

TENDER NO. PSIC/C&M/MDP-472



BIDDING DOCUMENTS

HIRING OF SERVICES OF NON-PROFIT / NON-COMMERCIAL MICROFINANCE INSTITUTION AS SERVICE PROVIDER ORGANIZATION (SPO) FOR THE SCHEME TITLED "GRADUATION AND INCOME GENERATION SCHEME FOR PWDs IN PUNJAB" FOR DISBURSEMENT AND RECOVERY OF INTEREST FREE LOANS TO THE KHIDMAT CARD BENEFICIARIES AND OTHER PWDs IN PUNJAB



PUNJAB SMALL INDUSTRIES CORPORATION
DIRECTORATE OF CREDIT & MARKETING
315-ALFALAH BUILDING, THE MALL, LAHORE

DESCRIPTION OF THE ASSIGNMENT:

The Constitution of Pakistan guarantees provision of basic necessities and an enabling environment for the personal and professional development of each individual. These rights are enshrined in the country's constitution enacted in 1973. Government of Pakistan is a signatory to various human rights conventions and development frameworks to provide and safeguard fundamental human rights. Together these national and international commitments bind the state to provide comprehensive social assistance services to all, while prioritizing the poor and the vulnerable such as women, children, disabled, elderly, drug addicts and minority groups. Disability is a development issue, because of its correlation with poverty: disability may increase the risk of poverty, and poverty may increase the incidence of disability. It is well evidenced that the onset of disability can often lead to the worsening of social and economic well-being and poverty through a multitude of channels including the adverse impact on education, employment, earnings and the increased expenditures related to cure, treatment or restricted mobility.

Rehabilitation of these PWDs is instrumental in enabling PWDs to live, as far as possible, independently and gainfully within their homes and communities. Access to a rehabilitation program can decrease the consequences of disability, improve health and quality of life and reduce the use of health services.

Chief Minister Punjab approved the launch of Khidmat Card program in a meeting dated 14.07.2015 for the most marginalized and vulnerable people in Punjab. The first target group of this program were PWDs below the PMT (Proxy Means Test) Score of 20 as per Benazir Income Support Program (BISP) data. Proxy Means Test is the assessment of the Socio-Economic status of individuals on the basis of the assets their household possesses. In compliance of the directions of the Chief Minister, Punjab Social Protection Authority acquired data of all categories of PWDs in Punjab living below the PMT Score 20, from BISP and issued them Khidmat Card subject to verification of disability by Disability Assessment Boards constituted in all districts. People with following disabilities are eligible for Khidmat Card;

- i. Upper limbs disabilities
- ii. Lower limbs disabilities
- iii. Visual impairment
- iv. Hearing impairment
- v. Speech impairment
- vi. Mentally Challenged

Since the launch of Khidmat Card Program on 29.12.2015 almost 150000 self-reported PWDs have been mobilized by 36 district governments and after disability verifications, some 70000 of them have been issued Khidmat Cards as of the writing of this paper. Khidmat Card is basically an ATM card with branchless banking option through which currently Rs.3600 per quarter (every three months) are being transferred to the accounts of these disabled people as an Unconditional Cash Transfer.

Social Protection Authority (PSPA), in collaboration with Punjab Small Industries Corporation (PSIC), through its Service Providing Organization (SPO), intends to provide interest free loans to the beneficiaries of Khidmat Card Program on the one hand and all other PWDs in Punjab. All applicants however need to have a viable business plan and have either obtained skill training/internship from the skill providing institutes in public/ private sectors or prepared to undergo the prescribed training / internship relevant to their intended means of livelihood. Accordingly, this project has the following objectives to address some of the issues as mentioned above:-

- To encourage self-employment amongst the Khidmat card beneficiaries and other PWDs by providing interest free loans to enable them to start their own business for their economic uplift.
- To reach out to the poor and vulnerable segments of the society.
- To protect the social rights of the target segment of the society.
- To encourage self-employment and skill training of the PWDs.

SCOPE OF THE ASSIGNMENT:

The scope of the assignment will be as under:-

- i. Selection of the potential borrowers from the database made available by PSIC
- ii. Provision of Orientation sessions / internship to the target group
- iii. Submission of request for provision of funds for disbursement
- iv. Approval of loan according to SPO lending procedure, PSIC eligibility criteria and guidelines of the approved project
- v. Disbursement of loan to the borrower as per the schedule defined in the list of activities
- vi. Recovery of the loan
- vii. Submission of request for release of service charges against actual disbursement as the rate agreed in agreement
- viii. Submission of progress report

ix. Provision of record/documents as and when required by PSIC/PSPA

x. Presentation to the committee regarding progress of the scheme

a) **INVITATION TO BIDS:**



PUNJAB SMALL INDUSTRIES CORPORATION
DIRECTORATE OF CREDIT & MARKETING
315-ALFALAH BUILDING, THE MALL, LAHORE

INVITATION TO PROPOSALS

Punjab Small Industries Corporation (PSIC) in collaboration with Punjab Social Protection Authority (PSPA) is going to launch an interest free loan scheme titled “Graduation and Income Generation Scheme for PWDs in Punjab”. Under this scheme, the Corporation intends to advance interest free loans with the revolving fund of PKR.250.00 million to the Khidmat Card Beneficiaries and other Persons with Disabilities (PWDs) who have a viable business plan. The Corporation intends to hire the services of Non-profit/Non-commercial Microfinance Institution as Service Provider Organization (SPO) fulfilling the below mentioned eligibility criteria for disbursement and recovery of interest free loans to the aforesaid target group. Sealed bids from eligible bidders are invited for the said assignment as per detail mentioned in the bidding documents.

