



Universal Service Fund

(A company set up under Section 42 of the Companies Ordinance 1984)

Request for Submission of Proposals (RFP)

For

“Hiring of Services of a company/firm/consortium for the Empowerment of SMEs/Artisans Through E-commerce: Designing, Developing and Managing the Value Chain”

“Tender ID: USF/SP-ECOMM/2017-18/ARTISANEMPOWERMENT”

Issued at Islamabad

19th December 2017

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1. Introduction

Through the Universal Services Fund, the Government of Pakistan is committed to minimizing the Information and Communication gaps among various sections of society. Therefore, USF Co has been established under the Ministry of IT to spread the benefits of Telecom revolution to all corners of Pakistan.

USF aims, among other things, to utilize Information & Communication Technologies (ICT) in the delivery of IT and e-services in un-served and under-served areas so that underprivileged people living in such areas can get benefits of modern ICT services. Through the Universal Service Fund, the Government of Pakistan has embarked on a project for the **“Empowerment of SME/sArtisans Through e-commerce: Designing, Developing, and Managing the Value Chain”**

USF aims to facilitate a comprehensive e-commerce value-chain and ecosystem and assist in the crucial factors determining the functionality of the ecosystem, allowing any partner or player to take advantage of the e-commerce ecosystem created by USF for economic opportunities among artisans.

The ecosystem proposed by USF will follow an “end-to-end e-commerce model,” and will include a management firm/company or consortium “bidder” as the facilitating parties in the entire value cycle. The project **“Empowerment of SMEs/Artisans Through e-commerce: Designing, Developing, and Managing the Value Chain”** is designed to try and address all aspects of creating a successful e-commerce value chain. The objectives include but are not limited to



Figure 1: E-commerce Value Chain

The detailed scope of work is given in TORs, which includes market assessment, essential hardware & software requirements, e-commerce platforms, capacity building through training and service requirements.

USF invites sealed bids from capable firms/companies/consortiums, which are registered with the Sales Tax, Income Tax authorities of FBR, and are Active on a Payers List (ATL).

2. Bidding Process

A Company/Firm/Consortium will be selected after an open, competitive and transparent bidding process by Public Procurement Regulatory Authority (PPRA) Ordinance, 2002, and Rules, Regulations, and Guidelines made thereunder:

- a. The bidding process shall be a single stage, two envelopes as per PPRA Rules, 2004, Clause 36(b).
- b. Applicants will be required to submit their technical and financial proposals in two separate sealed envelopes. The envelopes shall be marked as “Technical Proposal” and “Financial Proposal” in bold and legible letters to avoid confusion.
- c. A Quality and Cost Based Selection (QCBS) method will be used for evaluation of Proposal.
- d. Bid Security, in the shape of a demand draft or pay order in the name of ‘Universal Service Fund,’ shall be provided in a separate envelope as part/along with the technical proposal.
- e. Initially, only the envelope marked “TECHNICAL PROPOSAL” shall be opened. The envelope marked “FINANCIAL PROPOSAL” shall be retained unopened in the custody of USF.
- f. USF shall evaluate the technical proposals in a manner prescribed in this document without reference to the price and reject any proposal which does not conform to the specified requirements.
- g. *Financial Proposals of only the technically qualified applicants will be opened.*
- h. Financial proposals of the applicants, unable to qualify the technical evaluation will be returned unopened.
- i. The eligible bidder will be entitled to receive detailed bidding documents, upon registration by paying **PKR 1,000 (One thousand Pak Rupees) non-refundable** payment off in the

shape of Demand Draft or Pay Order in favor of USF (Universal Service Fund), from the office of undersigned prior to **19th January 2018**.

3. Eligibility Criteria

Bidders must comply with the below-mentioned clauses:

- a. The Bidder can be a single party or a consortium of multiple parties of which one must be consortium leader. In case of a consortium, consortium agreement among all partners is required.
- b. In case of a consortium, where local and foreign partners are involved, only local company/firm can be the consortium leader.
- c. In case of a consortium, where all partners are local, the partner who shall submit the bid will be identified as the consortium leader, and one of the members of the consortium should have relevant experience to be considered as mentioned in clause “e” below.
- d. The consortium leader shall also enter into all contracts on behalf of consortium and shall otherwise be responsible for consortium performance. All members of the consortium shall be jointly and individually liable to USF in respect of the performance of the USF’s Tender. The leader of the consortium, if successful in signing the contract, shall not be allowed to change the composition of the consortium during the validity of the contract without the written consent of the USF.
- e. Bidders must have a minimum three (03) years of relevant working experience at the national level from the date of registration with concerned Authorities.
- f. Bidders shall submit Copy of following registration documents to relevant authorities;

In case of Company	1. Incorporation certificate from Security and Exchange Commission of Pakistan (SECP). 2. Valid NTN and STRN Certificates
In case of Firm	1. Form-C issued by registrar of Firms 2. Valid NTN and STRN Certificates
Proof of NTN certificate /Tax exemption certificate (<i>if any</i>),	

- g. Bidder must be registered with FBR for Income and Sales tax and will provide NTN and Sales Tax registration certificates, as per the applicable government regulation, in the proposal.

