
EVALUATION REPORT

SELECTION OF CONSULTANTS

TECHNICAL PROPOSAL EVALUATION REPORT

Country: **Pakistan**

Project Name **“Lahore Water and Wastewater Management Project”**

Project No. **000074-PAK**

Title of Consulting Services: **Improving Financial Management and Reporting Systems of Lahore Water & Sanitation Agency**

Date of Submission: **1st August 2019**

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Section I. Instruction for Evaluation Report

- 1. Background** Include a brief description, context, scope, and objectives of the services. (Use about a quarter of a page.)
- 2. The Selection Process (Prior to Evaluation)** Describe briefly the selection process, beginning with the advertising (if required), the establishment of the shortlist, expressions of interest, and withdrawals of firms before proposal submissions. Describe major events that may have affected the timing (delays, complaints from consultants, key correspondence with the Bank.

(Use about one-half to one page.)
- 3. Evaluation** Describe briefly the meetings and actions taken by the evaluation committee: formation of a technical evaluation team, outside assistance, evaluation methodology

Present results of the evaluation: the award recommendation.

Highlight strengths and weaknesses of each firm (most important part of the report).

 - (a) **Strengths**: Experience in very similar projects in the country and in local; quality of the previous outputs; and experience of professional staff in similar assignments.
 - (b) **Weaknesses**: Of a lack of experience in the country or in lower level; of a lack of practical experience (experience in studies rather than in implementation); of staff experience compared to the firm's experience; of lack of key staff (e.g., the team leader);

Comments of individual evaluators if needed.

Items requiring further negotiations.

Section II. Evaluation Report

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IIA Evaluation Report

1. Background / Brief Description

The Government of Pakistan has requested a financing from the Asian Infrastructure Investment Bank (AIIB) in the amount of US\$ 400 million to finance a project aimed to ensure sustainable supply of safe water, reduce deteriorating environmental impacts due to untreated sewage disposal, and strengthen institutional capacity of Lahore Water and Sanitation Agency (LWASA) to deliver improved services to the people of Metropolitan City of Lahore, and become a financially strong entity.

At present, in LWASA, there is manual financial accounting and record keeping system which implies additional risks in the accounting, record keeping and reporting of financial information. Therefore, it is very essential to introduce computerized accounting and record keeping system in LWASA.

LWASA is looking for consulting services for assessing the arrangements and improving the overall financial management and reporting systems related to the project activities and in accordance with AIIB financial procedures.

Scope and Objectives of Consultancy Services

The Consulting firm will carry out Financial Management Assessment of LWASA to develop an efficient and flexible Financial Information Management and Reporting System that helps increase the working efficiency of its staff for improved financial management. As a first step, the consultant will assess the current Financial Management capacity of LWASA, their strengths and weaknesses vis-à-vis best practices and systems that exist in other organizations in Pakistan and review and assess the current status of automation in LWASA. Once the assessment is completed, the consultant will work out the needs of LWASA in light of international best practices in water utility organizations for Financial Management Information System (FMIS) establishment for financial accounting and reporting of LWASA. The main objectives and tasks are:

Review and update the available Financial Management Assessment and Information Reports, FM Manuals, Gap Analysis Report, Functional Requirement Specification Report, other relevant material and mechanisms in practice to deal with these matters, in order to (a) assess the existing situation of LWASA in areas of Financial Management, Payroll, Billing, Complaint Tracking, Pension, and Asset Management; and (b) fully automate the functions mentioned above.

Prepare technical specifications of the recommended software and hardware for meeting the financial management information and reporting needs of the LWASA.

2. The Selection Process

As per the “Interim Operational Directive on Procurement Instructions for Recipients” by AIIB, the Fixed Budget Based Selection (FBS) under Particular selection methods for firms has been adopted after approval / NOC from the Bank.

The Request for Proposal (RFP) was issued to responsive consultants on 28.06.2019. The last date of submission of RFPs was 12-06-2019.

In order to evaluate the proposals and finalize the selection of consultancy firms, WASA constituted the Evaluation and Consultant Selection committees vide No. D(P&D) / 851-55 and D(P&D) / 847-50 dated 22-06-2018, respectively.

