



MINISTRY OF RAILWAYS
(PROJECT IMPLEMENTATION UNIT)

REQUEST FOR PROPOSAL (RFP)
FOR
HIRING OF CONSULTANT

RESEARCH DRIVEN SOLUTION TO DEVELOP AND IMPLEMENT
GOVERNANCE STRUCTURE, HUMAN RESOURCES FRAMEWORK AND
BUSINESS MODEL FOR THE UPGRADED ML-1

1. Team Leader, Project Implementation Unit (PIU), Mainline (ML-1) Project, Pakistan Railways intends to hire the services of Consultancy Firms for “Research Driven Solution to develop and implement Governance Structure, Human Resources Framework and Business Model for the up-graded ML-1.
2. The interested firms can obtain RFP Documents comprising TORs, Evaluation Criteria and format of Technical & Financial Proposal from under mentioned address during office hours or can download from Pakistan Railways website [www. Pakrail.gov.pk](http://www.Pakrail.gov.pk) and PPRA Website “www.ppra.org.pk”
3. Bidding will be in accordance with PPRA Single Stage Two Envelop procedure. Technical and Financial Proposals shall be submitted in Two separate sealed envelopes.
4. A pre-proposal conference shall be held on 23rd April 2024 at 11:00 AM at address mentioned below, for which prospective Consultants are requested to attend. Any further information can be obtained from the undersigned during office hours.
5. The prospective bidders will submit their proposals only on prescribed format at under mentioned address on or before 8th May 2024 at 01:30 PM. Technical proposals will be opened on the same date and venue at 2:00 PM in the presence of representative of firms, who choose to witness.

SKHAWAT ALI
For Team Leader/PIU/CPEC
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MINISTRY OF RAILWAYS

REQUEST FOR PROPOSAL (RFP)

HIRING OF CONSULTANT

for

**Research Driven Solution to Develop and Implement Governance
Structure, Human Resources Framework and Business Model
for the upgraded ML-1**

March 2024

Team Leader / Project Director
PIU, ML-1 Project, Pakistan Railways
3-Mayo Gardens, Sunderdas Road, Lahore
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Section 1: Letter of Invitation

No. PIU/CPEC/RFP/HC/2024

Date: ----- March 2024

SUBJECT: INVITATION FOR REQUEST FOR PROPOSAL (RFP) FOR HIRING OF CONSULTANT FOR RESEARCH DRIVEN SOLUTION TO DEVELOP AND IMPLEMENT GOVERNANCE STRUCTURE, HUMAN RESOURCES FRAMEWORK AND BUSINESS MODEL FOR THE UPGRADED ML-1

1. The Team Leader / PIU (Project Implementation Unit) invites Technical and Financial proposals to provide the following services:

“RESEARCH DRIVEN SOLUTION TO DEVELOP AND IMPLEMENT GOVERNANCE STRUCTURE, HUMAN RESOURCES FRAMEWORK AND BUSINESS MODEL FOR THE UPGRADED ML-1”

2. The Consultant will be selected under Quality and Cost Based Selection (QCBS) method and procedures, described in this RFP in accordance with PPRA Rule 2004 and PPRA Procurement of Consultancy Services Regulations 2010.
3. The RFP includes the following documents:
 - Section 1: Letter of Invitation
 - Section 2: Instructions to Consultants (including Data Sheet)
 - Section 3: Technical Proposal – Standard Forms
 - Section 4: Financial Proposal – Standard Forms
 - Section 5: Terms of Reference (TOR)
4. The Consultant can be single entity or Joint Venture (JV) of firms. Formation of Consortium is not allowed, however, inclusion of sub-consultant(s) is allowed. Company profile of sub-consultant(s) will not be considered for evaluation, but their individuals can be considered for evaluation. In case of JV, all parties are required to sign the Consultancy Agreement so as to bind them jointly and severally.
5. It is mandatory for Proposal to be prepared using Standard Forms of RFP. Any Proposal not prepared according to prescribed format may be rejected. If any information required in the Forms is found missing or written elsewhere, credit may not be given in the relevant section of the evaluation.
6. The Consultant should submit details of **Five (5)** of their most relevant completed assignments as defined in Similar Assignment (section 2.1.14 on page 4) for technical evaluation using the prescribed format. Assignments given beyond the required number will not be considered and no weightage will be given to the higher number of such Similar Assignments.
7. CVs of key personnel (Key Experts) corresponding to the list given in Data Sheet should provide details of maximum **Five (5)** projects done by each individual in the past.
8. The Proposal is liable to be rejected, if the Consultant makes any false or misleading statement in the Proposal.
9. A pre-proposal conference shall be held on **23 April 2024 at 11:00 AM** hours at the address mentioned in Data Sheet, which prospective Consultants may attend. Any further information can be obtained from the undersigned during office hours.
10. The Technical and Financial proposals are to be submitted in separate sealed envelopes at the following address not later than **08 May 2024 till 13:30 (1:30 PM) hours.**

11. Technical Proposals will be opened publicly at undermentioned address on the same date and Venue of submission at **14:00** hours in the presence of Consultant's representatives, who may choose to attend. Proposals received after the due date and time will not be accepted and will be returned to the Consultants unopened. For opening of Financial Proposals, the date, time and venue will be communicated separately.
12. Any further information can be obtained from the under mentioned office address during office hours.

Team Leader / PIU

ML-1 Project, Pakistan Railways

3-Mayo Gardens, Sunderdas Road, Lahore

Ph: +92-42-99206056, 99206054 Fax: +92-42-36286303

E-mail: pd.cpec@pakrail.gov.pk

General Information

The Consultant is required to provide following information which is necessary for further processing of the Proposal:

1. Specify whether applying as Single Entity or Joint Venture (JV).
2. In case of JV, provide the following information along with attached Form **General-1** for all JV Partners.

S. No.	Name of JV Partners	% share proposed for this Assignment
1.	Lead Partner	
2.	Partner No. 2	
3.	Partner No. 3	
4.	Partner No. 4	
5.	Partner No. 5	

3. The Consultant / all JV Partners are required to provide accurate information on any litigation or arbitration, arising out of the projects completed or in progress over the last five years in the manner as prescribed in the Form **General-2**
4. Certificate/affidavit that the Consultant or any of the JV Firms is/are not blacklisted by any government department/authority.
5. In case of JV, Joint Venture Agreement / MOU between the JV Partners for this Assignment.
6. Power of attorney or Board of Directors' Resolution to sign the Proposal for Consultant / all JV Firms.

Form General-1 Basic Information

1. Name of Firm
2. Office address
3. Organization Chart
4. Telephone & Fax
5. E-mail
6. Contact person
7. Place of incorporation / registration
8. Year of incorporation / registration
9. Type of organization (whether partnership / sole proprietorship / public limited Company / private limited company etc.) (attach copy of valid registration)
10. For local (Pakistani) firms, National Income Tax number (NTN) (attach copy of valid registration with active status). In case of foreign firm Tax registration number of their home country along with documentary evidence of such registration.
11. Provincial Sales Tax number (for local firms, if applicable) (attach copy of valid registration with active status)
12. Audited accounts of the firm for the last 3 years.

(in case of Joint Venture, please provide above information for all JV partners)

(Signature and Stamp)
(Authorized Representative)

Form General-2 - Litigation History

Consultant, including each of the JV partners, should provide information on any history of litigation or arbitration resulting from contracts executed in the last five years or currently under execution. A separate sheet should be used for each partner of JV.

Party / Parties of the Claim / Dispute	Nature of Claims / Dispute	Amount of the Claim / Dispute	Date initiated	Status (Award for or against)

Section 2: Instructions to Consultant

2.1. Definitions

- 2.1.1. "Government of Pakistan" means The Government of Pakistan and all its associated Departments, Agencies, Autonomous / Semi-Autonomous Bodies, Boards, Universities, and similar other organizations.
- 2.1.2. "Client" means Ministry of Railways acting through Team Leader /PIU, Pakistan Railways, 3-Mayo Gardens, Lahore.
- 2.1.3. "Consultant" means a firm or a Joint Venture (JV) of firms that may provide the Services to the Client under the Agreement. The Consultant can be single entity or JV of firms.
- 2.1.4. "Agreement" means the Agreement signed by the Client and the Consultant and all the attached documents.
- 2.1.5. "Data Sheet" means such part of the Instructions to Consultant used to reflect specific conditions.
- 2.1.6. "Day" means calendar day.
- 2.1.7. "Instructions to Consultant" means the document which provides Consultant with all information needed to prepare their Proposals.
- 2.1.8. "Personnel" means professionals and support staff provided by the Consultant to perform the Services or any part thereof.
- 2.1.9. "Proposals" means the Technical Proposal and the Financial Proposal.
- 2.1.10. "RFP" means the Request for Proposal issued by the Client for hiring of Consultant.
- 2.1.11. "Services" means the work to be performed by the Consultant pursuant to the Agreement.
- 2.1.12. "Terms of Reference" (TOR) means the document included in the RFP which explains the objectives, scope of work, activities, tasks to be performed, respective responsibilities of the Client and the Consultant, and expected results and deliverables of the Assignment.
- 2.1.13. "Assignment" means the development and implementation of Governance Structure and other models as stated in TORs, given in this RFP.
- 2.1.14. "Similar Assignment" means preparation of Governance Structure or Business Model or Organization Restructuring / Structuring for organizations having at least 500 employees.
- 2.1.15. "Project Period" means 38 years for development of forecasts / plans. It includes 08 year of construction period (infrastructure investment) of ML-1 and 30 years of post-investment operations.
- 2.1.16. "Assignment Period" means duration of the Assignment as provided in the Data Sheet.

2.2. Introduction

- 2.2.1. The Consultant is invited to submit a Technical Proposal and a Financial Proposal for providing Services required for the Assignment named in the Data Sheet. The Technical and Financial proposals should be in separately marked and sealed envelopes. The Proposal will be the basis for agreement negotiations and ultimately for a signed Agreement with the selected Consultant.
- 2.2.2. Consultant should familiarize themselves with Assignment conditions and consider them in preparing their Proposal. To obtain first-hand information on the Assignment, Consultants are encouraged to visit the Client before submitting the Proposal.
- 2.2.3. Consultant should contact the Client's representative named in the Data Sheet to obtain information regarding the Assignment. Consultant should ensure that the concerned official is informed well ahead of time in case they wish to visit the Client.
- 2.2.4. Consultant shall bear all costs associated with the preparation and submission of their Proposal and Agreement negotiation. The Client is not bound to accept any Proposal and reserves the right to annul the selection process at any time prior to Agreement award, without thereby incurring any liability to the Consultant.

