivalent)</b>
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**Annexure – IV**  
**Performance Security Form**  
**(Bank Guarantee)**

To:

*[Client Address]*

WHEREAS *[name of Supplier]* (hereinafter called “the Supplier”) has undertaken, in pursuance of Contract No. *[reference number of the contract]* dated \_\_\_\_\_ 20\_\_\_\_ to supply *[description of services]* (hereinafter called “the Contract”).

AND WHEREAS it has been stipulated by you in the said Contract that the Supplier shall furnish you with a bank guarantee by a reputable bank / InsuranceCompany for the sum specified therein as security for compliance with the Supplier’s performance obligations in accordance with the Contract.

AND WHEREAS we have agreed to give the Supplier a guarantee:

THEREFORE WE hereby affirm that we are Guarantors and responsible to you, on behalf of the Supplier, up to a total of *[amount of the guarantee in words and figures]*, and we undertake to pay you, upon your first written demand declaring the Service Provider to be in default under the Contract and without cavil or argument, any sum or sums within the limits of *[amount of guarantee]* as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

This guarantee is valid until the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

Signature and seal of the Guarantors

\_\_\_\_\_  
*[name of bank or Service Provider]*

\_\_\_\_\_  
*[address]*

\_\_\_\_\_  
*[date]*