Request for Empanelment of financial consultants for PPP projects of Biotechnology Industry Research Assistance Company (BIRAC), A Government of India Enterprise

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Disclaimer: This RFE is not an agreement and is neither an offer nor invitation by the Authority to the prospective Applicants or any other person. The purpose of this RFE is to provide interested parties with information that may be useful to them in the formulation of their Applications pursuant to this RFE. This RFE includes statements, which reflect various assumptions and assessments arrived at in relation to the Consultancy that may not be accurate. The Authority may, in its absolute discretion but without being under any obligation to do so, update, amend or supplement the information, assessment or assumptions contained in this RFE.

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CHAPTER I- Letter of Invitation (LOI)

1. **Background**

The BIRAC has been set up with a vision to stimulate, foster and enhance the strategic research and innovation capabilities of the Indian biotech industry particularly SME's, to make India globally competitive in biotech innovation and entrepreneurship and to create affordable products and services. BIRAC operates various schemes under Public-Private Partnership (PPP) mode that provide financial assistance to Companies, Institutes, research Institutes, Incubators and Incubatees.

Taking into consideration the need to consider aspects related to financial status of the fund applicants and fund recipients. Hence, BIRAC is in the process of empanelment of Indian, technically competent, experienced financial consultants at its Corporate Office at New Delhi. The services of financial expert will be mainly utilized in areas of financial status evaluation, financial due-diligence, examination of accounts, audit, budget, insurance, charge creation through hypothecation and/ or bank Guarantee, transaction advice etc. BIRAC has decided to empanel such Financial consultants for a period of 02 (two) years who would render assistance in realizing the objectives as stated above from time to time. The selection will be through a competitive bidding process.

2. **The Scope of Work (SoW) shall include the following;**

i. Providing financial opinion and conducting financial due diligence on issues referred to by BIRAC.

ii. Rendering services as and when referred on matters related to company's eligibility who applies for financial assistance as per the criteria defined in the scheme.

iii. Rendering services and providing opinion as and when referred on matters related to collateral/security/charge/guarantee, debt recovery etc.

iv. Examining the financial status of the entity through site visit and based on the financial records including balance Sheet, breakup of turnover, debt instruments/ bank lines, auditor's report & notes to the accounts and state of company's assets: mortgaged / hypothecated before the sanction of funding and after. (Please note: Each site visit may be of maximum two days' duration and consolidated professional fee shall be paid on per- visit basis. The out-of-pocket expenses and conveyance shall be reimbursed on actual basis on submission of bills etc.)

v. Checking the sources of finance for fund recipient's contribution for the project.

vi. Ensuring proper execution of the Deed of Hypothecation, Bank Guarantee, adequacy of their validity and enforceability of security cover i.e. registration of charge with ROC and exchange of *pari passu* letters / NOC from other charge holders of the secured assets etc. enforceability of security cover i.e. registration of charge with ROC and exchange of *pari passu* letters / NOC from other charge holders of the secured assets etc.

vii. Checking the R & D expenditure of the fund applicant incurred over last 3 years and preliminary predictability of business through revenue recognition especially in case of start-ups.

viii. Examining the interim/final statement of accounts submitted by the fund recipients for their propriety component-wise, category-wise and account head-wise expenditures and compliance based the financial terms and conditions before the release of each disbursement and providing transaction advice accordingly.

ix. Assessing if the borrower has properly insured all the assets hypothecated or otherwise acquired through the grant-in-aid / loan and the insurance policies have been endorsed to the lender

x. In case of payment of royalty, to work out the correct amount due and penalty payable if any based on the 'Net Sales' sales of the Product by the Company/ its licensee/ its sub-licencee excluding excise duty and sales tax, as certified by the Chartered Accountant.

xi. In case of foreclosure of the project, confirm determine refund of funds as per the foreclosure clause of the funding agreement.

xii. Considering any other relevant aspect for effective monitoring and review of funded projects by BIRAC.

xiii. Handling queries raised by audit party of Accountant General /CAG India/and Tax authorities related to funding schemes.

xiv. Maintaining proper working papers and submit prompt financial reports to BIRAC in connection to the tasks as given above.

3. **Essential Eligibility Criteria**

i. The responding Financial consultancy entity must have a legal existence status and should be registered under statutes of India

ii. Financial consultancy entity should be of repute and should have established office in Delhi.

iii. It should possess minimum experience of 10 years in dealing with related issues.

iv. It should have been on the panel of at least 01 (one) Government Enterprises/PSUs.

v. It must have the requisite infrastructure and in-house capability with at least two Promoters/ Directors/ Partners as professionals viz, Lawyers, Chartered Accountants and/ or Company Secretary.

vi. It must practice Chinese wall or Firewall policy within to deal with contrary interests or with confidential information.

vii. It should possess professional expertise especially in handling Accounts, Audit, Budget and Financial matters, PPP Projects and well versed with the General Financial Rules (GFR) and procedures of the Government Establishments.

viii. The gross income of the Financial consultancy entity should not be less than Rs.02 (two) crores per year for last 3 years (2009-10, 2010 –11 and 2011-12). (Attach Chartered Accountant's Certificate/ copies of Audited Balance Sheet, P&L Accounts and IT Return Statement of each year).

ix. It should not have been blacklisted by any Central /State Government / Public Sector Undertaking, Govt. of India.

x. It should not be involved in any major litigation that may have an impact of affecting or compromising the delivery of services as required under this Request for Empanelment and in the execution of agreement.