In this context, WASA received RFPs from following two (02) shortlisted consulting firms:

1. M/s Fincon Services
2. M/s Ernst & Young (EY) Ford Rhodes

IIB. Evaluation - Basic Data

<p>2.1 Name of country</p> <p>Name of Project</p>	<p>Pakistan</p> <p>“Improving Financial Management and Reporting Systems of Lahore Water and Sanitation Agency”</p> <p>Under the</p> <p>“Lahore Water And Wastewater Management Project”</p>
<p>2.2 Client:</p> <p>(a) name</p> <p>(b) address, phone, facsimile</p>	<p>Water & Sanitation Agency, Lahore Gulberg-II, Zahoor Elahi Road, Lahore Ph #+92-42-99263142-43 Fax # +92-42-99263147</p>
<p>2.3 Type of assignment (pre-investment, preparation, or implementation), and brief description of sources</p>	<p>Project Preparation under Project Preparation Special Funding (PSF)</p>
<p>2.4 Request for Proposal:</p> <p>(a) Issuance Date</p> <p>(b) Submission Date</p> <p>(c) Opening Date</p> <p>(d) number of responses</p>	<p>28-05-2019</p> <p>12-06-2019</p> <p>12-06-2019</p> <p><u>Two (02)</u></p>
<p>2.5 Shortlist:</p> <p>(a) names/nationality of firms/associations</p>	<p>1. M/s Fincon Services (Pakistan)</p> <p>2. M/s Ernst & Young (EY) Ford Rhodes (Pakistan)</p>

<p>(b) Submission to the Bank for no-objection</p> <p>(c) Bank's no-objection</p>	<p>Request to the bank for approval/NOC regarding Request for Proposal vide Email Dated 19-06-2019</p> <p>Bank' NOC received vide Email Dated 26-06-2019.</p>
<p>2.6 Contract:</p> <p>(a) Time-Based</p> <p>(b) Lump Sum</p> <p>(c) other (describe)</p>	<p>(b) Lump Sum</p>
<p>2.7 Evaluation and Consultant selection committees:</p> <p>Members' designation and titles;</p>	<p>Consultant Selection Committee (CSC) is constituted comprising of following members:</p> <ol style="list-style-type: none"> 1. Managing Director, WASA, Lahore 2. Dy. Managing Director (Engg.) WASA, Lahore 3. Director (P&D), WASA, Lahore 4. Director (Finance), WASA, Lahore 5. Representative from HUD & PHED, GoPb. 6. Representative from Finance Department, GoPb. 7. Representative from P&D Department, GoPb. <p>An Evaluation Committee to assist CSC comprising following members:</p> <ol style="list-style-type: none"> 1. Deputy Director (Procurement and Store), WASA, Lahore 2. Deputy Director, (Planning and Design), WASA, Lahore 3. Deputy Director (Finance), WASA, Lahore.

IIC. Evaluation Summary

Consultants' names	M/s Fincon Services	M/s Ernst & Young (EY) Ford Rhodes	Scores	Rating/Ranking
Criteria	Strength / Weakness	Strength / Weakness		
Adequacy and Quality of Proposed Methodology	Strength	Weakness	M/s Fincon Services = 8 M/s Ernst & Young (EY) Ford Rhodes = 6	M/s Ernst & Young (EY) Ford Rhodes in its technical approach showed its unwillingness for some tasks mentioned in the TORs thereby partially fulfilling the requirements of Scope of Work. (Methodology annexed at Annex-I & Annex-II).
Work Plan	Strength	Weakness	M/s Fincon Services = 7 M/s Ernst & Young (EY) Ford Rhodes = 6	M/s Ernst & Young (EY) Ford Rhodes and M/s Fincon Services in its workplan has proposed the services of Team leader for intermittent basis (1 month) instead of full time. The marginal difference of score is due to the fact that M/s Ernst & Young (EY) Ford Rhodes proposed additional time of three (03) months for completing the services. (Work Plans annexed at Annex-III & Annex-IV).
Qualification of Key staff	Strength	Strength	Qualification M/s Fincon Services = 13.6 M/s Ernst & Young (EY)	Both the firms have scored good marks in Qualification of key experts as per criteria laid down in the RFP. (CVs annexed at Annex-V & Annex-VI).

			Ford Rhodes = 13.9	
Experience of Key staff	Strength	Weakness	Team Experience M/s Fincon Services = 52.80 M/s Ernst & Young (EY) Ford Rhodes = 45.80	The Quality of previous outputs for Team leader of both the firms are good while the experience of programmer and networking experts of M/s Fincon Services are better as compared to experts of M/s Ernst & Young (EY) Ford Rhodes based on the projects mentioned in their respective CVs (Annexed at Annex-V and Annex-VI). The CVs of M/s Ernst & Young (EY) Ford Rhodes does not provide the details of relevant projects completed.
Final Rating/Scores for each of consultants	81.40	72.70		