



**WATER AND SANITATION AGENCY
LAHORE**

**Expression of Interest (EoI) Document
for
Short listing of
Financial Management Consulting Firm
to Carryout Services of
Improving Financial Management and Reporting Systems
of Lahore Water and Sanitation Agency
under the
"LAHORE WATER AND WASTEWATER MANAGEMENT
PROJECT"**

Abbreviations

AIIB	-	Asian Infrastructure Investment Bank
FBS	-	Fixed Budget Based Selection
CV	-	Curriculum Vitae
DP	-	Development Partner
EA	-	Executive Agency
EOI	-	Expression of Interest
FMIS	-	Financial Management Information System
GoPb	-	Government of the Punjab
LWASA	-	Lahore Water and Sanitation Agency
PAN	-	Permanent Account Number
TOR	-	Terms of References

Contents

A. Instructions for submission of Expression of Interest	4
B. Objective of Consultancy Services and Brief TOR.....	5
C. Evaluation of Consultant’s EOI Application	9
D. EOI Forms & Formats	11
1. Letter of Application	12
2. Applicant’s Information Form.....	14
3. Experience.....	15
4. Capacity	19
5. Key Experts (Include details of Key Experts only).....	20

A. Instructions for submission of Expression of Interest

1. Expression of Interest may be submitted by a sole firm or a joint venture of consulting firms of maximum three partners.
2. Interested consultants must provide information indicating that they are qualified to perform the services (*descriptions, organization and employee and of the firm or company, description of assignments of similar nature completed in the last 7 years and their location, experience in similar conditions, general qualifications and the key personnel to be involved in the proposed assignment*).
3. This expression of interest is open to all eligible **consulting firms**.
4. The assignment has been scheduled for a period of **three (03) months**. Expected date of commencement of the assignment is 4th **July 2019**.
5. A Consultant will be selected in accordance with the Fixed Budget Based Selection (FBS) method of "Interim Operational Directive on Procurement Instructions for Recipients (June2, 2016)".
6. Expression of Interest should contain following information:
 - (i) A covering letter addressed to the Deputy Managing Director (Engg.), WASA Lahore on the official letter head of company duly signed by authorized signatory.
 - (ii) Applicants shall provide the following information in the respective formats given in the EOI document:
 - *EOI Form: Letter of Application (Form 1)*
 - *EOI Form: Applicant's Information (Form 2)*
 - *EOI Form: Work Experience Details (Form 3(A), 3(B) & 3(C))*
 - *EOI Form: Capacity Details (Form 4)*
 - *EOI Form: Key Experts List (form 5).*
7. Applicants may submit additional information with their application but short listing will be based on the evaluation of information requested in the EOI document.

The Expression of Interest (EOI) document must be duly completed and submitted in sealed envelope and should be clearly marked as "EOI Application for Short-listing for Financial Management Consulting Firm for the Preparation of Proposed Lahore Water and Wastewater Management Project". The Envelope should also clearly indicate the **name and address of the Applicant**.

The completed EOI document must be submitted on or before the date i.e. **3rd June 2019** not later than 12:00 PM and address mentioned in the "**Request for Expression of Interest**". In case the submission falls on public holiday the submission can be made on the next working day. Any EOI Document received after the closing time for submission of proposals shall not be considered for evaluation.
8. Eligibility as specified in EOI notice and instructions.

B. Objective of Consultancy Services and Brief TOR

B.1 INTRODUCTION

Lahore depends entirely on groundwater to meet the water demand of its 11.1 million population. Water is abstracted through 576 tube-wells installed in the City and then, pumped into the distribution system. Currently, the groundwater abstraction by Lahore WASA is 540 million gallons per day (MGD), or equivalent to 2.45 million cubic meters per day. In addition to this, a significant quantity of water is also abstracted by Private Housing Societies, Cantonment Boards, Railway Colonies and areas under the jurisdiction of Local Government. Consequently, the groundwater table continues to deplete rapidly. The current decline rate is observed to be more than one meter per annum. With the ongoing declining of groundwater level, several existing tubewells are becoming in-operational and the City has started to face severe water shortages. Thus, the groundwater source alone does not seem to be a dependable/reliable source in future.

