

EVALUATION REPORT
(As Per Rule 35 of PPRA Rules, 2004)

1. Name of Procuring Agency: **Privatisation Commission**
2. Method of Procurement: **International Competitive Bidding**
3. Title of Procurement: **Hiring of Financial Advisor for Private Sector Participation in Three (03) Distribution Companies (DISCOs) Namely Faisalabad Electric Supply Company, Gujranwala Electric Power Company and Islamabad Electric Supply Company Through Privatisation**
4. Tender Inquiry No.:
 - (1) **TS542183E** (*Invitation of Expression of Interest (s) from Reputed Advisery Firms for Pre-Qualification as Panel of Pre-Qualified Financial Adviser for Privatisation Programme*)
 - (2) **NIL – Pursuant to PC Board’s 225th meeting’s decision dated 30th September 2024** (*Request for Proposal (RFP) for Hiring of Financial Adviser for Private Sector Participation in Three (03) Distribution Companies (DISCOs) Namely Faisalabad Electric Supply Company, Gujranwala Electric Power Company and Islamabad Electric Supply Company Through Privatisation*)
5. PPRA Ref. No. (TSE):
 - (1) **TS542183E** (*Invitation of Expression of Interest (s) from Reputed Advisery Firms for Pre-Qualification as Panel of Pre-Qualified Financial Adviser for Privatisation Programme*)
 - (2) **NIL – Pursuant to PC Board’s 225th meeting’s decision dated 30th September 2024** (*Request for Proposal (RFP) for Hiring of Financial Adviser for Private Sector Participation in Three (03) Distribution Companies (DISCOs) Namely Faisalabad Electric Supply Company, Gujranwala Electric Power Company and Islamabad Electric Supply Company Through Privatisation, was issued to seven firms placed on the panel of pre-qualified FA by the PC Board*)
6. Date & Time of Bid Closing:
 - (1) **TS542183E:** August 09, 2024 at 1600 hrs. Pakistan Standard Time
 - (2) **NIL – Pursuant to PC Board’s 225th meeting’s decision dated 30th September 2024:** November 11, 2024 at 1500 hrs. Pakistan Standard Time
7. Date & Time of Bid Opening:
 - (1) **TS542183E:** Technical August 09, 2024 at 1700 hrs. Pakistan Standard Time
 - (2) **NIL – Pursuant to PC Board’s 225th meeting’s decision dated 30th September 2024:**
Technical: November 11, 2024 at 1600 hrs. Pakistan Standard Time
Financial: December 06, 2024 at 1145 hrs. Pakistan Standard Time
8. No. of Bids Received:
 - (1) **Against TS542183E, Total of Nine (09):** In terms of Regulation 14(A) of the Privatisation Commission (Hiring of Financial Advisers) Regulations, 2018, Board of the Privatisation Commission in its meetings held on August 20 & 29, 2024 approved the selection of six (06) Interested Parties in the panel of Pre-qualified Financial Advisers for Privatisation Programme, namely (1) Citigroup Global Markets Ltd. UK, (2) J.P. Morgan, (3) Alvarez & Marsal, UAE, (4) EY Consulting LLC Dubai, (5) A.F. Ferguson & Co. – PWC, (6) BDO Ebrahim & Co., Pakistan, and (7) KPMG Pakistan.

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(2) Pursuant to PC Board's 225th meeting's decision dated 30th September 2024: Interest from only Two (02) out of the Seven firms on the panel of Pre-Qualified FA were received.

9. Criteria for Bid Evaluation: As per Evaluation Criteria given in Request for Proposal dated 11th October, 2024 (Annex-A).
10. Details of Bid(s) Evaluation: Bids evaluation was conducted in terms of 'Privatisation Commission (Hiring of Financial Advisers) Regulations, 2018'.

Name of Bidder	Marks	Ranking	Rule/Regulation/SBD*/ Policy/ Basis for Rejection / Acceptance as per Rule 35 of PP Rules, 2004.
	Technical and Financial		
Consortium led by Alvarez and Marsal Middle East Limited, International Consulting Associates (Pvt.) Limited (iConsult), Yousuf Adil Chartered Accountants, Vellani & Vellani, Power Planners International Pvt. Ltd., NEOS Group Inc. (A&M Consortium)	100	1	Accepted being top ranked IP on evaluation of combined technical and financial proposals
Consortium led by Ernest & Young (EY), MRC Consultants and Transaction Advisors, S.L. (Spain), Dentons UK and Middle East LLP (UK), and Haidermota & Co. (Pakistan) (EY Consortium)	95.2434	2	2 nd ranked IP on evaluation of combined technical and financial proposals

Successful Bidder: **Consortium led by Alvarez and Marsal Middle East Limited, International Consulting Associates (Pvt.) Limited (iConsult), Yousuf Adil Chartered Accountants, Vellani & Vellani, Power Planners International Pvt. Ltd., NEOS Group Inc. (A&M Consortium)**

11. Any other additional / supporting information, the procuring agency may like to share.

Signature:


KAMRAN FAROOQ ANSARI

Official Stamp:

Director General..
Ministry of Privatisation
Privatisation Commission
Islamabad

*Standard Bidding Documents (SBD).



