



## **REQUEST FOR PROPOSALS (RFP)**

**Selection of  
PROJECT MANAGEMENT AGENCY (PMA)  
to support the implementation of  
VENTURE CAPITAL FUND SCHEME  
During XII Five Year Plan (2012-17)**

**Small Farmers' Agribusiness Consortium  
5<sup>th</sup> Floor, NCUI Auditorium Building,  
August KrantiMarg, HauzKhas,  
New Delhi 110016.**

**February 2012**

**SECTION – 1**

**INVITATION OF BIDS**

## SECTION 1-: INVITATION OF BIDS

Small Farmers' Agri-Business Consortium (SFAC) is a Society functioning under the administrative control of Department of Agriculture and Cooperation, Ministry of Agriculture, Government of India. Since the X plan it has operated a Venture Capital Assistance Scheme (VCAS) which invests in agribusiness projects. VCAS has supported over 400 agribusiness projects, providing more than Rs.100 crores as margin money to leverage over Rs.1200 crores in institutional finance and private investments. VCAS is likely to be continued during the XII plan (2012-17) with an enhanced outlay, targeting an investment of almost Rs.100 Crore per annum for the next five years in an estimated 1000 agribusiness projects. Details of the operating guidelines of VCAS may be seen at website link: [www.sfacindia.com](http://www.sfacindia.com)

SFAC seeks to appoint a suitably qualified Project Management Agency (PMA) to provide on-site technical support for the implementation of VCAS during the XII Plan, tentatively beginning 1<sup>st</sup> April, 2012. The broad role of the PMA will be:-

- Provide on-site technical and HR support to process agribusiness investment proposals received by SFAC from financial institutions under the VCAS, including appraisal on key financial and social issues, completion of documentation, correspondence with financial institutions and entrepreneurs, signing of Agreement, preparation of reports, monitoring, reporting and portfolio analysis.

The selected PMA will provide the necessary manpower to perform the above tasks and will be paid a lump sum fee per month for its services.

1. **Technical and Financial Proposals** are invited for operating PMA from suitably experienced consultancy organisations, with deep experience in the financial sector and particularly agribusiness investments, as per the Terms of Reference and Instructions to Bidders for formulation and submission of proposals given below:
  - i) The agency bidding for the project should have a minimum turnover of Rs 10.00 crores in the last financial year through consultancy business, with a distinct focus on financial services, infrastructure, project appraisal and financial analysis.
  - ii) The Agency should be in the consultancy business for at least a period of 10 years, with a proven track record of managing projects in the financial sector. Specific agribusiness support services and expertise should be clearly mentioned.

- iii) Preference will be given to agencies having worked with/working with State governments/PSUs/Central government ministries on projects involving financial investments, especially in agri related fields. Handling public or private venture capital or equity funds, especially in the agribusiness area, will be an added advantage.
- iv) Agency should be capable of deploying a dedicated and experienced taskforce for the project.
- v) The Bidders are free to make suggestions in their offer, in addition to the specified Scope of Work or Methodology, to meet the objectives of the proposed assignment.
- vi) SFAC reserves the right to reject all or any of the proposals without assigning any reason thereof.
- vii) It may be noted that the costs of preparing the proposal and of negotiating the contract, including visits to SFAC, are not reimbursable, and SFAC is not bound to accept any of the proposals that may be submitted.
- viii) The project goal, objectives & outcome, scope of work are given Section 2 – Terms of Reference.
- ix) The selected Bidder is expected to commence the assignment on the date specified in the Work Order.