To augment existing groundwater supplies with the surface water resource, the GoPb seeks AIIB financing for (i) constructing infrastructure to divert water from a nearby irrigation channel, the Banbawala Ravi Bedian Depalpur (BRBD) Canal, and (ii) construction of a new state-of-the art surface water treatment plant (SWTP) with a capacity of 245,000 m³/day or 53.8 MGD, and supplying it to the most affected areas of the city. To address the water shortage and quality issues in a comprehensive way, the GoPb also needs financing for reducing the non-revenue water (NRW) from the existing 45 percent to less than 20 percent by (a) plugging all the water leakages through replacing the old pipes, which are not only causing water losses but also allowing ingress of wastewaters through these leakages and causing waterborne diseases; (b) controlling over consumption of water due to about 90 percent unmetered connections, through metering 100 percent of connection; (c) avoiding water theft, through bulk meters installations, and ensuring 100 percent billing and at least 90 percent collection.

Presently, all the domestic and industrial wastewater from Lahore city is being discharged without any treatment directly in the River Ravi, which is located along west side of the City, and thus heavily polluting the river. It is estimated that River Ravi receives nearly 540 MGD wastewater from Lahore WASA and other municipal service providers and industrial estates, which has converted the river into a sewage drain. On the other hand, River Ravi plays a major role in replenishing Lahore's groundwater. Due to mass contamination of the river, polluted water may seep down making the groundwater unfit for drinking purpose, and affecting soil fertility.

The GoPb seeks AIIB financing for construction of two priority WWTPs. These WWTPs will extract pollutants, remove toxicants, neutralize coarse particles, and kill pathogens to improve the quality of wastewater to reach the permissible level before discharging it into River Ravi. Treatment of wastewater thus aims at reduction of BOD, COD, eutrophication etc. of receiving water bodies and prevention of bio-magnification of toxic substances in food chain. The estimated total capacity of the three WWTPs will be 2.4 million cubic meters/day. The GoPb has also requested AIIB financing to support the rehabilitation of

the main trunk sewers, and replacement of inefficient sewage disposal and lift stations to ensure smooth conveyance of wastewater to WWTPs.

B.2 PROJECT DESCRIPTION

The Project will comprise the following three components: (i) investment in safe water supply infrastructure, including construction of a Surface Water Treatment Plant (SWTP) with the capacity of 245,000 cubic-meters/day, rehabilitation/replacement of leaking pipes and pumping machinery, and installation of bulk and consumer water meters (ii) investment in safe sanitation infrastructure, including construction of three Waste Water Treatment Plants (WWTPs) with the total capacity of about 2.4 million cubic-meters/day, and rehabilitation/replacement of inefficient sewage pumping stations and sewer lines, and construction of main trunk sewers to the WWTPs; and (iii) technical support for institutional performance improvement and construction supervision.

The Project aims to contribute to the realization of an integrated water and wastewater management in Lahore. Construction of infrastructure for surface water diversion and SWTP together with reduction of Non-Revenue Water (NRW) and installation of water meters, will considerably address the issues relating to the existing water shortages. Similarly, the construction of three WWTPs will minimize pollution in River Ravi and consequently protect the groundwater contamination and also serious environmental issues to the water users located at the downstream from Lahore. The city is already divided into several zones. Lahore WASA has identified the zones which are facing critical water supply & sanitation (WSS) issues relating to both water quality and quantity and has accordingly chalked out a plan to prioritize such zones based on the above need assessment and fix all the technical and institutional issues. This is considered to be the only way in precisely measuring zone-by-zone the achievement of the intended performance indicators relating to increase in water supply, improvement of water quality, reduction in NRW, and improvements in billing and collection.

The Irrigation department Punjab shall provide 54 MGD (0.24 million cubic meters/day) of canal water to the SWTP to be installed at up-stream of Ravi Syphon which shall serve the four proposed areas of Lahore namely Fatehgarh, Mustafabad, Shadipura Pura and Baghbanpura.

B.3 OBJECTIVES OF THE PROPOSED PROJECT

The main objectives of the proposed AIIB-assisted project are to:(i) ensure sustainable supply of safe water; (ii) reduce deteriorating environmental impacts due to untreated sewage disposal; and (iii) strengthen institutional capacity of LWASA to deliver improved services to the people of Metropolitan City of Lahore, and become financially a strong entity.

B.4 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.