2.3. Conflict of Interest

- 2.3.1. The policy of Government of Pakistan requires that Consultant provide professional, objective, and impartial advice and at all times hold the Client's interests paramount, strictly avoid conflicts with other assignments or their own corporate interests and act without any consideration for future work.
- 2.3.2. Without limitation on the generality of the foregoing, Consultant, and any of their affiliates, shall be considered to have a conflict of interest and shall not be recruited, under any of the circumstances set forth below:

2.4. Conflicting Activities

- 2.4.1. A Consultant that has been engaged by the Client to provide goods, works or services other than said assignment for a project, and any of its affiliates, shall be disqualified from providing services related to those goods, works or services. Conversely, a Consultant hired to provide said services for the design and implementation of a project, and any of its affiliates, shall be disqualified from subsequently providing goods or works or services other than said services resulting from or directly related to the Consultant's services for such preparation or implementation.

2.5. Conflicting Assignments

- 2.5.1. A Consultant (including its Personnel) or any of its affiliates shall not be hired for any assignment that, by its nature, may be in conflict with another assignment of the Consultant to be executed for the same or for another Client. For example, a Consultant hired to prepare engineering design for an infrastructure project shall not be engaged to prepare an independent environmental assessment for the same

project, and a Consultant assisting a Client in the privatization of public assets shall neither purchase, nor advise purchasers of, such assets. Similarly, a Consultant hired to prepare Terms of Reference for an assignment should not be hired for the assignment in question.

2.6. Conflicting Relationships

- 2.6.1. A Consultant (including its Personnel) that has a business or family relationship with a member of the Client's staff who is directly or indirectly involved in any part of (i) the preparation of the Terms of Reference of the assignment, (ii) the selection process for such assignment, or (iii) supervision of the Agreement, may not be awarded an Agreement, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the Pakistan Railways throughout the selection process and the execution of the Agreement.
- 2.6.2. The Consultant has an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of their Client, or that may reasonably be perceived as having this effect. Failure to disclose said situations may lead to the disqualification of the Consultant or the termination of its Agreement.
- 2.6.3. No agency (except any subsidiary of the Client) or current employees of the Client shall work as Consultant under their own ministries, departments or agencies. Recruiting former government employees of the Client to work for their former ministries, departments or agencies is acceptable provided no conflict of interest exists. When the Consultant nominates any existing government employee as Personnel in their technical proposal, such Personnel must have written certification from their government or employer confirming that they are on leave without pay from their official position and allowed to work full-time outside of their previous official position. Such certification shall be provided to the Client by the Consultant as part of his technical proposal

2.7. Unfair Advantage

- 2.7.1. If the Consultant could derive a competitive advantage from having provided financial advisory services related to the Assignment in question, the Client shall make available to all applicants together with this RFP all information that would in that respect give such Consultant any competitive advantage over competing Consultant.

2.8. Fraud and Corruption

- 2.8.1. Pakistan Railways requires Consultant participating in its projects to adhere to the highest ethical standards, both during the selection process and throughout the execution of an agreement. In pursuance of this policy, Pakistan Railways:
 - a) Defines, for the purpose of this paragraph, the terms set forth below as follows:
 - (i) "corrupt practice" means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the selection process or in agreement execution;
 - (ii) "fraudulent practice" means a misrepresentation or omission of facts in

order to influence a selection process or the execution of an agreement;

- (iii) “collusive practices” means a scheme or arrangement between two or more Consultants with or without the knowledge of the Client, designed to establish prices at artificial, noncompetitive levels;
 - (iv) “Coercive practices” means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in procurement process, or affect the execution of agreement.
- b) Without prejudice to any other remedy available under the law, Client will reject a Proposal for award if it determines that the Consultant recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for the agreement in question;
 - c) Client will penalize a Consultant, including declaring the Consultant ineligible, either indefinitely or for a stated period of time, to be awarded a Government of Pakistan agreement if at any time it determines that the Consultant has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, a Government of Pakistan agreement;
 - d) Client will have the right to require that a provision be included requiring Consultant to permit the Government of Pakistan to inspect their accounts and records and other documents relating to the submission of proposals and agreement performance, and have them audited by auditors appointed by the Government of Pakistan.
 - e) Consultant and their associates shall not be under a declaration of ineligibility for corrupt and fraudulent practices issued by the Government of Pakistan.

2.9. Only one Proposal

- 2.9.1. A Consultant can submit only one Proposal. If a Consultant submits or participates in more than one Proposal, all such Proposals, in which the Consultant have participated, shall be disqualified.

2.10. Proposal Validity

- 2.10.1. The Data Sheet indicates how long Consultant’s Proposal must remain valid after the submission date. During this period, Consultant shall maintain the availability of Professional staff nominated in the Proposal. The Client will make its best effort to complete the selection within this period. Should the need arise, however, the Client may request Consultant to extend the validity period of their proposals. Consultant who agrees to such extension shall confirm that they maintain the availability of the Professional staff nominated in the Proposal, or in their confirmation of extension of validity of the Proposal, Consultant could submit new staff in replacement, who would be considered in the final evaluation for agreement award. Consultant who does not agree, have the right to refuse to extend the validity of their Proposals.

2.11. Clarification and Amendment of RFP Documents

2.11.1. Consultant may request a clarification of any of the RFP documents up to the number of days indicated in the Data Sheet before the Proposal submission date. Any request for clarification must be sent in writing, or by standard electronic means to the Client's address indicated in the Data Sheet. The Client will respond in writing, or by standard electronic means and will send written copies of the response (including an explanation of the query but without identifying the source of inquiry) to all Consultants.

Should the Client deem it necessary to amend the RFP as a result of a clarification, it shall do so following the procedure as stated in para below

At any time before the submission of Proposals, the Client may amend the RFP by issuing an addendum in writing or by standard electronic means. The addendum shall be sent to all Consultants and will be binding on them. Consultants shall acknowledge receipt of all amendments. To give Consultants reasonable time in which to take an amendment into account in their Proposals, the Client may, if the amendment is substantial, extend the deadline for the submission of Proposals.

2.12. Preparation of Proposal

2.12.1. The Proposal, as well as all related correspondence exchanged by the Consultant and the Client, shall be written in the language (s) specified in the Data Sheet.

2.12.2. In preparing their Proposal, Consultant are expected to examine in detail the documents comprising the RFP. Material deficiencies in providing the information requested may result in rejection of a Proposal.

2.13. Technical Proposal Format and Content

2.13.1. The Technical Proposal shall provide the information indicated in the following paras from (a) to (g) using the attached Standard Forms (Section 3).

- a) A brief description of the Consultant's organization and an outline of recent experience of the Consultant (each partner in case of joint venture) on assignments of a similar nature are required in Form TECH-2 of Section 3. For each assignment, the outline should indicate the names of Sub-Consultant / Professional staff who participated, duration of the assignment, agreement amount, and Consultant's involvement. Information should be provided only for those assignments for which the Consultant was legally engaged by the Client as a Consultant or as one of the major Consultants within a joint venture. Assignments completed by individual Professional staff working privately or through other Consultants cannot be claimed as the experience of the Consultant, or that of the Consultant's associates, but can be claimed by the Professional staff themselves in their CVs. Consultant should be prepared to substantiate the claimed experience if so requested by the Client.
- b) Comments and suggestions on the Terms of Reference including workable suggestions that could improve the quality/ effectiveness of the assignment; (Form TECH-3 of Section 3).
- c) A description of the approach, methodology and work plan for performing the assignment covering the following subjects: technical approach and methodology, work plan, and organization and staffing schedule. Guidance on the content of this section of the Technical Proposals is provided under Form TECH-4 of Section 3.

- d) Work breakdown, schedule and planning for the Deliverables (Form TECH-5 of Section 3).
- e) The list of the proposed Professional staff team by area of expertise, the position that would be assigned to each staff team member, and their tasks (Form TECH-6 of Section 3).
- f) CVs of the Professional staff signed by the staff themselves or by the Authorized representative of the Professional Staff (Form TECH-7 of Section 3) along with their Computerized National Identity Card numbers.
- g) Annual Turnover (Form TECH-8 of Section 3). The annual turnover should be indicated separately for three years.

2.13.2. The Technical Proposal shall not include any financial information. A Technical Proposal containing financial information may be declared non-responsive.

2.14. Financial Proposal

2.14.1. The Financial Proposal shall be prepared using the attached Standard Forms (Section 4). It shall list all costs associated with the assignment.

2.15. Payment of Remuneration

2.15.1. The amount of remuneration will be claimed / paid as per the relevant clause of Section-5, the TOR.

2.15.2. 5% Retention Money will be deducted from each interim/monthly/quarterly payment.

Retention Money will be returned after every three months of successful completion of the related deliverable.

2.15.3. The Client shall make all payments to the Consultant in Pakistan Rupees (PKR).

2.16. Taxes

2.16.1. The Consultant may be subject to local taxes on amounts payable by the Client under the Agreement. Payment of all taxes shall be the sole responsibility of the Consultant. The Client will withhold income tax from the payments to the Consultant as per income tax laws/regulations.

2.17. Submission, Receipt and Opening of Proposal

2.17.1. The original proposal (Technical Proposal and Financial Proposal) shall contain no interlineations or overwriting, except any clarification sought and accepted by the Client in writing and such clarification do not change the substance of the bid. The person who signed the proposal must initial such corrections. Submission letters for both Technical and Financial Proposals should respectively be in the format of TECH-1 of Section 3, and FIN-1 of Section 4.

An authorized representative of the Consultant shall sign both the original Technical and Financial Proposals. The authorization shall be in the form of a written power of attorney accompanying the Proposal or in any other form demonstrating that the representative has been duly authorized to sign. The signed Technical and Financial Proposals shall be marked "ORIGINAL".

2.17.2. The Technical Proposal shall be marked "ORIGINAL" or "COPY" as appropriate. The Technical Proposals shall be sent to the addresses referred to in Data Sheet and in the number of copies indicated in the Data Sheet. All required copies of the

Technical Proposal are to be made from the original. If there are discrepancies between the original and the copies of the Technical Proposal, the original governs.