2. Sealed offers under two-bid system (Part-I: Technical Bid & Part-II: Price Bid) for the above-mentioned assignment may be forwarded to **Managing Director, SFAC, NCUI Auditorium Building, 5th Floor, 3, Siri Institutional Area, August Kranti Marg, HauzKhas, New Delhi 110016.**

3. Last date for submission of proposals is **12<sup>th</sup> March 2012 by close of office hours.**

**SECTION – 2**

**TERMS OF REFERENCE**

## SECTION – 2: TERMS OF REFERENCE

### Terms of Reference for Project Management Agency (PMA)

#### Proposed Structure of PMA

Title	Qualifications	Proposed tasks
Team Leader (1)	<p>At least 20 years experience in the financial sector, with the last 5 years at the level of Regional/Divisional office, dealing with project appraisal and financing, especially in the farm/agribusiness sector. Ex-NABARD or banker/financial sector professional with agriculture lending experience will be preferred. Background in dealing with SMEs an added advantage. Needs to have good understanding of rural economy and agribusiness issues. Able to handle relationships with banks, entrepreneurs, government institutions etc. Working knowledge of agriculture value chains will be a distinct asset.</p>	<ul style="list-style-type: none"> <li>• PMA works under direct supervision and under overall policy guidance and directions of MD, SFAC. As Team Leader of PMA, incumbent interfaces on daily basis with Director (PDF) and coordinates with other sections in SFAC on his behalf.</li> <li>• Acts as overall coordinator of PMA, coordinates other members, sets tasks, monitors performance and delivers outputs to PDF section.</li> <li>• Responsible for preparing appraisal reports on proposals based on laid down guidelines and norms.</li> <li>• Prepares agenda notes for weekly Project Screening Committee (PSC) and monthly Investment Committee (IC).</li> <li>• Prepares draft minutes of PSC and IC after meetings.</li> <li>• Follows up on approved proposals to complete documentation, ensure release of funds and track disbursement through banks.</li> <li>• Tracks quarterly performance of approved investments and prepares reports on VCA portfolio</li> </ul>

		<p>for MD.</p> <ul style="list-style-type: none"> <li>• Identifies strategic sectors for investment by VCAS; advises SFAC on tapping such potential.</li> <li>• Helps build awareness of VCAS among financial institutions, state governments, entrepreneurs and other stakeholders through interface meetings, media campaigns and other methods.</li> <li>• Provides documentation back-up for Executive Committee and Board of Management Meetings.</li> </ul>
<p>Project Specialist (1 in number)</p>	<p><b>Position 1:</b> Banking sector/financial institution/infrastructure background of at least 10 years, preferably branch experience in nationalized bank/agribusiness firm/equity fund/commodity organisation focused on agribusiness; direct handling of project appraisal; loaning and monitoring; working experience of dealing with rural credit, farm based enterprises required.</p> <p>Alternately, any background (including banking, government, private sector) but direct experience of dealing with agriculture/agribusiness sector and hands-on working knowledge of rural economy sectors (like dairy, cooperatives, horticulture etc.)</p>	<ul style="list-style-type: none"> <li>• Assists Team Leader in assigned tasks.</li> </ul>
<p>Project Assistants (2 in number)</p>	<p>Experience in office support, filing, data entry and administrative functions. Need to be fully computer literate (with formal training) and</p>	<ul style="list-style-type: none"> <li>• Act as administrative focal point of PMA.</li> <li>• Provide support to PMA members by maintaining files, filing correspondence</li> </ul>

	handle correspondence, routine office functions.	etc. • Update database on VCAS • Support all other PMA functions.
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(The above is an illustrative structure meant to guide the bidders. Alternate models may also be suggested in the technical proposals. The team is expected to handle approximately 200 proposals every year.)

Notes:

1. The PMA is expected to be deployed on-site in SFAC and must be available to service SFAC requirements on all working days through the year.
2. Office accommodation and PC support will be provided by SFAC.
3. Personnel manning the PMA will be directly contracted by the bidder, and are expected to be guided and monitored on a regular basis.
4. A monthly output report of PMA's performance will be prepared by the successful bidder and submitted to SFAC.
5. Output indicators will be listed in the Service Agreement to be signed between the successful bidder and SFAC. This will include mandatory clauses for maintaining confidentiality of information shared by SFAC and declaration of conflict of interest every six months.
6. The PMA will initially be contracted for a period of 2 years, which may be extended for a further period of three years based on satisfactory performance.

### SECTION 3

#### EVALUATION AND PROCEDURE FOR SELECTION OF THE BIDDER

An Evaluation Committee will be constituted by SFAC to evaluate the technical and financial proposals and recommend award of the consultancy assignment.