B.5 SCOPE OF WORK

The detailed scope of work for the Consultant to be engaged will be as below:

- i. Review and update the existing financial management assessment report, GAP analysis report, Financial Manuals, Functional requirement specification report available with WASA along with review of mechanisms in practice. Main focus should be on funds flow, staffing, accounting policies and procedures, internal controls, financial reporting and monitoring, and internal and external audit. The updated report should explain (i) LWASA capacity to monitor, manage, and support the overall project; (ii) proposed ways and means to strengthen the capacity of LWASA; and (iii) the FM framework and system for the ensuing project, to be adopted by LWASA and the PMU and (iv) recommend measures for ensuring timely access of funds, its expenditure, accounting, reporting and auditing.
- ii. Review consumer survey and current billing system and suggest revenue improvement strategies. This should lead to develop an integrated Decision Support System for the improved Consumer Billing, Complaint Tracking, Financial Management Information System. Human Resource Management.
- iii. Review pension plan policies of WASA, Lahore and suggest improvements including;
 - a. Digitization of all pension related data along with scanning of personal files, implementation of pension payment system and formation of comprehensive database for planning.
 - b. Assess pension plan liabilities using actuarial principles and market value of pension plan assets using revaluation methods.

- c. Formation of pension plan governance / pension fund along with its manual.

[Pension management system developed by the Urban Unit of Punjab Government could be reviewed and customized for HR payroll and personal information. HR management decision support should also be elaborated for monitoring of staff performance]

- iv. Make necessary amendments as per requirements of LWASA in the existing/aforementioned reports/ documents for their implementation under the ensuing project. This includes development of Financial Management Information System (FMIS) in the light of amended Functional Requirement Specification Report. In this connection, the consultant is required to (a) undertake Focus Group Discussions with each Directorate staff, to understand the level of automation in each department; (b) carry out a system walk through to understand the work flow of each directorate; (c) carry out a detailed analysis of Consumer Billing Software and analyze the needs to develop a fully functional online billing system along with a complaint tracking system; (d) present the findings of the assessment to LWASA Management in a consultative workshop.
- v. Develop Payroll and Monitoring system having complete track record of employees.
- vi. Workout the needs of LWASA for fully automating the functions mentioned above.
- vii. Provide specified setup of hardware for implementation under the ensuing project.

B.7 DURATION OF CONSULTANCY

The consultant will be employed for a period of three months.

B.8 DELIVERABLES

The consultant will be responsible for the following deliverables (5 hard copies and one soft copy, wherever required):

Sr. No.	Deliverables	Cumulative Timeline (weeks)
1.	Amended Assessment (AS-IS) Report, GAP Analysis, Financial Manuals and Functional Requirement Specification Report. (5 copies for each Manual)	2
2.	Review Report on Pension Plan, consumer survey, current billing system and suggest revenue improvement strategies. (5 copies for each Manual)	4
3.	Development of Payroll and Monitoring system Plan. (5 copies for each Manual)	7
4.	Prepare technical specifications of the recommended software and hardware for meeting the financial management information and reporting needs of the LWASA (5 copies for each Manual)	12

B.9 HUMAN RESOURCES/CONSULTANT'S QUALIFICATION

The company or firm must be registered with either of the Securities & Exchange Commission of Pakistan (SECP)/ The Institute of Chartered Accountants of Pakistan (ICAP) / The Institute of Cost & Management Accountants (ICMA). The company or firm may associate itself with another company to form a consortium or joint venture.

The company/firm must have carried out at least two similar consultancy/advisory assignments.

B.10 CORE TEAM OF EXPERTS

Position	Relevant Experience (Years)	Man-Months	Qualification
Team leader	12	Full Time	Chartered Accountant or Cost & Management Accountant from recognized Institute or equivalent having relevant experience.
Programmer (software development & implementation expert)	8	Intermittent	BSc. / B.C.S. in software Engineering / Sciences or relevant degree from recognized University having relevant experience.
Networking Expert	8	Intermittent	CCNA/ MCSE or B.Sc. / B.C.S. in Software Engineering / Sciences or relevant degree/certification from recognized University/ institute having relevant experience.

Please attach brief CV with signature in blue ink.

Attach list of proposed personnel with qualification.