- 2.17.3. The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked “TECHNICAL PROPOSAL” followed by the name of the Assignment. Similarly, the original Financial Proposal shall be placed in a sealed envelope clearly marked “FINANCIAL PROPOSAL” followed by the name of the Assignment, and with a warning “DO NOT OPEN WITH THE TECHNICAL PROPOSAL.” The envelopes containing the Technical and Financial Proposals shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address and title of the Assignment, clearly marked “DO NOT OPEN, EXCEPT IN PRESENCE OF THE OFFICIAL APPOINTED, BEFORE SUBMISSION DEADLINE”. The Client shall not be responsible for misplacement, losing or premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may be case for Proposal rejection. If the Financial Proposal is not submitted in a separate sealed envelope duly marked as indicated above, this will constitute grounds for declaring the Proposal non-responsive.
- 2.17.4. The Proposals must be sent to the address indicated in the Data Sheet and received by the Client not later than the time and the date indicated in the Data Sheet, or any extension granted thereof. Any proposal received by the Client after the deadline for submission shall be returned unopened.
- 2.17.5. The Client shall open the Technical Proposal immediately after the deadline for their submission. The envelopes with the Financial Proposal shall remain sealed and securely stored.

2.18. Proposal Evaluation

From the time the Proposals are opened to the time the Agreement is awarded, the Consultant should not contact the Client on any matter related to its Technical and/or Financial Proposal. Any effort by Consultant to influence the Client in the examination, evaluation, ranking of Proposals, and recommendation for award of Agreement may result in the rejection of the Consultant’ Proposal. Evaluators of Technical Proposals shall have no access to the Financial Proposals until the technical evaluation is concluded

2.19. Evaluation of Technical Proposal

- 2.19.1. The evaluation committee shall evaluate the Technical Proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria, sub-criteria, and point system specified in Evaluation Criteria in Data Sheet and Appendix-I to Data Sheet and each responsive Proposal will be given a Technical score. A Proposal shall be rejected at this stage if it does not respond to important aspects of the RFP, and particularly the Terms of Reference or if it fails to achieve the minimum technical score indicated in the Evaluation Criteria.

2.20. Public Opening and Evaluation of Financial Proposals

- 2.20.1. After the technical evaluation is complete, the Client shall notify, to qualified Consultants only, the date, time and location for opening the Financial Proposals. Consultant's attendance at the opening of Financial Proposals is optional. The opening date shall be set so as to allow interested Consultant sufficient time to make arrangements for attending the opening.
- 2.20.2. Financial Proposals of all technically responsive bidders shall be opened publicly in the presence of the Consultant's representatives who choose to attend. The name of the Consultant and their technical score shall be read aloud. They can inspect to confirm that their bids remained sealed and unopened. These Financial Proposals shall be then opened, and the total prices read aloud and recorded.
- 2.20.3. The Evaluation Committee will correct any computational errors. When correcting computational errors, in case of discrepancy between a partial amount and the total amount, or between word and figures, the formers will prevail. The Evaluation Committee shall correct the quantification indicated in the Financial Proposal so as to make it consistent with that indicated in the Technical Proposal, apply the relevant unit price included in the Financial Proposal to the corrected quantity and correct the total Proposal cost.
- 2.20.4. The weightage of Technical and Financial proposals would be as indicated in Data Sheet.

2.21. Technical Negotiations

- 2.21.1. If deemed necessary and considered appropriate, Technical Negotiations will be held at the address indicated in the Data Sheet. The invited Consultant will, as a pre-requisite for attendance at the negotiations, confirm availability of all Professional staff. Failure in satisfying such requirements may result in the Client proceeding to negotiate with the next- ranked Consultant.
- 2.21.2. Representatives conducting negotiations on behalf of the Consultant must have written authority to negotiate and conclude an Agreement.

2.22. Interview / meeting with the professionals of successful Consultant

- 2.22.1. If deemed necessary, prior to issuance of Acceptance Letter, the Client may ask the successful Consultant to bring his team in the office of the Client for discussion and assurance of availability of professionals. The professional may be asked to describe his experience particularly regarding similar assignments.
- 2.22.2. In case the key professionals, proposed by the Consultant fail to attend the meeting, the proposal can be rejected besides taking action against the Consultant.
- 2.22.3. In case the proposal of highest ranked Consultant is rejected on this account, the Client shall be at liberty to approach second highest ranked Consultant for carrying out this assignment.

2.23. Award of Agreement

2.23.1. After completing negotiations, the Client shall award the Agreement to the selected Consultant and publish details on the website. The agreement will be executed in accordance with the Draft Contract Agreement, General Conditions of Contract, Special Conditions of Contract, etc., attached in this RFP.

2.24. Confidentiality

2.24.1. Information relating to evaluation of Proposals and recommendations concerning awards shall not be disclosed to the Consultants who submitted the Proposals or to other persons not officially concerned with the process, until the publication of the award of Agreement. The undue use by any Consultant of confidential information related to the process may result in the rejection of its Proposal and may be subject to the provisions of the Consultant Selection Guidelines relating to fraud and corruption.

2.25. Integrity Pact

2.25.1. The successful Bidder shall sign and stamp the Integrity Pact, as per Standard Format of Pakistan Engineering Council (PEC), in case contract value exceeds Pak PKR 10,000,000 (ten million).

2.26. Time for Completion

2.26.1. Time for completion of the Assignment shall be as specified in the Data Sheet.

**Instructions to Consultant
DATA SHEET**

Paragraph Reference	
2.1.2	<p><u>Name of the Client:</u> Team Leader/PIU, ML-1 Project, Pakistan Railway 3-Mayo Gardens, Lahore.</p> <p><u>Method of Selection:</u> QCBS (Quality and Cost based Selection) in accordance with PPRA Rule 2004 and PPRA Procurement of Consultancy Services Regulations PCSR-2010.</p> <p><u>Bidding Procedure:</u> Single Stage – Two Envelope Procedure</p>
2.2.1	<p>Name of the assignment is:</p> <p>“Research driven solution to develop and implement Governance Structure Human Resources Framework and Business Model for the upgraded ML-1”</p> <p>Financial Proposal to be submitted together with Technical Proposal, however, both should be in separate sealed envelope clearly marked with name of Assignment and Consulting Firm</p>
2.2.3 2.11.1	<p><u>Client’s Representative</u> Infrastructure Specialist, PIU, ML-1 Project, Pakistan Railway 3-Mayo Gardens, Sunderdas Road, Lahore Ph: +92-42-99206056 & 99206054 Fax: +92-42-36286303 E-mail: pd.cpec@pakrail.gov.pk</p>
2.10.1	Proposals must remain valid for ninety (90) days after the submission date
2.11.1	Clarifications may be requested not later than seven (07) days before the submission date.
2.12.1	Proposals shall be submitted in English language.
2.16.1	Withholding / Advance Income Tax will be deducted as per prevailing government rules. It will be exclusively Consultant’s responsibility to include all applicable Federal, Provincial or City taxes / fees & levies in the Financial Proposal
2.17.2	Consultant must submit one original and two (2) copies of the Technical Proposal and the original of the Financial Proposal.
2.17.2 2.17.4	<p>The Proposal submission address is:</p> <p>Team Leader/PIU, ML-1 Project, Pakistan Railway 3-Mayo Gardens, Sunderdas Road, Lahore</p> <p>Proposals must be submitted not later than the following date and time: On or before 08- May 2024 till 13:30 PM .</p>

Instructions to Consultant
DATA SHEET

A. Evaluation Criteria for Consultant:

- (i) Company Profile:** 40%
(ii) Project Team: 40%
(iii) Approach & Methodology: 20%

Points

- (i) Company Profile: [100]**
- a) Relevant Experience [70]
 - b) Organization Structure [10]
 - c) Financial Capability [20]
- Total = A(i)**

- (ii) Assignment Team / Key Experts: [100]**
- 1) Team leader / Governance Expert [15]
 - 2) HR Expert [12]
 - 3) Commercial Expert [9]
 - 4) Technical Expert [9]
 - 5) Operations Expert [9]
 - 6) Finance Expert [9]
 - 7) Legal Expert [9]
 - 8) Marketing Specialist [5]
 - 9) Corporate Account Specialist [5]
 - 10) Technical Specialist [5]
 - 11) Operations Specialist [5]
 - 12) IT Specialist [8]
- Total = A(ii)**

- (iii) Assignment Team / Key Experts: [100]**
- a) Understanding & Innovativeness [20]
 - b) Methodology & Work plan [80]
- Total = A (iii)**

$$\text{Technical Score} = \frac{A(i)[40]}{100} + \frac{A(ii)[40]}{100} + \frac{A(iii)[20]}{100}$$

The minimum technical score required to pass is: **65 Points.**

Further details of Evaluation Criteria are described in Appendix-I to Data Sheet.

2.19.1

Instructions to Consultant
DATA SHEET

2.20.4	<p>Technical = 80% (Eighty) Financial = 20% (Twenty) The formula for determining the financial scores is as following: $Sf = 100 \times Fm / F$</p> <p>Sf = The financial score Fm = The lowest price F = The price of the proposal under consideration.</p>
2.21.1	<p>Address for Technical negotiations:</p> <p>Team Leader / PIU, ML-1 Project, Pakistan Railway 3-Mayo Gardens, Sunderdas Road, Lahore</p>
2.26.1	<p>Assignment completion period is as under:</p> <p>Phase-1</p> <p>i. Part-1 - Preparation of Governance Structure and all other Models as stated in RFP within eighteen (18) months after signing of Contract Agreement.</p> <p>ii. Part-2 - Implementation of Governance Structure and Human Resource Model within eighteen (18) months after preparation and acceptance of Governance Structure by the Client.</p> <p>Phase-2</p> <p>i. Implementation of all models (except Governance Structure & Human Resource Model) within thirty six (36) months after preparation and acceptance of such models by the Client.</p>

(A) Mandatory Requirement

As a mandatory requirement, the Consultant must have completed at least Two (2) Similar Assignments as explained in Definitions. Any Consultant not fulfilling the said requirement will be technically disqualified.