Name of Procuring Agency	Punjab Small Industries Corporation, Directorate of Credit & Marketing, 315-Alfalah Building, the Mall, Lahore
Tender No.	PSIC/C&M/MDP-472
Title of Procurement	Hiring of services of non-profit / non-commercial microfinance institution as Service Provider Organization (SPO) for the scheme titled “Graduation and Income Generation Scheme for PWDs in Punjab” for disbursement and recovery of interest free loans to the Khidmat Card Beneficiaries and other PWDs
Eligibility	i. Registered with any government (Provincial/Federal) under the relevant law ii. Member of Pakistan Center for Philanthropy (PCP) or Member of Pakistan Microfinance Network (PMN) iii. Atleast two years’ experience of micro-financing with Federal & Provincial Governments iv. Experience of micro-financing to PWDs v. Experience of delivery and managing interest free micro credit loan portfolio for at least 3 years vi. Previous experience of giving at least 100,000 interest free loans <i>(Documentary evidence must be attached with technical proposals)</i>
Procedure of open competitive bidding.	Single Stage-Two Envelope Procedure prescribed in Rule-38-2(a) PPR-2014 shall be followed. A single package containing Separate Technical & Financial Bids, duly completed, signed stamped, sealed and in complete conformity with bidding Documents should be submitted / furnished.
Tender Fee	Rs.1,000/- per set (non-refundable) payment in cash with “Cashier, of Punjab Small Industries Corporation, Room No.320, Alfalah Building, the Mall, Lahore.” The deposit slip must accompany the technical proposal, else wise the bid will be stand rejected
Contact Person for seeking bidding documents.	Director (Credit & Marketing), Punjab Small Industries Corporation, Room No.315, Alfalah Building, the Mall, Lahore. The bidding documents are available for the interested bidders, immediately after publication of the

	advertisement.
Last date for obtaining bidding documents.	On or before closing date on submission of written application to the Director (Credit & Marketing), Punjab Small Industries Corporation.
Closing Date & Time as well as place for receiving bids.	02.02.2017 (Thursday) at 11:00 am. The bid should be dropped in the Tender Box to be placed at reception of PSIC, Head Office, 1 st Floor, Al-Falah Building, The Mall, Lahore on or before closing date & time
Time, date and place of public opening of bids.	02.02.2017 (Thursday) at 11:30 am in the committee room of PSIC, Head Office, 1 st Floor, Al-Falah Building, The Mall, Lahore.
Amount of bid security	PKR.200,000/- (Re-fundable) equivalent to 1% of the estimated price in the shape of Pay Order/Bank Draft in the name of “Punjab Small Industries Corporation” accompanied with technical proposal.
Time period for performance of contract.	Initially (02) years from signing of Service Agreement and it may be extended
Bid validity	90 days

- a) Advertisement may also be seen on the website's www.psic.gop.pk & www.ppra.punjab.gov.pk
b) Tender received through Telex / Fax and through mail on **02.02.2017 (Thursday) after 11:00 am** of the opening date will not be entertained / considered.
c) Director (Credit & Marketing), Punjab Small Industries Corporation, Room No.315, Alfalah Building, the Mall, Lahore, Ph. No. 042-99201432 may be contacted for queries during office hours.

Director (Credit & Marketing)
Punjab Small Industries Corporation
315-Alfalah Building, The Mall, Lahore. Phone No. 042-99201432

b) **INSTRUCTIONS TO BIDDERS:**

1. Bidding documents can be purchased upon payment of fee Rs.1,000/- from Cashier, of Punjab Small Industries Corporation, Room No.320, Alfalah Building, the Mall, Lahore during office hours on submission of written application to Director (Credit & Marketing). **The deposit slip must accompany the technical proposal, else wise the bid will stand rejected.**
2. Tenders shall be addressed to Director (Credit & Marketing), Punjab Small Industries Corporation, Room No.315, Alfalah Building, the Mall, Lahore.
3. The firms fulfilling the eligibility criteria may only participate in bidding process. **Documentary evidence must be attached with technical proposals.**
4. Bidders should note that each and every page of the bidding documents shall be signed and stamped by the bidders.
5. Bid Security. PKR.200,000/- (Re-fundable) in the shape of Pay Order/Bank Draft in the name of “Punjab Small Industries Corporation” accompanied with technical proposal.
6. Tender should be dropped in the Tender Box to be placed at reception of PSIC, Head Office, 1st Floor, Al-Falah Building, The Mall, Lahore on or before closing date & time.
7. Tender received through Telex / Fax and through mail on **02.02.2017 after 11:00 am** of the opening date will not be entertained / considered.
8. Bids shall be submitted as per PPRA Rules Clause 38(2a) **Single Stage-Two Envelope Procedure** prescribed in Rule-38-2(a) PPRA-2014 shall be followed. A single package containing Separate Technical & Financial Bids, duly completed, signed stamped, sealed and in complete conformity with bidding Documents should be submitted/furnished. The Envelops shall be marked as “**FINANCIAL PROPOSALS**” and “**TECHNICAL PROPOSALS**” in bold and UPPERCASE letter to avoid confusions.
9. Initially, only the sealed bid package will be opened by the “**Tender Opening Committee**” on scheduled date and time as specified in Tender Notice in the Committee Room of PSIC, Head Office, 1st Floor, Al-Falah Building, The Mall, Lahore in the presence of bidders who may like to be presented.
10. Envelops marked “**TECHNICAL PROPOSAL**” shall be opened by the “**Technical Committee**” on due date and time whereas envelops marked as “**FINANCIAL PROPOSAL**” will be retained unopened in the custody of procuring agency.