- h. The Bidders name must be on Active Taxpayers List (ATL) of FBR for income tax and sales tax as on the date of bid submission and onward throughout the project tenure in compliance of the Eligible Bidders (Tax Compliance) Regulations, 2015.
- i. The Bidder shall provide an undertaking that the Bidder itself or its partner in case of the consortium have not been declared blacklisted by any Government/Semi-Government institutions.
- j. Incomplete or partial bids will be rejected.

4. General Conditions/ Instructions

The bidder will be selected after an open, competitive and transparent bidding process given Rule 20 of the PPRA Rules:

- a. Proposals shall be submitted in the English language as per Rule 6 of the PPRA Rules.
- b. All prices mentioned in the Financial Proposal shall be in Pak Rupees (PKR).
- c. Each page of the Technical and Financial Proposal shall be signed by an authorized representative of the Bidder. The representative's authorization shall be confirmed by power of attorney accompanying the proposal.
- d. The interested Bidder must get registered with USF for the project prior to the proposal submission date.
- e. For clarification on any item of this RFP, the bidder may send a written request or e-mail, up till ten days prior the proposal submission date.
- f. All clarifications will be communicated to the registered Bidders through e-mail and shall be uploaded on the USF website at the specific tender's web page.
- g. USF may reject all bids or proposals at any time prior to the acceptance of a bid or proposal. USF shall, upon request, communicate to any supplier or contractor who submitted a bid or proposal, the grounds for its rejection of all bids or proposals, but is not required to justify those grounds as per Rule 33 of the PPRA Rules.
- h. USF may increase or decrease the scope of services as per provisions of Rule 42 of the Rules, and the total value of the contract may be decreased or increased up to the 15%.
- i. The bidders shall bear all costs associated with the preparation and submission of their respective bids and USF will, in no case, be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

- j. In case of delays in execution of services beyond milestone dates, the Liquidate Damages at the rate of 0.15% of total milestone price per day for each day delayed beyond the final date of execution will be imposed or delays exceeding two (02) weeks beyond the final date, USF may terminate the contract after deduction of the said Liquidate Damages and USF will have the right to en-cash the Performance Guarantee..
- k. In case of cumulative downtime of the online e-commerce portals for more than one (01) week in a year for which the installment of milestone x is being given, USFCo shall be entitled to deduct the proportionate amount on per day basis (for days exceeding 07 days of cumulative outage) from the current installment of milestone x. The method of calculation of per-day deduction shall be to divide the yearly installment of milestone x over a period of 365 days.
- l. USF will inspect the Services thoroughly and will issue a Job Completion Certificate upon successful acceptance. If the Services are found to be inconsistent with criteria provided and communicated it shall be rejected and shall be revised by the bidder, as per USF's Instructions.
- m. Bidders are under obligation to read and understand complete information package/bid documents, USF shall not be responsible towards the Bidders for any of their claim or complaint which may arise in the result of non-reading or misreading the bidding documents/information package by Bidders.
- n. USF is the originator of information package/bidding documents, any clarification or interpretation communicated by USF, whether in response to a query or otherwise, shall be deemed final, conclusive and will remain unquestioned.
- o. Final payment shall be made based upon Job Completion Certificate issued by USF.
- p. The successful bidder will be issued Letter of Intent (LoI), and bidder shall submit Letter of Acceptance (LoA). Upon submission LoA, by the Successful bidder, a formal contract will be signed.
- q. If there is more than one qualified bidder, i.e., they have quoted equal prices in a financial bid, the tied qualified bidders shall be notified by USF, and they will submit revised financial proposals in compliance with the RFP. The revised bid amount must be either equal to the originally submitted bid or smaller than previous bid amount. The revised financial proposal shall be submitted in a sealed envelope that is securely closed, and it is not possible to be opened without visual evidence thereof