(B) Detail of Evaluation Criteria

(i) Company Profile (100 Marks)

a) Number of Similar Assignments (70 Marks)

- (i) Two (02) Similar Assignments = 55%
- (ii) 3rd Similar Assignment = 10%
- (iii) 4th Similar Assignment = 10%
- (iv) 5th Similar Assignment = 10%
- (v) In case of any Governance Structure assignment for railways outside of Pakistan = 15%
- (vi) Similar Assignments in respect of number of employees shall be graded as under:
 - (a) Similar Assignment for more than 3,000 employees = 100% Marks
 - (b) Similar Assignment for between 2,000 to 3,000 employees = 90% Marks
 - (c) Similar Assignment for between 1,000 to 1,999 employees = 80% Marks
 - (d) Similar Assignment for between 500 to 999 employees = 70% Marks
 - (e) Above conditions shall not apply for two mandatory Similar Assignments which are for at least 500 employees.

b) Organizational structure (10 Marks)

- Excellent = 100%
- Very Good = 90%
- Good = 80%
- Satisfactory = 70%

c) Financial Capability (20 Marks)

- Annual Turnover (PKR in Million)
(Average of last three financial years shall be considered)
- More than or equal to 200 = 100%
 - More than or equal to 100 but <200 = 90%
 - More than or equal to 50 but <100 = 80%
 - Less than 50 = 30%

In case of JV, average of last three years of each partner will be summed up for evaluation.

(ii) Project Team

For minimum qualification and experience of project team please refer to the sheets on the following pages.

Details of Evaluation Criteria for Organization Structure

Key Expert	Total Points	Minimum Education	Minimum Experience	Additional Experience	Relevant Assignments
Weightage		25%	25%	25%	25%
Team Leader / Governance Expert	15	MBA or Masters in Management or BS Engineering or FCA or CPA	Minimum 20 years post qualification, At least one assignment of developing railways Governance Structure	One additional assignment of developing railways Governance Structure	2 Assignments 40% 3 Assignments 60% 4 Assignments 80% 5 Assignments 100%
HR Expert	12	MBA or Masters in HR	Minimum 20 years post qualification. At least 10 years in HR management or HR related consultancy services	At least 5 years as CEO or HOD in HR for company or companies each having Turnover > PKR 10 billion or Lead in HR consulting assignment for client(s) each having Turnover > PKR 10 billion	1 Assignment 20% 2 Assignments 40% 3 Assignments 60% 4 Assignments 80% 5 Assignments 100%
Commercial Expert	9	MBA or Masters in Management or Masters in Marketing	Minimum 20 years post qualification. At least 10 years in sales or marketing or commercial / business management.	At least 5 years as CEO or HOD in Sales or Marketing or Commercial / Business management for company or companies each having Turnover > PKR 10 billion or Lead in Sales or Marketing consulting assignment for client(s) each having Turnover > PKR 10 billion	1 Assignment 20% 2 Assignments 40% 3 Assignments 60% 4 Assignments 80% 5 Assignments 100%
Technical Expert	9	Bachelors in Engineering	Minimum 20 years post qualification. At least 15 years in technical discipline of Railways or Railway related technical consultancy	At least 2 years as HOD in Railways or lead consultant for Railways' related consulting assignment(s)	1 Assignment 20% 2 Assignments 40% 3 Assignments 60% 4 Assignments 80% 5 Assignments 100%
Operations Expert	9	Bachelors or higher degree	Minimum 20 years post qualification. At least 15 years in Railways operations or Railway operation related consultancy	At least 2 years as HOD in Railways or lead consultant for transport sector related consulting assignment(s)	1 Assignment 20% 2 Assignments 40% 3 Assignments 60% 4 Assignments 80% 5 Assignments 100%
Finance Expert	9	FCA or CPA or MBA or CFA	Minimum 20 years post qualification. At least 10 years as HOD in Finance or Partner in Audit Firm	At least 5 years as CEO or HOD in Finance for company or companies each having Turnover > PKR 10 billion or Finance consulting assignment for client(s) each having Turnover > PKR 10 billion or Partner in Audit Firm having Revenue > PKR 250 million	1 Assignment 20% 2 Assignments 40% 3 Assignments 60% 4 Assignments 80% 5 Assignments 100%

Details of Evaluation Criteria for Organization Structure (Continued)

Key Expert	Total Points	Minimum Education	Minimum Experience	Additional Experience	Relevant Assignments
Weightage		25%	25%	25%	25%
Legal Expert	9	LLB or Bachelors in Law	Minimum 20 years post qualification. At least 10 years in Corporate Law	Supreme Court Bar Member or more than 25 years post qualification experience in Legal	1 Assignment 20% 2 Assignments 40% 3 Assignments 60% 4 Assignments 80% 5 Assignments 100%
Marketing Specialist	5	MBA or Masters in Management or Masters in Marketing	Minimum 12 years post qualification. At least 03 years in sales or marketing or commercial / business management.	At least 5 years in management position in sales or marketing or commercial / business management in company or companies each having Revenue > PKR 10 billion or marketing consulting assignment(s) client(s) each having Turnover > PKR 10 billion	1 Assignment 20% 2 Assignments 40% 3 Assignments 60% 4 Assignments 80% 5 Assignments 100%
Corporate Account Specialist	5	MBA or M.Com or Masters in Management	Minimum 12 years post qualification. At least 3 years in corporate/key account management including consulting	At least 5 years in management position in corporate account management in company or companies each having Revenue > PKR 10 billion or consulting assignment(s) for client(s) each having Turnover > PKR 10 billion	1 Assignment 20% 2 Assignments 40% 3 Assignments 60% 4 Assignments 80% 5 Assignments 100%
Technical Specialist	5	Bachelors in Engineering	Minimum 12 years post qualification in technical discipline of Railways or Railway related technical consultancy	More than 15 years in technical discipline of Railways or Railway related technical consultancy or more than 2 years as HOD in Railways or lead consultant for Railways' related consulting assignment(s)	1 Assignment 20% 2 Assignments 40% 3 Assignments 60% 4 Assignments 80% 5 Assignments 100%
Operations Specialist	5	Bachelors or higher degree	At least 12 years in Railways operations or Railway operation related consultancy	More than 15 years in Railways operations or Railway operation related consultancy or more than 2 years as HOD in Railways or lead consultant for transport sector related consulting assignment(s)	1 Assignment 20% 2 Assignments 40% 3 Assignments 60% 4 Assignments 80% 5 Assignments 100%
IT Specialist	8	MCS or Masters in IT or Bachelors in Computer Engineering	Minimum 15 years post qualification in IT	More than 20 years post qualification experience in IT	1 Assignment 20% 2 Assignments 40% 3 Assignments 60% 4 Assignments 80% 5 Assignments 100%

1. HOD means Head of Department or Lead Role in Consulting
2. The professional team (Key Experts) having education or experience less than minimum/mandatory specified above shall not be considered.
3. Similar Assignment has been explained under Definitions for the purpose of comparison of the assignments completed by the Consulting Firm or JV. For various professionals, similar assignment or relevant assignment shall be as per their respective field of specialization.
4. Bidders can quote any other relevant degree as per norms of the country from where such degree has been obtained and it would be considered for acceptance if found appropriate.
5. Consultant can engage associates or form JV with experts or other firms to meet the qualification criteria as given above.

(iii) Approach & Methodology

Methodology submitted by Consultant will be analyzed in accordance with grades as under:

Quality	Grade	Weight
Excellent	A	100%
Good	B	70%
Average	C	50%
Below average	D	25%
Methodology not provided	E	0

Methodology will be analyzed based on following:

a) TOR Improvement (20 Marks) (FORM TECH-3)

What is the quality of the improvements to the TOR suggested by the Consultant to improve the outcome of the assignment?

b) Technical Approach and Methodology (20 Marks) (FORM TECH-4 a)

- i) How in-depth is the Statement of Work: does it fully cover the scope of the assignment and is it sufficiently developed to ensure assignment completion?
- ii) What is the level of identification of potential risks that will affect the execution of the assignment, and what is the quality of the mitigation strategies proposed?

c) Work Plan (20 Marks) (FORM TECH-4 b)

How developed is the Work Breakdown Structure (WBS) for the assignment?

d) Organization and Staffing (40 Marks) (FORM TECH-4 c)

Is overall team composition (other than Key Experts) balanced and has an appropriate skills mix?

Section 3: Technical Proposal – Standard Forms

Consultant is required to prepare Technical Proposal as per following format:

- TECH-1 Technical Proposal Submission Form
- TECH-2 Consultant's Organization and Experience
 - A Consultant's Organization
 - B Consultant's Experience (Five Forms)
- TECH-3 Comments or Suggestions on the Terms of Reference.
- TECH-4 Description of the Approach, Methodology and Work Plan for Performing the Assignment
- TECH-5 Work Breakdown, Schedule and Planning of Deliverables
- TECH-6 Composition of Professional Staff Team to be deployed for this assignment
- TECH-7 Curriculum Vitae (CV) of Proposed Professional Staff
- TECH-8 Financial Capabilities

FORM TECH-1: TECHNICAL PROPOSAL SUBMISSION FORM

(Please submit on Company's Letterhead)

To: **Team Leader/PIU**
3-Mayo Gardens, Sunderdas Road,
Lahore, Pakistan.

Subject: **INVITATION FOR REQUEST FOR PROPOSAL (RFP) FOR HIRING OF CONSULTANTS FOR RESEARCH DRIVEN SOLUTION TO DEVELOP AND IMPLEMENT GOVERNANCE STRUCTURE, HUMAN RESOURCES FRAMEWORK AND BUSINESS MODEL FOR THE UPGRADED ML-1**

Dear Sir,

I / We, the undersigned, offer to provide the subject Services in accordance with your Request for Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under separate envelopes.

We are submitting our Proposal in JV with _____

(Insert a list with full name and address of each JV Partner)

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.

If technical negotiations are held during the period of validity of the Proposal, we will undertake technical negotiation on the basis of the proposed Key Experts and other staff. Our Proposal is binding upon us and subject to the modifications resulting from technical negotiations.

We undertake that if our Proposal is accepted, we will initiate the consulting services related to the Assignment not later than the date indicated in the Data Sheet of the proposal.

We understand that you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature [*In full and initials*]: _____

Name and Title of Signatory: _____

Name of Firm / Lead Partner: _____

Address: _____

FORM TECH-2: CONSULTANT'S ORGANIZATION AND EXPERIENCE

A - Consultant's Organization

Please provide the following information for the Firm and in case of JV, for each JV Partner.