11. The procuring agency will evaluate the technical proposal according to the evaluation criteria without reference to the price and shall reject any proposal which does not conform to the specified requirements.
12. During the technical evaluation, no amendments in the technical proposal shall be permitted.
13. Envelops marked “**FINANCIAL PROPOSAL**” of the only technically responsive bids shall be opened publically on the date & time and place to be announced & communicated to the bidders in advance by the “**Financial Committee**”. Participating bidders will be informed accordingly within the bid validity period.
14. The Financial Proposal of the bid found “Technically Non-Responsive” shall be returned un-opened to the respective bidders.
15. The financial bid found to be the lowest evaluated shall be accepted.
16. Service Charges, to be mentioned in Financial Bid, shall be quoted in “% age” of the amount of disbursement under this scheme.
17. Conditional / incomplete bid will be liable for rejection.
18. The bid quoted by SPO shall include all expenses to be incurred on disbursement and recovery of loans.
19. Financial proposal should be for expected disbursement of Rs. 291.67 million

c) **BID FORM**

The Director, Credit & Marketing
Punjab Small Industries Corporation,
315, Alfalah Building, The Mall, Lahore,
Ph. No. 042-99201432

Subject:- **HIRING OF SERVICES OF NON-PROFIT / NON-COMMERCIAL MICROFINANCE INSTITUTION AS SERVICE PROVIDER ORGANIZATION (SPO) FOR THE SCHEME TITLED "GRADUATION AND INCOME GENERATION SCHEME FOR PWDs IN PUNJAB" FOR DISBURSEMENT AND RECOVERY OF INTEREST FREE LOANS TO THE KHIDMAT CARD BENEFICIARIES AND OTHER PWDs IN PUNJAB**

Reference your advertisement dated _____ we the undersigned agree to provide our services for disbursement and recovery of interest free loans to the Khidmat Card Beneficiaries and other Persons with Disabilities (PWDs).

The detail of financial proposal is hereunder:-

Particulars	Service Charges (including all applicable expenditures / taxes)
%age of service charges against actual disbursed amount	_____ % of total disbursed amount
Total Amount of Service Charges for expected disbursement of Rs. 291.67 million	PKR. _____

Dated: _____

Signature: _____

Name: _____

M/s: _____

Address: _____

d). **FORM OF CONTRACT**

(SERVICE AGREEMENT)

(Proposed)

This Service Agreement is made at **Lahore** this _____ day of _____, **2017**

BETWEEN

PUNJAB SMALL INDUSTRIES CORPORATION (PSIC)

(hereinafter referred to as the Competent Authority, which expression shall include its successors-in-interest, attorneys and assigns) **Party of the First Part.**

AND

Name & Introduction of SPO with competent Authority (hereinafter referred to as the Competent Authority, which expression shall include his successors-in-interest, attorneys and assigns) **Party of the Second Part.**

PUNJAB SMALL INDUSTRIES CORPORATION i.e. (PSIC) and Name of SPO hereinafter are collectively referred to as the **“Parties”**

WHEREAS PSIC is desirous to create revolving fund amounting to PKR 250.00 million for providing interest free micro loans to the Khidmat Card Beneficiaries and other Persons with Disabilities (PWDs) who have a viable business plan and **Name of SPO** is willing to undertake responsibility of interest free micro lending activities for supporting Khidmat Card beneficiaries and other PWDs for the project period of 02 years (may be extended on mutual consent). The project will be executed in collaboration between PSIC, Punjab Social Protection Authority (PSPA) and **Name of SPO** for creating enabling environment for PWDs by providing them livelihood opportunities through provision of interest free loans to the Khidmat Card Beneficiaries and other PWDs who have a viable business plan and to promote the culture of internships before starting a business, financed by interest free loans, funded by Government of the Punjab.

The microfinance fund” of PKR 250.00 million provided by Government of the Punjab in the first year will be revolved and benefit thousands of people over the project period of two (02) years. Government of the Punjab may add additional funds in subsequent years in the scheme.

Definitions: In the Agreement, the words and expressions defined hereinafter shall, except where the context requires otherwise, have the following meaning:-

- 1.1 **“Agreement”** shall mean the Agreement executed between PSIC and **Name of SPO** for implementation of the Scheme in all districts of the Punjab and shall include annexures, appendix, schedules appended therewith and amendments made therein.