Director General
(I&T/P&U)

Government of Pakistan
Ministry of Privatisation
(Privatisation Commission)

No. F. 37(1)DISCOs/ PS/PC/2020-296

Islamabad, 11th October, 2024

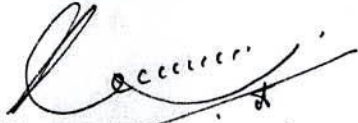
- (i) Citigroup Global Markets Ltd. UK,
- (ii) J.P. Morgan
- (iii) Alvarez & Marsal, UAE
- (iv) EY Consulting LLC Dubai
- (v) PWC - A.F. Ferguson & Co.,
- (vi) BDO Ebrahim & Co., Pakistan and
- (vii) KPMG Pakistan

Subject: Issuance of Request for Proposal Package on Hiring of Financial Adviser for Private Sector Participation in 03 DISCOs i.e., FESCO, GEPCO & IESCO through Privatisation ('Transaction') Pursuant to Regulation (14) Sub – Regulation (A) of Privatisation Commission (Hiring of Financial Advisers) Regulation 2018.

Dear Sir /Madam,

In Continuation to Privatisation Commission's (PC) letter of even number dated 02nd and 7th October 2024 on the subject matter and pursuant to the decisions of the Board of the PC taken in its meeting held on 30th September 2024, please find attached the Request for Proposal Package (RFP) Package addressed to the panel of Pre-Qualified FAs for submission of the respective technical and financial proposals.

3. It is highlighted that the final date for submission of the technical & financial proposals by the interested parties / firms is 11th November 2024 by 15:00 hrs. **Pakistan Standard Time.**


(Kamran Farooq Ansari)
Director General (I&T/P&U)

Copy to:

- (i) PS to Minister for Privatisation / Chairman, PC, Islamabad.
- (ii) PS to Secretary, PD, Islamabad.
- (iii) PS to Secretary, PC, Islamabad.

Instructions to IP

Data Sheet

Paragraph Reference	
1.8	Proposals must remain valid for 120 days after the last submission date.
2.1	<p>Clarifications may be requested not later than seven (07) Working Days prior to the last date of submission of proposals.</p> <p>The contact information for requesting clarifications is on the following official email or in writing to: Email: dgitpu@privatisation.gov.pk</p> <p>Director General (I&T/P&U) Privatisation Commission 4th Floor, Kohsar Block, New Pak Secretariat, Constitution Avenue, Islamabad, Pakistan.</p>
3.1	Proposals shall be submitted in the <u>English language</u> .
4.3	<p>IP must submit the original and password protected soft copies of the Technical and Financial Proposals. In case of electronic submission(s), passwords of only technical proposals file to be shared at the time of opening of Technical Proposals.</p> <p>Hard Copies</p> <p>Besides the soft copies' submission, IP to submit One Original Hard Copy and Two Copies of Hard Copies of their Technical Proposals; while IP are required to submit only One Original Hard Copy of their Financial Proposals.</p>
4.5	<p>The Proposal submission address is:</p> <p style="text-align: right;">Director General (I&T/P&U)</p> <p>Privatisation Commission 4th Floor, Kohsar Block, New Pak Secretariat, Constitution Avenue, Islamabad, Pakistan. Telephone: +92 (51) 9204593 Email: dgitpu@privatisation.gov.pk</p> <p>Proposals must be submitted not later than 11th November, 2024 till 1500 hours Pakistan Standard Time (PKT).</p>
4.6	The Client will open the technical proposals on the last date of submission at 1600 hours PKT .
5.2	Pursuant to Regulation of PC's Hiring of FA Regulation 2018, the technical scores for the evaluation of the technical proposals will be as under.

The Financial Adviser is required to include a multidisciplinary team of experts, organized as a company with subcontracted experts, or a consortium of companies with a single consortium lead member and if necessary subcontracted additional experts.