1. Consultant's background and achievements (min two pages)
2. Organogram.
3. List of professional staff with qualification and experience.

TECH-2: CONSULTANT'S ORGANIZATION AND EXPERIENCE

Assignment No. 1

B - Consultant's Experience

*[Using the format below, provide information of assignment for which Consultant's Firm or any of JV Partner Firms, was legally contracted as a corporate entity or as one of the major companies within an association / partnership, for carrying out consulting services **similar to the ones requested under this Assignment.**]*

Name of Firm:	
Assignment name:	Value of consulting services provided under the agreement (in PKR or USD):
Country: Location within Country:	Duration of assignment (months):
Name of Client:	
Start date (month/year):	Completion date (month/year):
No. of employees of Client Firm for which this assignment was carried out:	
Name(s) of associated Consultants, if any:	Percentage of input provided by associated Consultants:
Name of senior professional staff of Firm involved and functions performed (indicate most significant profiles such as Project Director/Coordinator, Team Leader):	
Narrative description of Assignment:	
Description of actual services provided by your staff within the assignment:	

*No. of Employees of Client Firm can be good faith estimate if exact figure is not known.
Only Five (05) assignments (duly marked as No.1 to 5) shall be evaluated.*

TECH-2: CONSULTANT'S ORGANIZATION AND EXPERIENCE

Assignment No. 2

B - Consultant's Experience

*[Using the format below, provide information of assignment for which Consultant's Firm or any of JV Partner Firms, was legally contracted as a corporate entity or as one of the major companies within an association / partnership, for carrying out consulting services **similar to the ones requested under this Assignment.**]*

Name of Firm:	
Assignment name:	Value of consulting services provided under the agreement (in PKR or USD):
Country: Location within Country:	Duration of assignment (months):
Name of Client:	
Start date (month/year):	Completion date (month/year):
No. of employees of Client Firm for which this assignment was carried out:	
Name(s) of associated Consultants, if any:	Percentage of input provided by associated Consultants:
Name of senior professional staff of Firm involved and functions performed (indicate most significant profiles such as Project Director/Coordinator, Team Leader):	
Narrative description of Assignment:	
Description of actual services provided by your staff within the assignment:	

*No. of Employees of Client Firm can be good faith estimate if exact figure is not known.
Only Five (05) assignments (duly marked as No.1 to 5) shall be evaluated.*

TECH-2: CONSULTANT'S ORGANIZATION AND EXPERIENCE

Assignment No. 3

B - Consultant's Experience

*[Using the format below, provide information of assignment for which Consultant's Firm or any of JV Partner Firms, was legally contracted as a corporate entity or as one of the major companies within an association / partnership, for carrying out consulting services **similar to the ones requested under this Assignment.**]*

Name of Firm:	
Assignment name:	Value of consulting services provided under the agreement (in PKR or USD):
Country: Location within Country:	Duration of assignment (months):
Name of Client:	
Start date (month/year):	Completion date (month/year):
No. of employees of Client Firm for which this assignment was carried out:	
Name(s) of associated Consultants, if any:	Percentage of input provided by associated Consultants:
Name of senior professional staff of Firm involved and functions performed (indicate most significant profiles such as Project Director/Coordinator, Team Leader):	
Narrative description of Assignment:	
Description of actual services provided by your staff within the assignment:	

*No. of Employees of Client Firm can be good faith estimate if exact figure is not known.
Only Five (05) assignments (duly marked as No.1 to 5) shall be evaluated.*

TECH-2: CONSULTANT'S ORGANIZATION AND EXPERIENCE

Assignment No. 4

B - Consultant's Experience

*[Using the format below, provide information of assignment for which Consultant's Firm or any of JV Partner Firms, was legally contracted as a corporate entity or as one of the major companies within an association / partnership, for carrying out consulting services **similar to the ones requested under this Assignment.**]*

Name of Firm:	
Assignment name:	Value of consulting services provided under the agreement (in PKR or USD):
Country: Location within Country:	Duration of assignment (months):
Name of Client:	
Start date (month/year):	Completion date (month/year):
No. of employees of Client Firm for which this assignment was carried out:	
Name(s) of associated Consultants, if any:	Percentage of input provided by associated Consultants:
Name of senior professional staff of Firm involved and functions performed (indicate most significant profiles such as Project Director/Coordinator, Team Leader):	
Narrative description of Assignment:	
Description of actual services provided by your staff within the assignment:	

*No. of Employees of Client Firm can be good faith estimate if exact figure is not known.
Only Five (05) assignments (duly marked as No.1 to 5) shall be evaluated.*

TECH-2: CONSULTANT'S ORGANIZATION AND EXPERIENCE

Assignment No. 5

B - Consultant's Experience

*[Using the format below, provide information of assignment for which Consultant's Firm or any of JV Partner Firms, was legally contracted as a corporate entity or as one of the major companies within an association / partnership, for carrying out consulting services **similar to the ones requested under this Assignment.**]*

Name of Firm:	
Assignment name:	Value of consulting services provided under the agreement (in PKR or USD):
Country: Location within Country:	Duration of assignment (months):
Name of Client:	
Start date (month/year):	Completion date (month/year):
No. of employees of Client Firm for which this assignment was carried out:	
Name(s) of associated Consultants, if any:	Percentage of input provided by associated Consultants:
Name of senior professional staff of Firm involved and functions performed (indicate most significant profiles such as Project Director/Coordinator, Team Leader):	
Narrative description of Assignment:	
Description of actual services provided by your staff within the assignment:	

*No. of Employees of Client Firm can be good faith estimate if exact figure is not known.
Only Five (05) assignments (duly marked as No.1 to 5) shall be evaluated.*

FORM TECH-3 COMMENTS OR SUGGESTIONS ON THE TOR

Comments and suggestions on the Terms of Reference that could improve the quality/ effectiveness of the Assignment

(Client is not bound to accept the suggestions provided by the Consultant. The Consultant is requested not to include any financial impact of the suggestions in the Financial Proposal. Any claim on this account shall not be accepted at the stage of evaluation or after award of contract)

**FORM TECH-4: DESCRIPTION OF APPROACH, METHODOLOGY
AND WORK PLAN FOR PERFORMING THE
ASSIGNMENT**

[Technical approach, methodology, work plan and organization/ staffing are important components of the Technical Proposal. You are suggested to present this portion by dividing it into the following three chapters:

- a) Technical Approach and Methodology
- b) Work Plan
- c) Organization and Staffing

a) Technical Approach and Methodology

Please explain your understanding of the objectives of the assignment as outlined in TOR, approach to the services, and the methodology you would adopt to deliver the expected output, and the degree of detail of such output. You should highlight the problems being addressed, their importance and explain the technical approach you would adopt to address them. You should also explain the methodologies you propose to adopt and highlight the compatibility of those methodologies with the proposed approach. Please do not repeat/copy the TOR in here.

b) Work Plan

Please outline the plan for implementation of the main activities/tasks of the assignment, their content and duration, phasing and interrelations, milestones (including interim approvals by the Client), constraints, and delivery dates of the reports. The proposed work plan should be consistent with the technical approach and methodology, showing understanding of the TOR and ability to translate them into a feasible working plan. A list of the final documents, including reports, manuals, drawings, and tables to be delivered as final output, should be included here.

c) Organization and Staffing

Please describe the structure and composition of the team of the Assignment including the Key Experts (as defined in Data Sheet A (ii) and proposed technical and support staff (Non-Key Experts). Also provide brief 1-2 pages CVs of each Non-Key Expert for this Assignment and clearly define their roles in the Assignment. Any CV of Non-Key Expert more than 2 pages will not be considered.



FORM TECH-5:

WORK SCHEDULE AND PLANNING FOR DELIVERABLES

N°	Deliverables ¹ (D-..)	Months											TOTAL	
		1	2	3	4	5	6	7	8	9	n		
D-1	{e.g., Deliverable No.1: Report A													
	1) data collection													
	2) drafting													
	3) inception report													
	4) incorporating comments													
	5) delivery of final report to Client}													
D-2	{e.g., Deliverable No.2.....}													

- 1 List the deliverables with the breakdown for activities required to produce them and other benchmarks such as the Client’s approvals. Please refer to section 4. Deliverable Documents and Timeline in TOR for further details. For phased assignments, indicate the activities, delivery of reports, and benchmarks separately for each phase.
- 2 Duration of activities shall be indicated in a form of a bar chart.
3. Include a legend, if necessary, to help read the chart.

N°	Name	Expert's input (in person/month) per each Deliverable (listed in TECH-5)										Total time-input (in Months)			
		Position		D-1		D-2		D-3	D-...			Home	Field	Total
KEY EXPERTS															
K-1	{e.g., Mr. Abbbb}	[Team Leader]	[Home] [Field]	[2 m] [0.5 m]		[1.0] [2.5]		[1.0] [0]							
K-2															
K-3															
n															
											Subtotal				
NON-KEY EXPERTS															
N-1			[Home] [Field]												
N-2															
n															
											Subtotal				
											Total				

- For Key Experts, the input should be indicated individually for the same positions as required under the Data Sheet.
 - Months are counted from the start of the assignment/mobilization. One (1) month equals twenty two (22) working (billable) days. One working (billable) day shall be not less than eight (8) working (billable) hours.
 - “Home” means work in the office or home in the expert’s country of residence. “Field” work means work carried out in the Client’s country or any other country outside the expert’s country of residence.
-  Full time input
 Part time input

FORM TECH-7 CURRICULUM VITAE (CV) OF PROPOSED PROFESSIONAL STAFF (KEY EXPERTS)

1. **Proposed Position** [*only one candidate for each position*]: _____

2. **Name of Firm** [*Insert name of firm proposing the staff*]: _____

3. **Name of Staff** [*Insert full name*]: _____

4. **Date of Birth:** _____ **Nationality:** _____

5. **CNIC No.** (if Pakistani) or **Passport No.** (if foreign National): _____

6. **Education:**

Degree	Major/Minor	Institution	Date (MM/YYYY)

7. **Membership of Professional Associations:** _____

8. **Other Training** [*Indicate significant training since above degrees were obtained*]:

9. **Languages** [*For each language indicate proficiency: good, fair, or poor*]

Language	Speaking	Reading	Writing

10. **Employment Record** [*Starting with present position, list in reverse order every employment held by staff member since graduation*]

Employer	Position	Highest Turnover of the Employer's Firm (PKR Million)	From (MM/ YYYY)	To (MM/ YYYY)

11. Detailed Tasks Assigned

[List all tasks to be performed under this assignment]

12. Work Undertaken that Best Illustrates Capability to Handle the Tasks Assigned

[Among the assignments in which the staff has been involved, indicate the following information for those assignments that best illustrate staff's capability to handle the tasks listed under point 11.]