- 1.2 **“Approving Authority”** shall mean an official of **Name of SPO** duly authorized to approve the interest free loan cases.
- 1.3 **“Audit”** shall mean the audit undertaken by the Audit Firm pursuant to the Audit Terms of Reference (for brief the **“Audit TORs”**) prescribed by PSIC & PSPA.
- 1.4 **“Audit Firm”** shall mean an independent firm of chartered accountants with sufficient expertise, experience and resources to conduct the Audit contemplated in the Agreement. The Audit Firm shall be selected by PSIC/PSPA in a transparent manner from amongst the renowned accountancy firms in the country.
- 1.5 **“Audit Terms of Reference”** shall mean the terms of reference outlining the scope of work to be undertaken by the Audit Firm for purposes of the Audit, and shall be prescribed by PSIC/PSPA.
- 1.6 **“Borrower”** shall mean Khidmat Card Beneficiaries and other PWDs who have been approved by **Name of SPO** to become a borrower of interest free loan facility or has availed an interest free loan facility extended by **Name of SPO**.
- 1.7 **“Branch”** shall mean the Place / Office of the **Name of SPO** that will be used for delivery of services of scheme.
- 1.8 **“Borrower Account”** shall mean account of borrower maintained with **Name of SPO**, in which disbursement to borrower and recovery from the borrower will be entertained.
- 1.9 **“Standard Accounting Principle”** shall mean the accounting practice being used in Pakistan, notified by Securities and Exchange Commission of Pakistan under Pakistani Companies Ordinance (1984).
- 1.10 **“Working Day”** shall mean a day on which the office of the parties are open for working.
- 1.11 **“Clean Credit History”** shall mean financial record of an intended borrower having no default in preceding three years in any financial institution.
- 1.12 **“Eligibility Criteria”** shall mean the criteria spelled out in the Scheme, Project Documents and/or Credit Operational Manual of **Name of SPO**.
- 1.13 **“External Recovery Expenses”** shall mean all legal, consulting and other fees and out-of-pocket costs incurred by **Name of SPO** in collecting defaulted amount from the borrower.
- 1.14 **“Existing Clients”** shall mean and include those clients having a credit history from any financial institution at the time of launch of the Scheme.
- 1.15 **“Facility Documentation”** shall mean **Name of SPO** standard financing and security documentation, generally used to document interest free credit facility, executed between the Borrower and **Name of SPO**, after internal approval of **Name of SPO** after satisfaction of credit policies.
- 1.16 **“Force Majeure”** shall mean and include an event, which is beyond the reasonable control of a Party, not foreseeable, unavoidable, and which makes a Party’s performance of its obligations hereunder impossible or so impractical as reasonably to be considered impossible in the 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.
- 1.17 **“Fresh Borrower”** shall mean a Khidmat Card beneficiary or other PWD who is eligible to become a Borrower, but has no current credit history with any financial institute at the time of launching of the Scheme.
- 1.18 **“GoPb”** shall mean Government of the Punjab.
- 1.19 **“Implementing Partners”** shall mean and include PSIC, PSPA, **Name of SPO** and other government departments involved in or connected with the Scheme.
- 1.20 **“PSPA”** shall mean the Punjab Social Protection Authority.
- 1.21 **“Major Gap”** shall mean the major gap identified and agreed to by the Parties on their own initiative or on indication of the Audit Firm.
- 1.22 **“Minor Gap”** shall mean minor gaps identified and agreed by the Parties on their own initiative or on indication of the Audit Firm.
- 1.23 **“PSIC”** shall mean the Punjab Small Industries Corporation.
- 1.24 **“PWDs”** shall mean the Persons with Disabilities.
- 1.25 **“Principle Amount”** shall mean the principle amount due and payable by a Borrower to **Name of SPO** under the Scheme determined by **Name of SPO**, on the basis of record, and on the basis of Service Charges are calculated or estimated by **Name of SPO**.
- 1.26 **“Registration”** shall mean enrollment of the Khidmat Card beneficiaries and other PWDs with **Name of SPO** for taking orientation sessions and interest free loans under the scheme.
- 1.27 **“Repayment Schedule”** shall mean the repayment schedule of the disbursed amount issued to the borrower by **Name of SPO**, as per recovery mechanism and agreed between the borrower and **Name of SPO**.
- 1.28 **“PCC”** shall mean Project Coordination Committee consisting of following four (04) members to review the progress of the scheme on monthly basis:-
- i. Chief Operating Officer / DCEO,PSPA (Convener)
 - ii. Director (Program), PSPA (Member)
 - iii. Director, Credit & Marketing, PSIC(Member)
 - iv. Representative of SPO concerned. (Member)
- 1.29 **“PI&OC”** shall mean Project Implementation & Oversight Committee consisting of following five (05) members to review the progress of the scheme and to ensure the compliance of the decisions of PCC on quarterly basis:-
- i. Vice Chairperson, PSPA (Convener)
 - ii. MD,PSIC (Member)
 - iii. COO / DCEO, PSPA (Member)
 - iv. Director (Program), PSPA (Member)
 - v. Representative of SPO concerned. (Member)
- 1.30 **“Scheme”** shall mean the scheme titled **“Graduation and Income Generation Scheme for People With Disabilities in Punjab”** initiated by PSPA in collaboration with PSIC with the financial support of Government of the Punjab to provide interest free loans to Khidmat Card Beneficiaries and other PWDs in Punjab.
- 1.31 **“TORs”** shall mean the Terms of Reference arising from the Scheme and mutually agreed to by the Parties.