#### EVALUATION OF TECHNICAL AND FINANCIAL PROPOSALS

(i) Points for evaluation for technical proposals:

	<u>Points</u>
➤ Approach/Methodology/Work Plan proposed	50
➤ Relevant expertise/experience of the organization	25
➤ Qualifications/experience of the key personnel	25

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**Total: 100**

- (ii) Financial proposals will be opened only for those bidders who obtain more than 60 points on the technical proposal.
- (iii) 75% weightage will be assigned to technical bids and 25% to financial bids.
- (iv) The combined score of the technical and financial evaluation will be used to recommend the award of the consultancy assignment.
- (v) The decision of Managing Director, SFAC regarding acceptance or rejection of the committee's recommendation will be final and no reasons for the same will be provided.

## SECTION 4

### GENERAL INSTRUCTIONS

- Bids that are incomplete in any respect, or those that are not consistent with the requirements as specified in this Request For Proposal (RFP), or those that do not adhere to formats, wherever specified, may be considered non-responsive and may be liable for rejection.
- All communication and information should be provided in writing.
- SFAC reserves the right to reject any or all the Bids submitted in response to this Request for Proposals at any stage without assigning any reasons whatsoever.
- SFAC reserves the right to change any or all of the provisions of the RFP Document. Such changes would be intimated to all parties.
- The Authorized Signatory, as mentioned in the bid document, would be authorized to represent the Bidder(s) in its dealings with the SFAC. In case the Bidder(s) wish to change the Authorized Signatory from the one identified at the RFP Stage, the Bidder(s) would be required to furnish a fresh Power of Attorney in the name of the new Signatory.
- SECURITY DEPOSIT - The successful tenderer shall deposit 5% of the contract price as a security deposit in the form of Bank Guarantee within 15 days of issue of Work Order. The security deposit shall be in the form of an irrevocable Bank Guarantee issued by a Scheduled Commercial Bank in favour of SFAC, as per the format given at **Appendix – I**. This security deposit shall be released only after successful completion of the consultancy assignment.
- Bank Guarantees issued by the following Banks would be accepted:

State Bank of India and its subsidiaries

Any Indian Nationalized Bank

IDBI or ICICI Bank or Axis Bank

### Submission of Proposals

The Bidders must submit one ‘**Original**’ and ‘**One Copy**’ of the Technical proposal in one envelope, which must be sealed and clearly marked “**Technical Proposal**”. Also see Appendix II for format of covering letter.

The Financial proposal must be kept in a separate envelope, which must be sealed and clearly marked “**Financial Proposal**”. Both these envelopes must then be placed in a single outer envelope, which must be sealed and addressed to the Managing Director, SFAC, NCUI Auditorium Building, 5th Floor, 3, Siri Institutional Area, August Kranti Marg, HauzKhas, New Delhi 110016.

The Outer Envelope must further be clearly marked: **“BID FOR PMA”** To: Managing Director, SFAC, NCUI Auditorium Building, 5th Floor, 3, Siri Institutional Area, August KrantiMarg, HauzKhas, New Delhi 110016.

The Bidder(s) may submit their Bids by Registered Post / Courier or in Person, so as to reach the SFAC by the time and date stipulated by SFAC.

**BANK GUARANTEE FORMAT**  
(To cover payment of Security Deposit)

On a stamp paper of Rs.----- (From any Nationalized or Scheduled Bank)

To  
Managing Director,  
SFAC, NCUI Auditorium Building,  
5th Floor, 3, Siri Institutional Area,  
August KrantiMarg, HauzKhas,  
New Delhi 110016.

Dear Sir,

In consideration of your agreeing to accept Bank Guarantee for Rs..... towards Security Deposit, Messrs. .... Having its/ their office/ registered officer at ..... (hereinafter called the contractor) towards Security Deposit for the due performance of the Contract entered into by them for the ..... at ..... in accordance with the due fulfilment of the said Contract or of the terms and conditions contained therein, we hereby undertake and agree to indemnify and keep you indemnified to the extent of Rs. .... (Rupees ..... Only.