1) Name of assignment: _____

Location: _____ Year: _____ Position held: _____

Client: _____

Annual Turnover of Client (PKR million) _____ No. of Employees: _____

Main assignment features: _____

Activities performed: _____

2) Name of assignment: _____

Location: _____ Year: _____ Position held: _____

Client: _____

Annual Turnover of Client (PKR million) _____ No. of Employees: _____

Main assignment features: _____

Activities performed: _____

3) Name of assignment: _____

 Location: _____ Year: _____ Position held: _____
 Client: _____
 Annual Turnover of Client (PKR million) _____ No. of Employees: _____
 Main assignment features: _____

 Activities performed: _____

4) Name of assignment: _____

 Location: _____ Year: _____ Position held: _____
 Client: _____
 Annual Turnover of Client (PKR million) _____ No. of Employees: _____
 Main assignment features: _____

 Activities performed: _____

5) Name of assignment: _____

 Location: _____ Year: _____ Position held: _____
 Client: _____
 Annual Turnover of Client (PKR million) _____ No. of Employees: _____
 Main assignment features: _____

 Activities performed: _____

** Annual Turnover and No. of Employees of Employer and/or Client can be good faith estimates if exact figures are not known.*

13. Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications, and my experience. I understand that any willful misstatement described herein may lead to my disqualification or dismissal, if engaged.

 [Signature of staff member or authorized representative]. Date: _____
 Day/Month/Year

Full name of authorized representative: _____

FORM TECH-8: FINANCIAL CAPABILITIES

Financial Capabilities (in PKR Million) as per the latest completed year’s audited accounts:

	Name	Total Assets	Total Liabilities	Reserves	Average of 3 years
	Firm / Lead JV Partner				
	JV Partner No. 2				
	JV Partner No. 3				
	JV Partner No. 4				
	JV Partner No. 5				
	Total				

Annual Turnover

	Name	1st year	2nd Year	3rd Year	Average of 3 years
	Firm / Lead JV Partner				
	JV Partner No. 2				
	JV Partner No. 3				
	JV Partner No. 4				
	JV Partner No. 5				
	Total				

For assessment purpose average turnover of three years shall be considered
(in case of Joint Venture, please provide above information for all partners)

Section 4: Financial Proposal- Standard Forms

Financial Proposal Standard Forms shall be used for the preparation of the Financial Proposal.

FIN-1	Financial Proposal Submission Form
FIN-2	Overall Summary of Costs
FIN-3	Summary of Phase-1 (Both Part-1 & 2)
FIN-4	Cost of Part-1 of Phase-1 (Design)
FIN-5	Cost of Part-2 of Phase-1 (Implementation) (for Governance Structure & HR Model Only)
FIN-6	Cost of Phase-2 (Implementation) (for all Models except Governance Structure & HR Model)
FIN-7	Breakdown of Remuneration

FORM FIN-1:

FINANCIAL PROPOSAL SUBMISSION FORM

(Please submit on Company's Letterhead)

[Location, Date]

To:

Team Leader/PIU
3-Mayo Gardens, Sunderdas Road,
Lahore, Pakistan.

Subject: INVITATION FOR REQUEST FOR PROPOSAL (RFP) FOR HIRING OF CONSULTANT FOR RESEARCH DRIVEN SOLUTION TO DEVELOP AND IMPLEMENT GOVERNANCE STRUCTURE, HUMAN RESOURCES FRAMEWORK AND BUSINESS MODEL FOR THE UPGRADED ML-1

Dear Sir,

I/We, the undersigned, offer to provide the services for subject Assignment in accordance with your Request for Proposal and our Technical Proposal. Our attached Financial Proposal of the sum of _____

[Insert amount in words and figures]

This amount is inclusive of all applicable taxes.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Agreement negotiations, up to expiration of the validity period of the Proposal.

No commission so gratuities have been or are to be paid by us to agents relating to this Proposal and Agreement's execution.

We understand that you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature *[In full and initials]*: _____

Name and Title of Signatory: _____

Name of Firm / Lead JV Partner: _____

Address: _____

FORM FIN-2: OVERALL SUMMARY OF COSTS

S. No.	Item	Costs (PKR)	
		In Words	In Figures
1	Total Phase-1(Design) (Both Part-1 & Part-2 (FIN-3)		
2	Total Phase-2 (Implementation) (Implementation of all models except Governance Structure & HR Model) (FIN-6)		
	Grand Total		

Note:

1. Cost of services should be inclusive of all applicable taxes, overheads and any other cost required to complete the Assignment as per TOR.
2. Any tax imposed by the government after submission date of RFP shall be paid separately to Consultant, in addition to accepted Financial Proposal.

(Name & Designation) _____

Authorized Signature on behalf of Consultant _____

FORM FIN-3: SUMMARY OF PHASE-1

S. No.	Item	Costs (PKR)	
		In Words	In Figures
1	Total Part-1 of Phase-1(Design) (FIN-4)		
2	Total Part-2 of Phase-1 (Implementation of Governance Structure and Human Resource Model only) (FIN-5)		
	Total of Phase-1		

(Name & Designation) _____

Authorized Signature on behalf of Consultant _____

FORM FIN-4: COST OF PART-1 OF PHASE-1 (Design)

S. No.	Item	Cost (PKR)
1.	Governance Structure (GS)	
2.	Competitive Enhancement Model (CEM)	
3.	Private Sector Engagement Model (PSEM)	
4.	Revenue Generation Model (RGM)	
5.	Rolling Stock Availability and Maintenance Model (RSAMM)	
6.	Outsourcing Model (OTM)	
7.	Operational Model (OPM)	
8.	IT Support Model (ITSM)	
9.	Human Resource Model (HRM)	
10.	Environment Health Safety Model (EHSM)	
11.	Financial & Economic Model (FEM)	
	Sub Total Part-1 of Phase-1 (Design)	

(Name & Designation) _____

Authorized Signature on behalf of Consultant _____

FORM FIN-5: COST OF PART-2 OF PHASE-1 (Implementation)

(Implementation of Governance Structure and Human Resource Model only)

S. No.	Item	Unit	Quantity	Rate (PKR)	Cost (PKR)
1.	1 st Six Months of Implementation of Governance Structure & Human Resource Model	Month	06		
2.	2 nd Six Months of Implementation of Governance Structure & Human Resource Model	Month	06		
3.	3 rd Six Months of Implementation of Governance Structure & Human Resource Model	Month	06		
	Sub Total Part-2 of Phase-I (Implementation of Governance Structure & HR Model Only)				

Note: Part-2 of Phase-1 (Implementation) can be started simultaneously with Part-1 of Phase-1 (Design) and will be paid accordingly.

(Name & Designation) _____

Authorized Signature on behalf of Consultant _____

FORM FIN-6: COST OF PHASE-2 (IMPLEMENTATION)

(Implementation of all Models except Governance Structure & HR Model)

S. No.	Item	Unit	Quantity	Rate (PKR)	Cost (PKR)
1.	1 st Year of Implementation Phase-2	Month	12		
2.	2 nd Year of Implementation Phase-2	Month	12		
3.	3 rd Year of Implementation Phase-2	Month	12		
	Sub Total Phase-2 (Implementation)				

Note: Phase-2 (Implementation) can be started simultaneously with Phase-1 (Design) and will be paid accordingly.

(Name & Designation) _____

Authorized Signature on behalf of Consultant _____

FORM FIN-7 Breakdown of Remuneration

When used for Lump-Sum contract assignment, information to be provided in this Form shall only be used to demonstrate the basis for the calculation of the Contract's ceiling amount; and, if needed, to establish payments to the Consultant for possible additional services requested by the Client. This Form shall not be used as a basis for payments under Lump-Sum contracts

No.	Name	Position (as in TECH-6)	Person-month Remuneration Rate	Time Input in Person/Month (from TECH-6)	Currency No. 1	Currency No. 2	Currency No. 3	PKR
	Key Experts							
K-1			[Home]					
			[Field]					
K-2			[Home]					
			[Field]					
K-3			[Home]					
			[Field]					
K-4			[Home]					
			[Field]					
K-5			[Home]					
			[Field]					
K-6			[Home]					
			[Field]					
K-7			[Home]					
			[Field]					
K-8			[Home]					
			[Field]					
K-9			[Home]					
			[Field]					
K-10			[Home]					
			[Field]					
K-11			[Home]					
			[Field]					
K-12			[Home]					
			[Field]					
Subtotal								

FORM FIN-7 BREAKDOWN OF REMUNERATION (CONTINUED)

No.	Name	Position (as in TECH-6)	Person-month Remuneration Rate	Time Input in Person/Month (from TECH-6)	Currency No. 1	Currency No. 2	Currency No. 3	PKR
	Non-Key Experts							
N-1			[Home]					
			[Field]					
N-2			[Home]					
			[Field]					
			[Home]					
			[Field]					
			[Home]					
			[Field]					
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			[Field]					
			[Home]					
			[Field]					
			[Home]					
			[Field]					
Subtotal								
TOTAL COSTS								

Section 5: Terms of Reference



TERMS OF REFERENCES (TOR)

FOR

HIRING CONSULTANT

**RESEARCH DRIVEN SOLUTION TO DEVELOP AND IMPLEMENT
GOVERNANCE STRUCTURE, HUMAN RESOURCES FRAMEWORK
AND BUSINESS MODEL FOR THE UPGRADED ML-1**

(A CPEC PROJECT OF PAKISTAN RAILWAYS)

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1 INTRODUCTION

The up-gradation of Main Line 1 (ML-1) project has been planned in line with Government of Pakistan’s long term plan for revival of railways in the country as imbibed in Pakistan Vision 2025, which seeks to establish an efficient and integrated transportation system that will facilitate the development of a competitive economy. According to Vision 2025 "Railways will be revived as a socially and financially viable organization, with its share growing from less than 4% of the freight transport sector to more than 20%". As a first step, ML-1 has been picked up for up- gradation as an Early Harvest Project under China Pakistan Economic Corridor (CPEC) arrangement.