- 1.32 “**Installment**” shall mean an amount payable by the borrower on monthly basis as recovery of the loan to **Name of SPO**.
- 1.33 “**Website**” shall mean the website operated by PSIC, PSPA and **Name of SPO** containing the information about the scheme.
- 1.34 “**Service Charges**” shall mean charges (in percentage of disbursed amount) quoted and agreed by **Name of SPO** as fee for disbursement and recovery of loan to / from intended borrowers.
- 1.35 “**MOU**” shall mean Memorandum of Understanding signed between PSIC and PSPA

AND WHEREAS **Name of SPO** has agreed to provide the services on the terms and conditions set forth in this Service Agreement.

NOW THEREFORE the parties hereby agree as follows:-

SECTION	ARTICLES	
No.	Article No. 1	
1.1	NAME OF SPO shall perform the services under this Service Agreement in accordance with the provisions of this agreement, terms of reference set forth in project document and MOU which are integral part of the Service Agreement.	
1.2	NAME OF SPO will commence the services as soon as possible but not later than 30 days after release of funds to NAME OF SPO .	
1.3	The project will be executed according to policies and procedures of NAME OF SPO 's, Operational Manual and guidelines of PSIC/PSPA. Operational Manual will be submitted to PSIC along with work plan within fifteen days of signing of Service Agreement. Updated manual (if any) will be provided annually to PSIC also.	
1.4	The loan parameters are;	
	Cost of the project	PKR.250.00 million
	Purpose of the Loan	<ul style="list-style-type: none"> i. Working capital ii. Purchase of Raw Material / Machineries iii. Establishment of new business iv. Expansion of existing business
	Major objectives of the project.	<ul style="list-style-type: none"> i. To reach out to the lowest-income disabled people in Punjab to enhance their access to credit. ii. To protect the socio-economic rights of the target segment of the society through their social inclusion. iii. To encourage self-employment. iv. To encourage skill building of the PWDs
	Eligibility Criteria	<ul style="list-style-type: none"> i. PWDs holding Khidmat Card, having good business plan and willing to undergo 3-4 weeks internship / orientation session ii. All PWDs, certified from an authorized Medical Board and have obtained training from any Public/Private Technical or Vocational Training Institute in Punjab. iii. Having the ability to run / initiate business activity iv. Having age between 18- 60 years.

		v. Is not a defaulter of any other Financial Institutes, Banks, NGOs, etc.
Priority Order		i. Priority will be given to PWDs having Khidmat Card. ii. PWDs who have obtained training from Technical and Vocational Training Authority (TEVTA), Punjab Skills Development Fund (PSDF) and Punjab Vocational Training Council (PVTC) or from any other Public/Private Technical or Vocational Training Institute in Punjab. Within this group loan applications will be reviewed in monthly cycles for eligibility check. Where there are more applications than the number of available loans, priority will be given to the applicants with lower PMT Score
Average Loan Limit		Rs. 20,000/-
Mark Up		Interest Free
Repayment period		1.5 years.
Repayment Mechanism		Monthly Instalment
Security of loan		Social Collateral
Lending Mechanism		Individual
Application form Fee		Nil
Processing Charges		Nil

Article 2: Responsibilities of NAME OF SPO

2.1	NAME OF SPO shall perform the services in accordance with the project document of the scheme, Service Agreement signed between PSIC and NAME OF SPO and any other Terms of Reference set forth
2.2	After signing the Service Agreement, NAME OF SPO shall provide the operational frame work/manual to PSIC to carry out its field activities to achieve the objectives of the project in line with the vision of the government
2.3	NAME OF SPO shall draw up their overall work plan for first year and submit the same to the PSIC within two weeks of signing the Service Agreement. The work plan will clearly specify annual project outputs
2.4	NAME OF SPO shall demand funds from PSIC in a tranches as per actual requirement
2.5	NAME OF SPO shall be responsible to receive applications directly from applicant along with necessary documents mentioned in application form prepared and provided by NAME OF SPO
2.6	NAME OF SPO shall ensure the availability of application forms free of cost for the applicants at PSIC, PSPA and their own offices.
2.7	Guidance / Assistance in completion of application form will also be provided by the NAME OF SPO to the applicant