- r. USF will reject a proposal for award if it determines that the Applicant recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for the contract in question.
- s. USF requires that Applicants, Bidders, Suppliers, Contractors, and Consultants under its contracts, observe the highest standard of ethics during the procurement and execution of such contracts. In pursuit of this policy, the USF defines, for this provision, the terms set forth below as follows:
 - i. “Coercive practice”: is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence the actions of a party improperly;
 - ii. “Collusive practice”: is an arrangement between two or more parties designed to achieve an improper purpose, including to influence the actions of another party improperly;
 - iii. “Corrupt practice”: is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence the actions of another party improperly.
 - iv. “Fraudulent practice”: is any act or omission, including a misrepresentation, which knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
 - v. “obstructive practice”: is deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede USF investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation.
 - vi. “RFP”: means this Request For Proposal to procure the Services.
 - vii. “Services”: means the Scope of Work and ToR.

5. Bid Security and Performance Guarantee

- a. A bid security in the form of a CDR/Pay Order/Demand Draft, in the name of ‘Universal Service Fund’, of value **Pak Rupees Five Hundred Thousand Only (PKR 500,000)** must be attached in a separate envelope, with the technical proposal otherwise the unopened proposals shall be returned and bid will be rejected.

The Bid Security Envelope shall be marked with the following:-

“Bidder: [Name]”

“Tender ID: USF/SP-ECOMM/2017-18/ARTISANEMPOWERMENT.”

“BID SECURITY”

- b. Payment of bid security in a form other than that is specified in clause 5(a) shall not be entertained and accepted. USF shall return such bids unopened to the respective bidder(s).
- c. Bid Security of technically qualified Bidders will be released after ten (10) days of the signing of the contract with the successful Bidder.
- d. Bid Security of bidders which do not technically qualify shall be returned with the unopened financial bid after ten (10) days from the date of issuance of the technical evaluation result.
- e. Performance Guarantee equivalent to 10% of the signed contract value in shape of Irrevocable Performance Bank Guarantee will be submitted, within the stipulated time as mentioned in Letter of Intent (LoI), by the successful Bidder, which is mandatory. In case of non-submission of Performance Bank Guarantee by the Bidder, USF may reject the bid and proceed to the issuance of LoI to the next qualified bidder, in ranking, or cancel the tender.
- f. The Performance Bank Guarantee submitted by successful bidder will be valid for sixty-two (62) months or any extended period, as the case may be.

6. Technical Proposal

Technical Proposals to be submitted by the applicants shall comply with the requirements laid down in the RFP and ToR.

The Technical proposal shall be marked with the following:-

“Bidder: [Name]”

“Tender ID: USF/SP-ECOMM/2017-18/ARTISANEMPOWERMENT.”

“TECHNICAL PROPOSAL”

The technical proposal shall be submitted in the prescribed format as given below:

- a. Technical Proposal Submission Application -Form A1
- b. Firms/Bidders Profiles with proposed Roles and Responsibilities - Form A2
- c. Relevant Experience of the Firm/Bidder - Form A2.1
- d. Description of the Approach, Technology, Methodology and Work Plan - Form A3, 3.1.,3.2,3.3
- e. CVs of Project Team Members with their proposed roles – Form A 4
- f. Dummy Prototype of B2B and B2C Platforms
- g. Proof of financial soundness (Audited Financial Statements/Bank Statement whichever applies to last two years)
- h. Details of local technical support of services. Complete address along with contact details and point of contact should be provided.
- i. Compliance **with each clause and sub-clause of RFP and ToR, cross-linked with the submitted Technical Proposal**, must be attached. Following conventions shall be used in the compliance checklist;
 - i. Fully Complied (FC)
 - ii. Not Complied (NC)
- j. Additional Information which can facilitate USF in the evaluation of technical proposal (If Any).

7. Financial Proposal

The bidder shall submit Financial Proposals specified in the ToR in a **separate sealed envelope**. Envelop shall be marked with the following:-

“Bidder: [Name]”

“Tender ID: USF/SP-ECOMM/2017-18/ARTISANEMPOWERMENT.”

“FINANCIAL PROPOSAL”

“Do Not Open With the Technical Proposal”

The Financial Proposal shall include the following:

- a. A lump sum cost along-with the activity cost breakup **inclusive of all applicable taxes** shall be provided.
- b. All prices shall be in Pak Rupees. Any exchange rates fluctuations shall be the responsibility of the bidder and USF shall not give any price escalation on that account. The bidder will be responsible for paying any fee, taxes, duties or charges required for successful completion of the project.
- a. The proposal must remain valid for **180 days** after the submission date.
- b. USF will deduct taxes at the time of the payment as per government rules and regulations.