The whole project envisages the up-gradation of ML-1, establishment of a dry port near Havelian Railway Station; up-gradation of Pakistan Railway Academy Walton, Lahore; and passenger facilities improvement at important railway stations.

The whole project has been divided into two Phases for the purpose of execution:

Phases / Packages	Cost (USD Million)	Likely date of Initiation	Year wise Funds Requirements							
			(USD millions)							
			2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Project: Up gradation of Pakistan Railway Main Line-1(ML-I) and establishment of dry port near Havelian										
Phase-1	3315.496	Feb, 2024	599.421	770.424	893.396	786.071	266.184	--	--	--
Phase-2	3362.508	Jul, 2027	--	--	--	--	610.865	917.955	906.514	927.173
Total	6678.003	-	599.421	770.424	893.396	786.071	877.05	917.955	906.514	927.173

1.1. Need Assessment

This project will require a new system of governance, commercial strategies, operational models, IT systems, financial processes and fully equipped human resources to effectively and efficiently run this set-up in order to ensure that the Government gets the intended benefits and ensures the repayment of foreign loan. Basic and foremost requirement of successful business is “quick and rational decision making at right time with a fair degree of Autonomy”. Therefore, ML-1 needs to be operated under a different regime, which should be capable enough to meet the requirements of a modern and upgraded Railways System.

2 OBJECTIVE

Phase-1 (Part-1, Design)

The prime objective of this Consultancy assignment is to engage a Consultant for developing a comprehensive framework for ensuring that ML-1 investment produces the desired results as per Vision 2025 along with the anticipated financial and economic benefits. The Consultant will work on developing the following Models, which are explained in more details in Scope of Work:

1. Governance Structure (GS)
2. Competitive Enhancement Model (CEM)
3. Private Sector Engagement Model (PSEM)
4. Revenue Generation Model (RGM)
5. Rolling Stock Availability and Maintenance Model (RSAMM)
6. Outsourcing Model (OTM)
7. Operational Model (OPM)
8. IT Support Model (ITSM)
9. Human Resource Model (HRM)
10. Environment Health Safety Model (EHSM)
11. Financial & Economic Model (FEM)

The Consultant will assist the Client in identifying any amendments required in the Railways Act and/or any other laws/regulations/rules/policies that would facilitate implementation of the Strategies/Action Plans/Recommendations/Frameworks identified and recommended in this Project. The Consultant will also assist the Client in drafting the required laws/regulations/rules/policies and also provide assistance in approval from the relevant authorities including Parliament, if requested by the Client.

Phase-1 (Part-2, Implementation of Governance Structure & Human Resource Model)

The Consultant will furnish a timeline of implementation of proposed Strategies/Action Plans/Recommendations/Frameworks related to Governance Structure (GS) & Human Resource Model (HRM) and provide assistance to the Client in implementation of these Strategies/Action Plans/Recommendations/Frameworks approved by the Client.

The Client reserves the right to discontinue the Implementation Phase by giving three (03) months' notice to the Consultant.

Phase-2 (Implementation)

The Consultant will furnish a timeline of implementation of proposed Strategies/Action Plans/Recommendations/Frameworks related to nine (09) out of eleven (11) above stated Models (as implementation of two Models, Governance Structure & HR Model has been proposed in Phase-1, Part-2), where applicable, and provide assistance to the Client in implementation of these Strategies/Action Plans/Recommendations/Frameworks approved by the Client which fall within the Assignment Period.

The Client reserves the right to discontinue the Implementation Phase by giving three (03) months' notice to the Consultant.

3 Scope of Services

3.1 Governance Structure (GS)

3.1.1 Background / Context / Current Status

Pakistan Railways (PR) currently operates under the control of the Ministry of Railways. This has implications for the way PR is structured and how crucial decisions are made. One of the aims of the ML-1 project is to restructure PR into a more commercial, efficient and effective set-up which is self-sustaining. This is critical to ensure that the investment of enhancing/modernizing infrastructure bears the desired results. Structure is the most critical enabler for any strategy and right structure selection will impact the following:

- i. Systems (Management as well as Operational)
- ii. Style (Culture)
- iii. Skill Set (Competencies)
- iv. Staff
- v. Strategy

The current thought process is that the Ministry of Railways will be made responsible for Rail policy only, working through a Railway Policy & Review Board having independent members with logistics and transport experience, while the restructured PR will be responsible for managing railway operations on a commercial basis and will have a reconstituted Railways Board.

One of the aims is to make PR more competitive, market oriented and commercially viable as opposed to being mostly dependent on a Government for assistance. This is not to say that there shall be no accountability, rather suggesting that a system of checks and balances should exist within PR as opposed to constantly resorting to an external source. For example, instead of just relying on the Government for investment in future projects, PR will explore other avenues like Public-Private Partnership etc. for fulfilling the investment requirements.

Empirical evidence has demonstrated how implementing a new structure poses several challenges and is prone to resistance from several fronts. In order to ensure that the transition from a Government dependent organization to a mostly self-sufficient commercial oriented one takes place without major hurdles, it is important to devise a strong governance system

and the roadmap with full commitment and participation from all the stakeholders.

3.1.2 Overall Purpose / Expectation

The Consultant will prepare a comprehensive plan about the optimal Governance Structure for ML-1 to ensure that the Project Investment generates the planned results, keeping in view the various Governance Structures prevalent in modern day railways in other countries after reviewing the existing governance / organization structure of ML-1. The Consultant will realign elements of Governance Structure for enhanced performance. The Consultant will also assist the Client in implementing the proposed Governance Structure.

3.1.3 Details of Responsibilities / Deliverables / KRAs

3.1.3.1 Diagnostics of Current Situation

Perform diagnostics of current PR organization and processes on McKinsey's 7-S or any other globally accepted framework to identify factors inhibiting desired performance.

Areas to be covered in the 7-S framework for Governance include:

- i. Strategy
- ii. Structure
- iii. Systems
- iv. Shared Values
- v. Style
- vi. Staff
- vii. Skills

3.1.3.2 Governance Structure Options

Perform a detailed study of various Governance Structures prevalent for railways in other countries and provide merits and demerits of each structure.

This would include, but not limited to:

- i. **Ownership Structure:** State Owned or Private Owned or Hybrid

- ii. **Corporate Structure:** Single Legal Entity for both Policy and Operations vs. Multiple legal Entities for Policy and Operations; Multiple Entities for Different Segments (Passenger, Freight, Track Access etc.) vs. Single Entity but Different Business Units for Different Segments; Holding Companies / Legal Entities; State Owned Enterprise or State Owned Company; Matrix structure; IPO etc.
- iii. **Management Structures:** Board Structures; Roles & Responsibilities; Statutory Requirements; Interactions etc.
- iv. **Business Segments:**
 - a) Urban/Regional Passenger services
 - b) Long-distance and high-speed Passenger services
 - c) Freight and logistics services
 - d) Track Access Regime including train terminal development and operational management
 - e) Others

3.1.3.3 Proposed Governance Structure

Recommend optimum Governance Structure for ML-1, considering Pakistan's demographic, political, economic and environmental characteristics, to transform it into a competitive, efficient, profitable and self-sustained set-up. This would include Ownership, Corporate, Management Structures and Business Segments as defined above along with Roles & Responsibilities and Management Routines (e.g. Board Meetings etc.). Provide detailed explanation for choosing the specific Governance Structure. This would also include a Risk Analysis along with mitigation steps. In addition, design and implement the mechanism for transfer of all assets and liabilities of existing ML-1 to the new Governance Structure, as required.

3.1.3.4 Organization Structure

Design detailed Organization Structure on established international principles to support the proposed Governance Structure including, but not limited to:

- i. Hierarchy
 - a) Departments
 - b) Business Units
- ii. Positions/Jobs
- iii. Roles & Responsibilities
- iv. Headcount
- v. Profit & Cost Centers
- vi. Major Management Routines e.g. Executive/Management Committee meetings etc.

3.1.3.5 Vision, Mission, Values

Develop initial Vision, Mission and Values for the new Governance Structure in conjunction with the Client and revise them after 3 years or mutually agreed time with Client, if necessary, after discussions with the new Management on board as per the new Governance Structure.

3.1.3.6 Chart of Authority

Formulate a detailed integrated Chart of Authority for all levels of Management including Board of Directors, that would explain the approval levels of all transactions in all departments for each role. This would include but not limited to:

- i. Initiator of the Transaction Approval Process
- ii. All Approving Authorities
- iii. All Reporting Authorities, as applicable
- iv. Transaction Size in monetary terms
- v. Reference to associated approval forms, as applicable
- vi. Other aspects as per global best practices and/or regulatory requirements

3.1.3.7 Code of Business Conduct

Draft Code of Business Conduct considering the proposed Governance Structure, Pakistan Laws/Rules/Regulations and in line with global best practices, including but not limited to the following areas:

- i. Conflicts of Interest
- ii. Company Assets
- iii. Organization Information and Records
- iv. Dealing with Customers and Suppliers
- v. Dealing with Competitors
- vi. Dealing with Government Bodies
- vii. Administration of Code
- viii. Other Areas as applicable

3.1.3.8 Implementation

- i. The Consultant will furnish a detailed implementation plan with timelines of the proposed Governance Structure and other elements as explained above, where applicable, and provide assistance to the Client in their implementation after approval by the Client, which fall within the Assignment Period.
- ii. The Consultant will prepare required documents needed to implement the proposed Governance System.
- iii. The Consultant will also assist the Client in developing and making presentations to the concerned authorities for approval of the proposed Governance Structure.
- iv. The Consultant will make the necessary changes in any strategy, action plan, forecast, framework and/or report/document/manual if during the implementation/monitoring phase, any rectification or correction of error or modification is identified/required.

3.1.3.9 Legal / Regulatory / Policy Changes

The Consultant will assist the Client in identifying any amendments required in the Railways Act and/or any other laws/regulations/rules/policies that would facilitate implementation of the Strategies/Action Plans/Recommendations/Frameworks identified and recommended in this Model. The Consultant will also assist the Client in drafting the required laws/regulations/rules/policies and also provide assistance in approval from the relevant authorities including Parliament, if requested by the Client.