2.8	NAME OF SPO shall be responsible for scrutiny of applications and visit of the project to evaluate the feasibility / viability of business
2.9	NAME OF SPO shall arrange the 3-4 weeks orientation session/ training on business plan development for the intended beneficiaries before granting loan
2.10	NAME OF SPO shall prepare the training module for 3-4 weeks orientation session/training on business plan development for the intended beneficiaries
2.11	NAME OF SPO shall maintain the record of all the trainees and provide the same to PSIC and PSPA for the purpose of graduation of the KCBs from the Khidmat Card Program
2.12	NAME OF SPO shall recommend / approve the loan amount of the applicant / proposed business plan after due appraisal. However the first loan shall not exceed from the average of Rs.20,000/-
2.13	Actual loan size need of the applicant shall be determined on the basis of following:- a) available cash flow; b) experience; c) nature of business; d) seriousness; and e) re-payment capacity of the borrower
2.14	Name of SPO will ensure that it will not take more than 15 days to process the loan application till approval & disbursement of loan amount after providing 03-04 weeks orientation sessions to the applicant
2.15	The complete documentation of loan and borrowers detail (name, age, CNIC number, address, type of business, amount of interest free loan, recent photograph etc.) will be done by NAME OF SPO as per manual of the scheme and loan shall be disbursed preferably through Bank Account / Cheque. All documentation will be made available to PSIC as and when required
2.16	NAME OF SPO shall ensure that the average loan size should not exceed from Rs.20,000/- however the loan size can be gradually increased by second, third, fourth,---- loans
2.17	NAME OF SPO shall ensure the consumption/ utilization of loans for the purpose mentioned in application by the applicant
2.18	NAME OF SPO shall be responsible to provide any detail / information about project / loanees to PSIC and PSPA as and when required
2.19	NAME OF SPO shall be responsible to assure the security of loan
2.20	NAME OF SPO shall obtain necessary guarantees including the requisite social guarantee from borrower for processing the request of interest free loan under the Scheme
2.21	NAME OF SPO shall be responsible for recovery of the loans
2.22	NAME OF SPO shall maintain their accounts as per Accounting Standards as applicable in Pakistan
2.23	A separate recovery and disbursement accounts will be maintained by NAME OF SPO
2.24	NAME OF SPO shall be responsible to deposit the recovered amount from the loanees against due recovery into main recovery account as and when recovered

	and the same shall be remitted to PSIC at the end of the project
2.25	NAME OF SPO shall be responsible to remit the mark-up earned from the bank deposits of Disbursement and Recovery accounts to PSIC to be used to meet operational expenditures relating to the project
2.26	NAME OF SPO shall be entitled to receive service charges @ ----% as agreed in the service agreement against actual disbursed loan amount
2.27	NAME OF SPO shall be liable to receive service charges from PSIC against actual disbursement on quarterly basis upon submission of formal request along with proof of disbursement
2.28	NAME OF SPO shall be responsible to provide the data of all beneficiaries to PSIC and PSPA
2.29	The SPOs shall be responsible to cover the designated areas /touch all the target group by establishing their field offices
2.30	NAME OF SPO shall upload all detail related to scheme including detail of their branches and their representative at their web page for awareness of the target group
2.31	NAME OF SPO shall facilitate the Audit Firm / PSIC team/ PSPA team for monitoring and verification of disbursed loan. The process of monitoring and verification shall be started as and when required by PSIC and PSPA
2.32	NAME OF SPO shall participate in coordination meetings arranged by PSIC/PSPA as and when required
2.33	NAME OF SPO shall be responsible to develop and provide the KPIs for the impact assessment of the scheme. Broad KPIs are; <ul style="list-style-type: none"> i. Increase in income ii. Employment generation iii. Social inclusion
2.34	NAME OF SPO shall ensure an effective system of complaints redressal in the field as well as at their head office level
2.35	NAME OF SPO shall be responsible to repay all recovered amount from the borrowers to PSIC as and when project completed or terminated by the parties
2.36	NAME OF SPO shall be responsible to meet the disbursement targets as agreed with PSIC/PSPA and NAME OF SPO
2.37	NAME OF SPO shall use the data of PWDs to achieve the objective of this income generation project and will not be used / shared with any other organization/agency for any other purpose
Article 3: Responsibilities of Punjab Small Industries Corporation	
3.1	The total amount for the Service Agreement to be made available to the NAME OF SPO under this agreement shall be PKR250.00 million for interest free micro lending. This amount however does not include service charges
3.2	PSIC Shall Make funds available to the NAME OF SPO on quarterly basis upon submission of disbursement plan for the quarter for disbursement to the target group
3.3	PSIC shall be responsible to transfer the Service Charges to NAME OF SPO as agreed from the allocation made for this purpose under the scheme titled “ Graduation and Income Generation Scheme for People With Disabilities in Punjab ” on quarterly basis on the demand of NAME OF SPO with the