Financial Proposal must consist of the following:

- i. Financial Proposal submission Form– Form B1
- ii. Summary of costs – Form B2
- iii. Breakdown of CAPEX & OPEX – Form B3
- iv. All other Operational Expenses to be quoted in the bid, including but not limited to Staff Salaries, Utilities, Engagement Activities, Professional Services, Consulting Assignments, Advertisement Expense, Legal fees, License fees and Insurance, etc. – Form B4

8. Submission, Opening, and Receipt of Proposals

- a. The original proposal (Technical and Financial Proposal) shall be prepared without any interlineations or overwriting.
- b. Two printed copies (one original and one Copy) and one soft copy, for each Technical and Financial proposal, on a USB shall be submitted in separate envelopes. Each Technical and Financial Proposal shall be marked “ORIGINAL” and/or “COPY” as appropriate.
- c. The envelopes shall be marked separately as “**Technical Proposal**” and the “**Financial Proposal**” in bold and legible letters to avoid confusion.
- d. The proposal (Technical and Financial) must be delivered at the address given below on or prior to **19th January 2018 at 1500 Hrs (PST)**.

Chief Technology Officer
 Universal Service Fund,
 5th Floor, HBL Tower, Jinnah Avenue
 Blue Area, Islamabad, Pakistan
 Tel: (92-51) 9212308-09
 Fax: (92-51) 9214261
 Email: projects.tenders@usf.org.pk

- e. Technical Proposals shall be opened the same day, i.e., **19th January 2018** at **1500Hrs (PST)**, in the presence of all the applicants who choose to be present.
- f. The evaluation of Technical Proposals will be carried out first as per the evaluation criteria are given in **section 9**. The results of the technical evaluation will be communicated to all the registered bidders, who submitted their technical proposals. The financial proposals of the bidders who do not technically qualify will be returned unopened.
- g. Financial proposals of the technically qualified applicants will be opened publicly, for which the time and date will be communicated to the qualified applicants later on.

9. Evaluation Criteria

USF will evaluate the proposals by their compliance with the RFP, ToR, evaluation criteria, and the point system as specified below. A proposal shall be rejected during technical evaluation if it does not comply with the RFP and ToR or if it fails to achieve the minimum score as indicated in Table I below:

Table I- Evaluation Criteria

Sr. No.	Skill & Experience	Weight
1.	Relevant Experience (Recent 3-5 years) of the Firm/Bidder (Form A-1 to A-3) <ul style="list-style-type: none"> • E-commerce or Artisan Related Market Assessment– 5 marks • E-commerce or Artisan Related Impact Assessment– 5 marks • Artisan Product and Skills Development related training– 5 marks • Artisan Business Development and Marketing Training – 5 marks • Artisan “E-commerce” training – 5 Marks • Artisan ICT training– 5 marks • Artisan Financial Inclusion, QA and Logistics/Packaging training– 5 marks 	35 marks
2.	Proposed e-commerce Portals, IT Infrastructure, Hosting Services, Mobile APP (Form A4)	

	<ul style="list-style-type: none"> • Experience running and managing a scalable B2B e-commerce web portal or app in the last five years or experience running and managing a scalable B2C e-commerce web portal or app– 5 marks • Proposed web and app platform infrastructure, services infrastructure and hosting requirement including platform scalability provision - 5 marks • Proposed Quality Assurance and Control Plan – 5 marks • Proposed platform specifications, design, security, operations & maintenance of e-commerce platforms <ul style="list-style-type: none"> - Design and User Experience – 2 marks - Platform architecture/testing – 2 marks - Platform functionalities – 10 marks - Security features - 2 marks - Operations and Maintenance – 2 marks 	35 Marks
3.	Proposed Work Plan, Business Plan, Marketing Plan, Approach and Methodology (Form A4) <ul style="list-style-type: none"> • Proposed detailed project management and work plan - 5 marks • Proposed business plan – 5 marks • Proposed marketing Plan - 5 marks • Proposed approach and methodology – 11marks • Proposed artisan training plans – 11 marks • Proposed logistics plan - 5 marks • Proposed real-time strategies and adaptability plan – 5 Marks 	52 marks
4.	Qualification of Proposed Team Members <ul style="list-style-type: none"> • Project director with 10+ years of relevant experience – 5 marks • Proposed relevant e-commerce development team – 3 marks • Proposed training team- 3 marks • Proposed project management team – 3 marks 	14 marks
5.	Dummy Prototype of Platforms <ul style="list-style-type: none"> • Responsive and user-friendly e-commerce B2B dummy prototype and app - 5 marks • Responsive and user-friendly e-commerce B2C dummy prototype and app - 5 marks 	10 marks
6.	Financial Soundness <ul style="list-style-type: none"> • Turnover of over 50 million and between 100 million – 5 marks • Turnover of over100 million --10 marks 	10 marks
	Total Technical Score	156 marks
	Minimum for qualification	135 marks