S. No.	Evaluation criteria	Weightage
1	2	3
(a)	<p>Specific firm or Consortium experience related to the assignment</p> <p>1. Global Ranking of Consortium Lead Consortium Lead ranking in any of internationally recognised league tables in any year since 1st January 2021 <i>(complete report highlighting the rank of the Consortium Lead in respective league table(s) to be submitted with proposals)</i> (10 marks) <u>Marking scheme for above:</u></p> <ul style="list-style-type: none"> • Ranked amongst Top 20 – 10 marks • Ranked amongst 21 - 40 – 07 marks • Ranked amongst 41 - 60 – 04 mark • Any rank lower than 60 – 00 marks <p>2. International Experience in Transaction Advisory Services of Consortium Lead as a Lead Advisory Firm in electricity distribution companies / power sector for M&A / privatisation / corporate restructuring / tariff advisory, etc., in at least two countries. (12 marks)</p> <p>(i) Demonstrated overall experience of successfully completing transactions in at least two countries of similar nature in electricity distribution companies / power sector as a Consortium Lead, since 1st January 2014.</p> <p>(ii) Value of each completed assignment since 1st January 2014.</p> <p>(iii) Countries / region of assignments.</p> <p>(iv) Specific experience related to power sector. (12 marks) <u>Marking scheme for above criteria:</u> 05 or more completed transactions in at least two countries – 12 marks 03-04 completed transactions in at least two countries – 08 marks 02 completed transactions in at least two countries –</p>	30%

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	<p>04 marks 01 or less completed transaction – 00 marks</p> <p><i>(Evidence of completed transactions must be submitted)</i></p> <p>3. Experience of Consortium Members in successfully completing a mandate within a transaction for M&A / privatisation / corporate restructuring / tariff advisory in electric power utilities / distribution, in any capacity, since 01st January 2014 years (08 marks)</p> <p>(i) Number of mandates completed (ii) Value of each completed mandate (iii) Country / region of mandate</p> <p><i>(Note: In case the proposal is not been submitted by a Consortium, the experience of IP will be considered against this criteria).</i></p> <p><u>Marking scheme for above criteria:</u> 04 or more completed mandates– 08 marks 02-03 completed mandates – 05 marks 01 completed mandates – 02 marks Nil completed mandate – 00 marks</p> <p><i>(Note:</i> 1) <i>Evidence of work experience and completed transactions of similar nature must be submitted</i> 2) <i>In case of more than one firm in the Consortium other than the lead, an average score of all the firms, except the lead firm, will be calculated for scoring)</i></p>	
	<p>(b) Competence of Team</p> <p>(i) Name, qualification & relevant experience of the Lead Advisory Team Leader / Project Director.</p> <p>(ii) Names, qualifications & relevant experiences of key personnel of the Financial Advisor / Lead Advisory Firm for the assignment.</p> <p>(iii) Names, qualifications & relevant experiences of key personnel of each member firm of the consortium (other than lead) / Sub-Contractor firm(s) for the assignment / transaction.</p> <p>(iv) Structure & composition of the consortium and division of responsibilities.</p> <p>a) FA Project Lead Team – (10 marks)</p> <p>Minimum experience of Ten (10) years for working in / with</p>	<p>30%</p>