	proof of actual disbursement.
3.4	The recovered amount from the borrowers will be revolved and utilized for new lending. The NAME OF SPO will be entitled to receive Service Charges @ ...% on the additional revolved amount as well
3.5	The PSIC shall extend all reasonable co-operation and assistance to the NAME OF SPO for successful discharge of its obligations as defined in Service Agreement
3.6	PSIC shall share the data of Khidmat Card beneficiaries and other PWDs with NAME OF SPO as and when shared by PSPA with PSIC
Article 4: Miscellaneous	
4.1	Validity
4.1.1	This Service Agreement will become effective from the date of signing of the agreement
4.1.2	This Agreement shall be valid for a period of 02 (two) years commencing as of the Effective Date of the Agreement. Prior to or on expiry of the Term, this Agreement may be renewed by the mutual consent of the Parties for further periods as agreed between the Parties on the same terms and conditions unless agreed otherwise. The amount of funds can be enhanced in subsequent years with mutual agreement.
4.2	Relation between Parties
4.2.1	Nothing contained herein shall be construed as establishing a relationship of master and servant or of principal and agent as between the Parties. Name of SPO , subject to the Agreement, shall have complete charge of its Personnel and the services that shall be provided pursuant to the Agreement.
4.3	Notices
4.3.1	Any notice, request or consent required or permitted to be given or made pursuant to the Agreement shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent to such Party at the address specified in the Agreement.
4.4	Force Majeure
4.4.1	A party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any case, not later than fourteen days following the occurrence of such event, shall provide evidence of the nature and cause of such event, and shall similarly give written notice of the restoration of normal conditions as soon as possible. Neither PSIC nor Name of SPO shall be deemed to have committed a breach of the Agreement if performance of their respective obligations is prevented by an event of Force Majeure that arises after the Effective Date
4.5	Suspension
4.5.1	PSIC may, by written notice of sixty days to Name of SPO , suspend, in whole or part, the services, if Name of SPO fails to perform its obligation under the Agreement. Similarly, Name of SPO may, by written notice of sixty days to PSIC, suspend, in whole or part, the implementation services, if PSIC fails to ensure coordination or timely releases of funds
4.6	Termination
4.6.1	PSIC may terminate the Agreement by serving ninety days' prior written notice

	to Name of SPO , if Name of SPO fails to remedy a failure in the performance of its obligations under the Agreement as identified in a suspension notice issued by PSIC provided that it shall not be subject to a dispute between the Parties, or where Name of SPO becomes insolvent or upon winding up of Name of SPO . Name of SPO may terminate the Agreement, by serving ninety days' prior written notice to PSIC, if PSIC fails to pay the claim due to Name of SPO pursuant to the Agreement or where Name of SPO is unable to continue its operations under any event of the Force Majeure.
4.6.2	Any funds readily available with Name of SPO in its bank account relating to the amounts provided under this Agreement shall be transferred within 30 (thirty) days of termination in writing to the PSIC after settling any service charges which might be due to Name of SPO under the Agreement.
4.6.3	For the remaining amount due to the PSIC under the Agreement after payment of amount, the list of outstanding portfolio of loans disbursed out of the Agreement amount shall be shared with the PSIC along with the repayment schedules of the disbursed loans. All repayments of the remaining Agreement to the PSIC will be made in accordance with the repayment schedule.
4.6.4	In case of any loan defaults, list of defaulted borrowers along with their particulars, including but not limited to their names, CNICs, addresses, loans amounts, recovery schedules, photographs, etc., will be provided to the PSIC if required for further proceeding as approved in the project document
4.6.5	In the event of pre-mature closure of the scheme by any party, any payment due to Name of SPO under the Agreement shall be made to Name of SPO (X % of the amount disbursed during the previous year).
4.7	Dispute and Arbitration
4.7.1	In the event of dispute, the Parties shall try to resolve the dispute amicably through a process of consultation and mutual resolution. If the dispute is not resolved through consultation, the same shall be resolved under the provisions of the Arbitration Act, 1940 by an Arbitrator appointed with mutual consent of the Parties. The venue of arbitration shall be at Lahore. In all such cases, PSIC shall be responsible for making payment for service charges due for the intervening period that is from the date of claim by Name of SPO till the date such claim stands settled.
4.8	Limitation of Liability
4.8.1	The PSIC/PSPA teams may verified loan disbursement to the target as per eligibility criteria if cases are not verifiable / verified by the teams on account of inadequate evidence regarding eligibility criteria of the Borrower and/or transfer of funds to the Borrower, in that eventuality, PSIC shall not pay service charges until the verification of cases is complete. After completion of verification, PSIC shall pay service charges only for the verified cases.
4.9	Assignment
4.9.1	Neither Party shall assign its rights or obligations under the Agreement to any other person without prior written consent of the other Party.
4.10	Amendment
4.10.1	The Agreement shall not be amended, supplemented, cancelled or discharged except by written instrument duly executed between the Parties. All

	amendments shall made part of the Agreement.
4.11	Waiver
4.11.1	No failure to exercise, and no delay in exercising, any right, power or privilege hereunder shall operate as a waiver thereof. No waiver of any breach of any provision of the Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision.
4.12	Jurisdiction and Applicable Law
4.12.1	The Agreement shall be governed and construed in accordance with the laws of Pakistan and a Court of competent jurisdiction at Lahore shall have the jurisdiction to adjudicate the cases arising out of the Agreement.
4.13	Severance
4.13.1	If, for any reason any of the provisions contained in the Agreement becomes invalid, illegal or unenforceable in any respect, the effect of all the other provisions of this Agreement shall remain valid.
4.14	Data Usage and Security
4.14.1	Name of SPO shall use the data of PWDs to achieve the objective of this income generation project and will not be used / shared with any other organization/agency for any other purpose.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed in their respective names as of the day and year first above written.