9.1 Combined Score

For technically qualified proposals final scoring will be done as per following;

- a. Technical Score (S_t) shall be calculated as follows:

$$S_t = \frac{\text{Technical Score Obtained by bidder}}{\text{Total Technical Score}} * 80$$

- b. Financial Score (S_f) shall be calculated as follows:

$$S_f = \frac{\text{Lowest Bidder's Cost}}{\text{Bidder's Cost}} * 20$$

- c. Total Score shall be the sum of both Technical score and Financial Score:

$$\text{Total Score, } S_T = S_t + S_f$$

- d. All Technically Qualified Bidders will be ranked based upon the combined technical and financial score.

10. Award of Contract and Key Timelines

The Company shall award the contract to the selected Bidder (highest marked). After execution of the contract, the Company shall return the unopened Financial Proposals of the non-qualified Bidders.

- A letter of Intent (LoI) will be issued to the highest marked bidder, acceptance of which shall be provided within seven days of issuance of the LoI.
- The bidder, to whom LoI has been issued, will have to submit the performance guarantee within 14 days of issuance of LoI.
- After submission of the Letter of Acceptance and Performance Bank Guarantee, it is expected that the contract will be signed within seven days of receipt of Performance Bank Guarantee by USF Co, failing which USF Co may issue a new LoI to the next highest marked bidder.

10.1 Key Timelines

#	ACTIVITY/MILESTONE	TIMELINE
1	RFP Issuance	Dec 19, 2017
2	Deadline for receiving queries/questions	Jan 7, 2018, 05:00 pm
3	Response to queries/questions related to RFP	Jan 11, 2018
4	Proposal Submission Deadline	Jan 19, 2018 03:00 pm
5	Opening of Technical Proposals (in front of Bidders present at 5th Floor, HBL Tower, Jinnah Avenue, Blue Area, Islamabad)	Jan 19, 2018, 03:00 pm
6	Opening of Financial Proposals (in front of Bidders present at 5 th floor, HBL Tower, Jinnah Avenue, Blue Area, Islamabad)	TBD
7	Award of Contract	TBD

11. Proposed Payment Terms

The payments will be made in accordance with a proposed payment plan:

MILSTONE	PAYMENT TRIGGER	PERIOD	PAYMENT
<p>Milestone 1:</p> <p>Market Assessment and Opportunity Identification (refer to Section B in ToRs)</p> <p>Opportunity Identification and Products Development b(refer to Section D in ToRs)</p> <p>Marketing Support and Awareness (refer to section E in ToRs)</p> <p>Logistics Plan (refer to section F)</p> <p>Artisan Capacity Building (refer to section G in ToRs)</p> <p>Project Management Plan (refer to Section H in ToRs)</p> <p>Real-time strategies and Adaptability plan (refer to Section I in ToRs)</p>	<p>PAC (Provisional Acceptance Certificate) issued upon acceptance of completion of deliverables mentioned in ToRs</p>	<p>Within 6 months of signing of contact</p>	<p>10%</p>
<p>Milestone 2: Live B2B and B2C Platform (refer to section C)</p>	<p>PAC (Provisional Acceptance Certificate) issued upon acceptance of completion of deliverables mentioned in ToRs</p>	<p>Within 6 months of signing of contact</p>	<p>10%</p>
<p>Milestone 3: Empowerment of Artisans & Utilization of B2B and B2C Platforms</p>	<p>Yearly Payment (14% for each year) to be released upon successful achievement of year artisan empowerment</p>	<p>365 days after signing and proceeding annual dates (Y1+365... Y5 +365)</p>	<p>70%</p>
<p>Milestone 4: Final Acceptance of Project</p>	<p>Final Acceptance Certificate upon completion of all deliverables mentioned in ToRs</p>	<p>Within 5 years</p>	<p>10%</p>

12. Duration of the Project

The tenure of the project will be for five years from the day of contract signing. After completion of project tenure, further extension in the project may be decided at that time through mutual consent between company & successful bidder.

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