4. **Expected expertise/inputs**

i. Understanding of the scope of work
ii. Domain specific experience in each of the areas relevant to SoW
iii. Adequate in-house capacity to meet the SoW

5. **Expected Deliverables**

i. Timely opinion and report on the referred issues
ii. Prompt financial services

6. **Submission Deadline**

Bids should include the details mentioned in the format which may be downloaded from the BIRAC website- http://www.birac.nic.in. **Eligible firms are invited to send their bids before 1500 hrs. of 17.06.2013** to the mailing address stated below:

Saurav Agarwal
Manager-Accounts & Admin
Biotechnology Industry Research Assistance Council "BIRAC",
A Government of India Enterprise,
A – 254, Bhisham Pitamah Marg,
Defence Colony, New Delhi-110024

7. **Schedule of the events**

No.	Event Description	Estimated Date
1.	Last date for receiving the RFE	17.06.13
2.	Opening of RFEs and selection of firms	25.06.13
3.	Letter of Award (LOA)	1^{st} week of July

The above schedule would generally be adhered to.

CHAPTER II- Instructions to Bidders (ITB)

A. Standard Information

1. All communications including the submission of one original and a copy of the RFE in sealed envelopes should be addressed to the office of **Biotechnology Industry Research Assistance Council "BIRAC",** A Government of India Enterprise, at *A – 254, Bhisham Pitamah Marg, Defence Colony, New Delhi-110024 with caption as "Request for Empanelment- Financial Services" on the envelope.*

2. Offer in the Bids shall remain valid for till a period of 90 days from the last date of submission of the RFEs. The eligible firms shall respond to the invitation of the RFE by submitting their technical capacity and all the required documents in prescribed formats.

3. Required Bid Format- The bid must contain a Covering letter (**Appendix- I**), Eligibility and Technical particulars (**Appendix- II**), Power of Attorney (**Appendix-III**) in the format provided and other supporting documents to substantiate the statements of the Bidder wherever necessary.

4. Discretion of the BIRAC
   I. During technical evaluation of the Bids, BIRAC may, at its discretion, ask Respondents for clarifications on their bid. The Respondents are required to respond within the time frame prescribed by BIRAC.
   II. The BIRAC reserves the right to reject any or all the RFEs for the proposed Consultancy assignment without assigning any reason whatsoever.
   III. The BIRAC also reserves the right to reject any bid if:
      - It is not in the given format
      - At any time, a material misrepresentation is made or uncovered, or
      - The consultancy firm does not respond promptly and thoroughly to requests for supplemental information required for the evaluation of the bid.

5. Governing terms and conditions

The selection and engagement of the entity shall be governed by the Request for Empanelment (RFE) and the empanelment shall be governed by the terms and conditions of the “Service and Confidentiality Agreement”. The cost for preparing the response to RFE including visits by the bidders is not reimbursable.

B. Assignment Specific Information

a. Evaluation of the responses to RFEs:

S. No.	Criteria	Weightage
1.	**Technical Capacity Criteria**	**60%**
	• Past experience in carrying out assignments in related sectors & assignments of similar nature	20%
	• In house Manpower Structure & Professional Competence of the team members	20%
	• Nature of assignment carried out during its presence on the panel of Government Enterprises/PSUs.	10%
	• Organisational/ Firms Policies on data protection, confidentiality & Conflict of Interest	10%
2.	**Presentation**	**40%**

The Bids shall be opened on 25.06.203 and the scores will be given as per the above criteria. High scoring Bids up to seven (number may be less than seven but not exceeding seven) based on the technical capacity criteria shall be shortlisted.

The shortlisted bidders will be called for a brief interaction cum presentation before a committee. Each of such session will be of 20 minutes duration. The venue of interaction cum presentation will be the office of BIRAC.

During interaction/ presentation, the shortlisted bidders will be rated on the following parameters:

- Ability to communicate the organizational expertise
- Relevance of in-house resources to the SoW & clarity of thoughts
- Case presentation of the significant assignments including PPP completed during the preceding year.

The bids obtaining the highest total combined score in evaluation of Technical Capacity Criteria and presentation will be ranked as H-1 followed by the bids securing lesser marks as H-2, H-3 etc. Bids up to five (05) securing the highest combined marks (number may be less than five but not exceeding five) will be invited for empanelment and execution of agreement thereafter.

The selected Financial expert/entities will be empanelled for duration of 02 years and the terms of empanelment shall be governed by the corresponding Service and Confidentiality Agreement.

b. Assignment of the tasks
BIRAC reserves the right to assign the tasks to any of the empanelled Firm/ entity. BIRAP also reserves the right to award work to any agency, not necessarily empanelled with BIRAP.

c. Letter of Award (LOA)
On acceptance of Bid for awarding the contract, BIRAC will issue a Letter of Award "LOA" to the successful Respondents in writing that their bids have been accepted by BIRAC and such successful Respondents will need to sign a "Service and Confidentiality Agreement". After signing of the Agreement, no variation in or modification of any of the terms of the Agreement shall be made except by written amendment signed by the parties. The terms and conditions of the agreement are appended here in as **Appendix-IV**.

d. Conflict of Interest
The consultancy firm shall not receive any remuneration in connection with the assignment except as provided in the "Service and Confidentiality Agreement".

e. Warranties of the firm
The Consultancy firm shall warrant that it is under no contractual restrictions or legal disqualifications or other obligations which will prohibit from entering into this consultancy assignment and that the statement and particulars herein contained in this RFE and in the relevant and supporting documents to this agreement are correct.

f. Period of Empanelment
The entity would be empanelled for 02 years with effect from date of execution of the "Service and Confidentiality Agreement".