B. 11 GOVERNMENT INDEMNITY

The consultant shall be responsible for any damage to life or property that may arise out of their works and they shall take all necessary insurance provision to indemnify any claims for compensation that may arise through their negligence.

i. AGREEMENT

The Consultant will be required to enter into an agreement with LWASA. The terms and condition of the agreement shall be given with Request for Proposal, if the firm is shortlisted, and finalized at the time of contract agreement.

ii. TAXATION

The Consultant shall be fully responsible for all the applicable taxes and duties, and all such taxes and duties shall be deducted by the Client at the time of payment.

C. Evaluation of Consultant's EOI Application

Consultant's EOI application which meets the eligibility criteria will be ranked on the basis of the Ranking Criteria. Firms having minimum score of 70% will be shortlisted.

<u>i) Eligibility & Completeness Test</u>	Compliance
Copy of Registration of the company/firm	
Minimum years of standing: 5 years <i>(single or lead firm of Joint Venture (JV) be must)</i>	
JV agreement in case of Firms in JV	
EOI Form 1: Letter of Application	
EOI Form 2: Applicant's Information Form	
EOI Form 3: Experience (3(A) and 3(B))	
EOI Form 4: Capacity	
EOI Form 5: Qualification of Key Experts	

Note 1 : Consulting Firms can form a Joint Venture (JV). The EOI of Short List must clearly mention the name of the leading firm with financial liabilities.
Note 2 : Maximum no of JV Firms : Three
Note 3 : Consultant shall submit only one set of document .
Note 4 : The same firm shall not be allowed to submit EOI individually and in JV. Every JV shall be unique. ("Example 1 : EOI for Firm A and Firm A JV Firm B" – Not allowed) ("Example 2 : EOI for Firm A JV with Firm B and Firm B JV Firm C"- Not allowed)
Note 5 : Consulting Firms shall submit the EOI document with tape binding. Spiral bindings and lose sheets with hard cover shall not be entertained.
Note 6 :During the submission of proposal the consultant must submit the copy of Tax Clearance certificate of FY 2017-18

<u>ii) EOI Evaluation Criteria</u>	<u>Minimum Requirement</u>	Score (Out of 100)	
A. Qualification			
<i>Qualification of Key Experts</i>	<i>As per brief ToR</i>	<i>15</i>	30
<i>Experience of Key Experts (in year)</i>	<i>As per brief ToR</i>	<i>15</i>	

B. Experience			
<i>General experience of consulting firm</i>	Experience in Preparation of similar consultancy service in scope, size and complexity successfully completed within last 7 years.	15	55
<i>Specific experience of consulting firm within last 7 years.</i>	Experience in carrying out at least 2 consultancy/advisory assignments related to development of standard operating procedures/policy manuals/capacity building/review of different processes, systems & procedures etc.	40	
C. Capacity			
<i>Financial Capacity</i> <i>(Note: Average annual turnover less than Ten million will not be considered)</i>	<i>Rs. 10 Million</i>	15	15

Note 7: CV of each professional key expert shall be submitted with signature of professional and authorized representative of the firm/JV. Scanned signature shall cause to rejection of CV for EOI Evaluation.

Note 8: Proposed professional key expert shall not be repeated by the same firm/JV and/or another firm/JV. In case of repetition of professional key personnel, the Client shall ask via email the person for physical presence within three days to declare him/herself the firm/JV to whom he/she shall want to be associated.

Note 9: CV of personnel's shall clearly mentioned his/her e-mail address and mobile number.

Note 10: The firm/JV shall have to submit the relevant registration documents and certificates (ICAP, ICMA, ICAEW) for the professionals in RFP Only.

Note 11: The firm/JV shall also have to submit any certificate as evidence of his/her education (degree) as required above in RFP only.

EOI Forms & Formats

Form 1. Letter of Application

Form 2. Applicant's information

Form 3. Experience (*General, Specific and Geographical*)

Form 4. Capacity

Form 5. Qualification of Key Experts

1. Letter of Application

(Letterhead paper of the Applicant or partner responsible for a joint venture, including full postal address, telephone no., fax and email address)

Date:

To,

Full Name of Client: _____

Full Address of Client: _____

Telephone No.: _____

Fax No.: _____

Email Address: _____

Sir/Madam,

Being duly authorized to represent and act on behalf of (hereinafter "the Applicant"), and having reviewed and fully understand all the short-listing information provided, the undersigned hereby apply to be short-listed by WASA Lahore as Consultant for Preparation of Proposed Lahore Water and Wastewater Management Project.