In the event of any loss or damages, costs, charges or expenses caused to or suffered by you by reason of any breach of non-observance on the part of the Contractor of any of the terms and conditions contained in the said Contract, we shall on demand and without reference to the Contractor irrevocably and unconditionally pay you in full satisfaction of your demand the amounts claimed by you; provided that our liability under this guarantee shall not at any time exceed Rs. .... (Rupees ..... only).

The guarantee herein contained shall remain in full force and effect till you certify that the terms and conditions of the said contract have been fully and properly carried out by the contractor, and that the contractor has furnished necessary deposit or fresh guarantee towards his obligation during the Defect Liability Period of the works or till this guarantee is duly discharged by you in writing.

We also agree that your decision as to whether the contractor has committed any breach or non-observance of the terms and conditions of the said Contract shall be final and binding on us.

We undertake to pay to the Employer any money so demanded notwithstanding any dispute or disputes raised by the contractor(s) in any suit or proceeding pending before any court or Tribunal relating thereto, our liability under this present being absolute and unequivocal.

The payments made by us under this bond shall be a valid discharge of our liability for payment thereunder and the contractor(s) shall have no claim against us for making a payment.

This guarantee shall continue to be in full force and effect upto and inclusive of..... Notwithstanding the above limitation, we shall honor and discharge the claims preferred by you within thirty days of the expiry of this guarantee.

We shall not revoke this guarantee during its currency except with your previous consent in writing.

This guarantee shall not be affected by any change in the constitution of our Bank or of the tenderer firm.

Your neglect or forbearance in the enforcement of the payment of any money, the payment whereof is intended to be hereby secured or the giving of time for the payment hereto shall in no way relieve us of our liability under this guarantee.

Dated this ..... Day of ....., 2011

Signature and seal of the bank

Faithfully  
For.....  
.....  
(AUTHORISED SIGNATORY)

FORMAT FOR COVERING LETTER (COVER 1 SUBMISSION)

(The covering letter is to be submitted by the Bidder alongwith the Cover 1 of the Bid)

Date:

Place:

To,  
Managing Director,  
SFAC, NCUI Auditorium Building,  
5th Floor, 3, Siri Institutional Area,  
August KrantiMarg, HauzKhas,  
New Delhi 110016.

**Sub: Consultancy Assignment for operating Project Management Agency (PMA)**

Dear Sir,

Please find enclosed one (1) original + two (2) copies of our Bid in respect of selection of the consultancy organisation for operating Project Management Agency to support Venture Capital Assistance Scheme of SFAC.

We hereby confirm the following:

1. The Bid is being submitted by(*name of the Bidding Company*) who is the Bidder, bidding for selection as the consultancy organization for preparation of said Report in accordance with the conditions stipulated in the RFP Document.
2. We have examined in detail and have understood, and abide by all the terms and conditions stipulated in the RFP Document issued by SFAC and in any subsequent communication sent by the SFAC. Our Bid is consistent with all the requirements of submission as stated in the RFP Document or in any of the subsequent communications from the SFAC.
3. The information submitted in our Bid is complete, is strictly as per the requirements as stipulated in the RFP Document, and is correct to the best of our knowledge and

understanding. We shall be solely responsible for any errors or omissions or misrepresentations in our Bid.

4. We confirm that our Bid contains/does not contain (*strike out whichever is not applicable*) Deviations/Conditionalities.
5. We confirm that all the terms and conditions submitted in our Bid are valid for acceptance during the period of Bid Validity.
6. We as the Bidder, designate Mr./Ms \_\_\_\_\_  
\_\_\_(*mention name, designation, contact address, phone no., fax no., etc.*), as our representative who is authorised to perform all tasks including, but not limited to providing information, responding to enquiries, entering into contractual commitments/agreements on behalf of the Bidder.
7. We confirm that we shall adhere to the time frame for completion of the Project, as specified in the RFP.

For and on behalf of:

Signature:

(Authorised Signatory)

Name of the Person :

Designation :

Name of the Bidder :

Address of the Bidder :

Company Seal :