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	<p>Electricity Distribution dealing with the matters associated with Power industry, relevant Legal, Policy and Regulatory Framework</p> <p>i) Nominated Project Director (05 marks)</p> <p><u>Marking scheme for Project Director:</u></p> <ul style="list-style-type: none"> • 3 or more similar mandates completed – 05 marks • 1-2 similar mandates completed – 03 marks • NIL similar mandates completed – 00 marks <p>ii. Designated Core Transaction Team Profile (05 marks)</p> <p>b) Law Firm (05 marks) Profile and experience of law firm having proven expertise in handling transactions involving M&A, Privatisation, Corporate Restructuring, Power Sector Regulatory, Legal and Corporate Affairs in power sector / electricity distribution.</p> <p>c) Accountancy and Tax Firm (04 marks) Must be a registered Category A (as per State Bank of Pakistan's List) Chartered Accountant Firm with latest satisfactory QCR ratings. (Note: In case IP is providing these services itself, then IP will be evaluated against this criteria.) <u>Marking scheme for above:</u></p> <ul style="list-style-type: none"> • 06 or more similar mandates completed – 04 marks • 03-05 similar mandates completed – 02 marks • 01-02 similar mandates completed – 01 mark • NIL similar mandates completed – 00 marks <p>d) Technical Team (08 Marks) Proven experience of IP / Sub-Contractor in rendering technical services including Technical Due Diligence relating to distribution network(s) and commercial retail of electricity since 01st January 2017. (Note: In case IP is providing these services itself, then IP will be evaluated against this criteria.) <u>Marking scheme for above:</u></p> <ul style="list-style-type: none"> • 4 or more similar mandates completed – 08 marks • 2-3 similar mandates completed – 05 marks • 1 similar mandate completed – 03 marks • NIL similar mandates completed – 00 marks 	
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	<p>e) HR Firm (03 marks) Proven experience of IP / Sub-Contractor in labor, HR and employees related affairs in transactions of similar nature. <i>(Note: In case IP is providing these services itself, then IP will be evaluated against this criteria.)</i></p> <p><i>Note:</i> <i>(Evidence of relevant experience is to provide against each of the above criteria)</i></p>	
	<p>(c) Work plan and methodology</p> <p>Understanding of the GOP's objectives for private sector participation in DISCOs.</p> <p>International work experience dealing with privatisation models in DISCOs.</p> <p>Major activities, key challenges & timelines to complete the transaction.</p> <p>Technical approach to successfully complete the transaction.</p> <p>Acquaintance with legal & regulatory regime / framework in which DISCOs are operating.</p> <p>Spell out a robust marketing strategy, for engagement and developing investor appetite, to be implemented for successful completion of transaction.</p> <p>Work plan and methodology (25 Marks)</p> <p>a) Understanding of the sector, transaction, its execution strategy and Work Plan for the Transaction. The Work Plan and methodology, amongst others, must cover following areas: - <i>(IP is also required to submit mapping of activities along with its detail ed proposal)</i> (12 Marks)</p> <ul style="list-style-type: none"> (i) Envisaged transaction structure options. (ii) Proposed strategy for completion of transaction within the indicative timelines (iii) Proposed approach towards comprehensive due diligence of DISCOs in shortest possible time (iv) Strategy to handle HR and employee related issues (v) Envisaged practical aspects for successful completion of Privatisation transaction for DISCOs 	<p>25%</p>

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	<p>b) Comparative analysis of the international experience in similar transactions and recommendation to successfully complete the Transaction; and address any post privatisation risk / issues, including Conceptualization of anticipated performance monitoring framework post privatisation, based on KPIs for privatization contracts with reference to international experience (08 Marks)</p> <p>c) Identification of prospective investor(s) and strategy for marketing the transactions, etc. (05 Marks)</p> <p><i>Note: Marks will be distributed on clarity of methodology, alignment of the plan with indicative timelines, relevance and nexus to TORs; realistic and implementable work plan; all the above-mentioned points must be clearly covered and identified in the technical proposal at FORM TECH-3.</i></p>	
	<p>(d) Effectiveness of presentation</p> <p>Understanding of assignment.</p> <p>Acquaintance with legal & regulatory regime / framework.</p> <p>Key potential issues / challenges.</p> <p>Identification of potential investor base (domestic & international).</p> <p>Effectiveness of proposed communications strategy.</p> <p>Indicative plan for the Road shows / destinations to promote investment climate for foreign and domestic investors in Pakistan.</p> <p>Plan with Timelines* for completing the transactions in shortest possible time. IPs to submit the plan based on scenario that the transactions of all Three DISCOs are to be carried out simultaneously, however, PC / GOP reserve the right to carry out the transactions sequentially or simultaneously.</p> <p><u><i>Presentations will be assessed based on better comprehension and explanation of the assignment, in addition to strong acquaintance with applicable financial, tax, technical, HR & employee relations, engagement with utility staff, Tariff, legal and regulatory requirements specific to private sector participation in management of utilities.</i></u></p> <p>* IPs may be required to adjust the plan and timelines to meet PC / GOP requirements.</p>	15%
	<p>Total Points for the three criteria:</p> <p>The minimum technical score required to pass is:</p>	<p>100%</p> <p>70 Points</p>

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<p>5.2</p>	<p>Scoring of technical and financial proposals: The technical proposal shall be assigned a score (Str) which shall be scaled up to constitute a final technical score (St) in the following manner: -</p> $St = Str \times 100 / St_{max}$ <p>where St_{max} = Score of the highest ranked IP on technical criteria.</p> <p>The financial score (Sf) shall be calculated in the following manner, namely: -</p> $Sf = 100 \times (F_{min} / F_f)$ <p>where F_{min} = Lowest total fee bid and F_f = Total fee bid by the IP under consideration.</p> <p>The combined technical and financial proposal (Sc) shall be calculated in the following manner, namely: -</p> $Sc = 0.80 \times St + 0.20 \times Sf$
<p>7.2</p>	<p>Expected date for the commencement of the Services: Upon signing of FASA.</p>

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