Attached to this letter are photocopies of original documents defining:

- a) the Applicant's legal status;
- b) the principal place of business;

1. WASA Lahore and its authorized representatives are hereby authorized to verify the statements, documents, and information submitted in connection with this application. This Letter of Application will also serve as authorization to any individual or authorized representative of any institution referred to in the supporting information, to provide such information deemed necessary and requested by yourselves to verify statements and information provided in this application, or with regard to the resources, experience, and competence of the Applicant.
2. WASA Lahore and its authorized representatives are authorized to contact any of the signatories to this letter for any further information.¹
3. All further communication concerning this Application should be addressed to the following person,

[Person]

¹ Applications by joint ventures should provide on a separate sheet, relevant information for each party to the Application.

[Company]

[Address]

[Phone, Fax, Email]

4. We declare that, we have no conflict of interest in the proposed procurement proceedings and we have not been punished for an offense relating to the concerned profession or business and our Company/firm has not been declared ineligible.
5. We further confirm that, if any of our experts is engaged to prepare the TOR for any ensuing assignment resulting from our work product under this assignment, our firm, JV member or sub-consultant, and the expert(s) will be disqualified from short-listing and participation in the assignment.
6. The undersigned declares that the statements made and the information provided in the duly completed application is complete, true and correct in every detail.

Signed :

Name :

For and on behalf of (name of Applicant or partner of a joint venture):

2. Applicant's Information Form

(In case of joint venture of two or more firms to be filled separately for each constituent member)

Name of Firm/Company:

Type of Constitution (*Partnership/ Pvt. Ltd/Public Ltd/ Public Sector/ NGO*)

Date of Registration / Commencement of Business (*Please specify*):

Country of Registration:

Registered Office/Place of Business:

Telephone No; Fax No; E-Mail Address

Name of Authorized Contact Person / Designation/ Address/Telephone:

Name of Authorized Local Agent /Address/Telephone:

Consultant's Organization:

Total number of staff:

Number of regular professional staff:

(Provide Company Profile with description of the background and organization of the Consultant and, if applicable, for each joint venture partner for this assignment.)

3. Experience

3(A). General Work Experience

(Detail of assignments undertaken by the firm. Each consultant or member of a JV must fill in this form.)

Sr. No.	Name of assignment	Location	Value of Contract	Year Completed	Client	Description of work carried out
1.						
2.						
3.						
4.						
5.						
6.						
7.						

3(B). Specific Experience

Details of similar assignments undertaken in the previous seven years

(In case of joint venture firms to be filled separately for each constituent member)

Assignment name:	Approx. value of the contract (in current PKR; US\$ or Euro) ² :
Country: Location within country:	Duration of assignment (months):
Name of Client:	Total No. of person-months of the assignment:
Address:	Approx. value of the services provided by your firm under the contract (in current PKR; US\$ or Euro):
Start date (month/year): Completion date (month/year):	No. of professional person-months provided by the joint venture partners or the Sub-Consultants:
Name of joint venture partner or sub-Consultants, if any:	Narrative description of Project:

² Consultant should state value in the currency as mentioned in the contract

<p>Description of actual services provided in the assignment:</p> <p>Note: Provide highlight on similar services provided by the consultant as required by the EOI assignment.</p>	

Firm's Name: _____

3(C). Geographic Experience: *Not Applicable*

Experience of working in similar geographic region or country

(In case of joint venture firms to be filled separately for each constituent member)

No	Name of the Project	Location (Country/ Region)	Execution Year and Duration

4. Capacity

4(A). Financial Capacity

(In case of joint venture, firms to be filled separately for each constituent member)

Annual Turnover	
Year	Amount Currency
FY 2017-18	
FY 2016-17	
FY 2015-16	
FY 2014-15	
FY 2013-14	

- **Average Annual Turnover**

--

(Attach copy of Audit Report and tax clearance certificate that shows total value of work)

5. Key Experts *(Include details of Key Experts only)*

SN	Name	Proposed Position	Minimum Qualification		Specific Work Experience (in year)	Nationality
			Degree	Passed Year		
1						
2						
3						
4						
5						

(Please insert more rows as necessary)