FOR AND ON BEHALF OF PSIC	FOR AND ON BEHALF OF NAME OF SPO
<u>Witnesses</u>	<u>Witnesses</u>

e). **GENERAL TERMS & CONDITIONS**

1. **Bid Validity:** The offer will remain valid for a period of **90 days** from the date of opening of bid. The Corporation may request to extend the validity period and successful bidder shall extend the same alongwith bid security validity accordingly.
2. **Bid Security:** PKR.200,000/- in the shape of Pay Order/Bank Draft in the name of “Punjab Small Industries Corporation” accompanied with technical proposal. Bid security in shape of cheque will not be acceptable.
3. The bid security (Pay Order/CDR) will be returned to unsuccessful bidders after award/signing of contract /service agreement to the winning bidder.
4. The bid security would be forfeited if the successful bidder fails to sign the service agreement within the respective due date.
5. **Acceptance of Bid / Award of Contract:** subsequent to approval of the proposal (technical proposal and financial proposal) and finalization of bid process, the contract may be awarded to the lowest bidder who has quoted the lowest rate of service charges in accordance with the Punjab Procurement Rule- 2014.
6. **Letter of acceptance.** After acceptance of the bid, a letter of acceptance / advance acceptance of tender will be issued only to the successful bidder.
7. **Billing – Payment-Taxes**
 - i. All payments will be made in Pakistani Rupees only.
 - ii. Payment will be made on receipt of the bill submitted by the **Name of SPO** with the proof of actual disbursements on quarterly basis.
 - iii. Partial / piece meal payment will not be made at any cost.
 - iv. **Taxes.** The successful bidder shall have full and exclusive liability for payment of all duties, taxes and other statutory payments payable under any or all of the statutes / laws etc. ... now or hereafter imposed in Punjab, Pakistan.
 - v. Withholding/Income Tax etc.(if applicable) on the amount invoiced to the department shall be deducted at source as per income Tax Law. The bidder along with invoice shall furnish proof of registration with Income Tax Department.
 - vi. As per PST/Income tax Rules. (If SPO is exempted from Tax, exemption Certificate may be provided).
8. **No offer shall be considered if:-**
 - i. Received without bid security.
 - ii. Received after time and date fixed for its receipt.
 - iii. Tenders unsigned.
 - iv. The offer is ambiguous.
 - v. The offer is conditional.
 - vi. The offer is from black listed SPO.
 - vii. The offer is received by telegram.
 - viii. The offer is received shorter validity than the required in the tender enquiry.
 - ix. The bidders engaged in corrupt or fraudulent practices (including collusion/ pooling) will be declared totally ineligible either indefinitely or for a stated period of time and blacklisted from being awarded any such contract financed by the Govt. of the Punjab.
9. The under mentioned Certificate must be signed failing which the offer shall not be entertained/considered.

f. ACKNOWLEDGEMENT CERTIFICATE

We hereby confirm to have read carefully the description and all the terms & conditions of bidding document. We agree to abide all these terms & conditions. We also hereby categorically confirm that the services to be offered by us will exactly to the particulars and specifications as laid down in the service agreement in all respects. A bank draft/pay order of the value of Rs.200,000/- as bid security is enclosed.

SIGNATURE

Seal of the Office of the Bidder

Name & Address of the Bidder

.....

g) BID EVALUATION CRITERIA

Technical:

Following Evaluation Criteria will be used for evaluation of technical proposals. Firms must provide supporting documentary evidences with their bids.

Sr. No.	Particulars	Maximum Score
1	Working Experience in Interest Free Micro Credit (Benchmark: Three year experience=10 score and 02 score for additional 01 year maximum up to 20) (Evidence: Copy of 1 st & last Registration Certificate issued by relevant body)	20
2	Total No. of Interest free Loans (Benchmark: Every 100,000 loans has 05 score and for each additional 50,000 loans 01 score, maximum up to 10) (Evidence: Certificate duly signed and stamped by the SPO)	10
3	Total No. of Loans to PWDs (Benchmark: Every 2000 loans has 10 score and for each additional 1000 loans 05 score, maximum up to 20) (Evidence: Certificate duly signed and stamped by the SPO)	20
4	Recovery %age (Benchmark: 90% has 05 score and for each additional 2% there is 01 score, maximum up to 10) (Evidence: Certificate duly signed and stamped by the SPO)	10
5	Geographic Spread in Punjab (Benchmark: 21 districts =05 score and for every three districts there is 01 score, maximum up to 10) (Evidence: Certificate duly signed and stamped by the SPO)	10
6	No. of Employees (Benchmark: 300 employees= 05 score and for every 100 employees there is 01 score maximum up to 10) (Evidence: List of Employees with CNIC duly signed and stamped by the SPO)	10
7	Partnership with any international Microfinance organization (Benchmark: Maximum 10 score) If yes=10 and in case of No=0 (Evidence: Partnership acknowledgement certificate duly signed by competent authority of International organization)	10
8	Working with Federal & Provincial Governments (Benchmark: Two years' Experience=05 score and for every One Year experience there is 01 score) (Evidence: documentary proof duly signed by relevant Government and SPO)	10
TOTAL SCORE		100

Important:

The bidder fulfilling the technical evaluation criteria with at least **65%** score shall be selected for opening and evaluation of their financial bid.

Financial:

Least cost method will be adopted in financial appraisal for selection of the SPO

h) FORMAT OF ALL SECURITIES REQUIRED

- Pay orders, Call deposit receipts duly issued from the scheduled banks.