3.2 Competitive Enhancement Model (CEM)

3.2.1 Background / Context / Current Status

Though some improvements in infrastructure and performance of PR has happened in the last few years, the overall performance and infrastructure have been deteriorating since last many decades. The general perception is that the users of railway services (both passengers and freight) have been overall dissatisfied though what exactly drives their dissatisfaction and its extent have not been determined through proper market research. If studies have been done in the past, their recommendations have not been duly implemented to improve the situation. As a result, little is known about behaviour of PR's actual or potential customers – what are their motivations, what are the real issues, what other transport options are available to them and what are their preferences? Moreover, it is often unclear what passengers and users of freight services think of PR responses, if any; what are service users' priorities? Therefore, series of meaningful researches are required to understand PR current and potential customers' behavior, perceptions and prioritization of alternate modes.

3.2.2 Overall Purpose / Expectation

The objective of this section of TOR is to highlight areas where PR services can have competitive advantage over other players providing same or similar services including Roads and Air. The Consultant will identify the areas of distinctive advantage for PR based on top-down and bottom-up analysis. The Consultant will employ different research tools to ascertain the market trends, customer/user preference towards factors like price, speed, safety and comfort level while comparing railways with other competitors. The objective of such research will be to define the market opportunities for passenger and freight.

The Consultant will share the actionable insights of such research endeavors and the suggested action plans.

3.2.3 Details of Responsibilities / Deliverables / KRAs

3.2.3.1 Diagnostics of Current Situation

The Consultant will review the existing Market Research and/or related data available with the Client and prepare a report on key insights from them.

3.2.3.2 Research Tools & Methodologies

The Consultant will clearly define the Research Tools & Methodologies, as per global best practices, that will be deployed for the Competitive Enhancement studies.

The study areas will include, but not limited to, the following:

- i. Global Trend Analysis with regional focus
- ii. Passenger and Freight Traffic Analysis (historical data) and projected numbers (research/ reliable references)
- iii. Market Intelligence Interviews to cover critical aspects relating to railway operations
- iv. Case Studies relevant to Pakistan context
- v. Identification of market opportunities into passenger traffic, logistics solutions, other revenue sources
- vi. Business Economic Models
- vii. Technological and operational requirements

The methodologies to be employed for the purpose may include, but not limited to the following:

- i. Focus Group
- ii. Panel Survey
- iii. Personal Interview Survey
- iv. Field Trials
- v. Intercept Survey
- vi. Mail/Telephone Survey
- vii. Conjoint Analysis
- viii. Sensitivity Analysis

The Market Research would include existing customers and potential clients in passenger and freight services as well as other services/areas which may be added as a result of this project. The analysis of available data, both internal and obtained through research, as well as findings of any new research will be used for assumptions for Revenue Business Plan in section 3.4 RGM.

3.2.3.3 Passenger Traffic – Competitive Analysis

The Consultant will undertake the following for examination of passenger traffic through different modes:

- i. Outline the criteria for evaluating the passenger transportation by different modes - Road (private, commercial) and Air
- ii. Undertake study of current infrastructure, future investments and trends of other modes
- iii. Perform required market research as per Research Tools & Methodologies
- iv. Develop rating scale for different modes based on passengers' preferences. Covered aspects will include, but not limited to, prices, routes, punctuality, comfort, timetables, general maintenance, complaint handling, service frequency, stations, accessibility etc. and overall assessment.
- v. Determine the indicators for examining the level of development of passenger railway transport as compared to other modes
- vi. Apply a combination of multicriteria methods in order to determine the rating of the studied modes
- vii. Undertake any other research to ascertain the critical factors in success (or otherwise) of passenger transportation
- viii. Verify and undertake the sensitivity analysis of the results

3.2.3.4 Freight Traffic – Competitive Analysis

The Consultant will undertake the following for examination of freight traffic through different modes:

- i. Outline the criteria for evaluating the freight transportation by different modes (trains, NLC, Private operators (both formal and informal sectors)). Freight areas of study should include, but not limited to:
 - a. Coal
 - b. Containers
 - c. Oil, Petrol etc.
 - d. Automobiles
 - e. Fertilizers
 - f. Agriculture Products
 - g. Edible Oils
 - h. Steel
 - i. Livestock
 - j. Frozen goods
 - k. General Freight
- ii. Undertake study of current infrastructure, future investments and trends of other modes
- iii. Develop rating scale for different modes based on customers' preferences. Covered aspects will include, but not limited to, mode-wise market share (value and volume), available capacity and share, productive capacity, cost, delivery time and speed, reliability of service, punctuality of service, regional concentration, available fleet sizes, routes, general maintenance, complaint handling, service frequency, terminals, accessibility and overall assessment.
- iv. Determine the indicators for examining the level of development of railway freight transport as compared to other modes
- v. Apply a combination of multicriteria methods in order to determine the rating of the studied modes
- vi. Undertake any other research to ascertain the critical factors in success (or otherwise) of freight transportation
- vii. Verify and undertake the sensitivity analysis of the results

3.2.3.5 SWOT Analysis – Railways & Competitors

The Consultant will evaluate and develop strengths, weaknesses, opportunities and threats for ML-1. This SWOT analysis will critically examine internal

(strengths and weaknesses) and external (opportunities and threats) factors. The Consultant will incorporate these insights in formulation of the Revenue Business Plan in section 3.4 RGM.

3.2.3.6 Strategies and Action Plans

The Consultant will develop comprehensive Competitive Enhancement Strategies, detailed Action Plans with timelines and KPIs for the Project Period, based upon the above elements. This would include, but not limited to, the following:

- i. Forecasts of Total Transport in Pakistan for the Project Period utilizing projection of Macroeconomic Indicators including but not limited to Population Growth, GDP Growth, Urbanization Trend, Inflation / CPI etc. along with future investment forecasts in all modes of transport as well as other factors in Passenger and Freight Competitive Analysis
- ii. Develop Market Share targets for ML-1 in the Total Transport Industry
- iii. Share the list of factors, based on Market Research findings, which will make railway services more competitive as compared to other modes. These may be cost advantage, faster service, better customer service, more convenient location, higher quality, or other factors. Consequently, design Unique Selling Proposition (USP) for railway services.
- iv. Cover the critical social, economic and ecological aspects which support sustainability of ML-1 project
- v. Highlight and quantify the revenue benefits
- vi. Identify Risks considering the future development in other modes and other factors. Suggest actions to mitigate these Risks.
- vii. Design Market Insight Unit (MIU) within Commercial Department, that will be established to monitor the emerging changes in competitive landscape and evolving customers (including passengers' preferences) as well as predict the future trends. The Consultant will define the scope of this in-house research unit which will engage other research companies for conducting specialized researches based on specific requirements.

- viii. Propose a protocol whereby MIU will have meaningful interaction with relevant units/functions for development and innovation in different ML-1 products/services
- ix. Define type, scale and frequency of periodic market research to be done by MIU to continue identifying target customers' needs in view of the competitive landscape and provide feedback for improving overall operations and developing innovative solutions

3.2.3.7 Implementation

The Consultant will furnish a timeline of implementation of Strategies/Action Plans/Recommendations/Frameworks, where applicable, falling within the Assignment Period, and provide assistance to the Client in implementation of the following:

- i. The Consultant will assist the Client in final selection of the required personnel for MIU
- ii. The Consultant will facilitate the Client in monitoring MIU's performance for ensuring that agreed KRAs are duly delivered
- iii. The Consultant will do another round of Market Research for the same parameters and methodologies as earlier used in sections 3.2.3.2 to 3.2.3.4 in the fourth year and determine if there has been any improvements in Stakeholders' perceptions. For the same year, the Consultant will also determine actual market share of ML-1, compare it with Plan and explain the variances.
- iv. The Consultant will make the necessary changes in any strategy, action plan, forecast, framework and/or report/document/manual if during the implementation/monitoring phase, any rectification or correction of error or modification is identified/required.

3.2.3.8 Legal / Regulatory / Policy Changes

The Consultant will assist the Client in identifying any amendments required in the Railways Act and/or any other laws/regulations/rules/policies that would facilitate implementation of the Strategies/Action

Plans/Recommendations/Frameworks identified and recommended in this Model. The Consultant will also assist the Client in drafting the required laws/regulations/rules/policies and also provide assistance in approval from the relevant authorities including Parliament, if requested by the Client.

3.3 Private Sector Engagement Model (PSEM)

3.3.1 Background / Context / Current Status

Since there had been deterioration of PR business starting in the 1980s, a number of options were considered by the policy makers to revamp railway operations. Later on, passenger and freight divisions were created, and the private sector was invited to operate trains in these divisions.

Different options for Public-Private Partnership (PPP) were contemplated in order to commercialize significant part of railways for reducing the burden on public funds as well as bringing efficiency in the railway system. As significant investment by private sector in overall railway system was expected, public investment in Rolling Stock was substantially curtailed, thus impacting the railway performance further.

PPP initiatives were taken covering the following areas:

- i. Passenger Trains by Private Sector
- ii. Freight Trains by Private Sector

Although the number of such steps seems reasonable, the commercial impact and meaningful participation of private sector are far from being effective.

In most railway reform programs in other countries, competitive forces were first felt through divestment of non-core businesses and contracting out to private sector. More radically, competition can also be encouraged in the supply of core rail services by providing third party access rights to the whole railway network, not just access to track, to private companies having reliable credentials for this purpose.

Therefore, the Consultant has to come up with a workable and robust plan in order to ensure a meaningful partnership between public and private sectors, which ultimately should result into improvement in quality of services currently being provided by PR.

3.3.2 Overall Purpose / Expectation

The purpose of this section of TOR is to include a comprehensive private sector engagement framework to fully utilize post ML-1 Project increased line and overall railway network capacity and identifying private sponsors for investment in both passenger and freight sectors such as provision of new fleet for both passenger and freight, developing new freight

terminals, handling operation at freight terminals, door to door service of freight operation etc.

It also covers avenues of bringing financing, technology, and management skills into the new system under a suitable legal framework to meet the requirements of PPRA and all other relevant legislation dealing PPP.

3.3.3 Details of Responsibilities / Deliverables / KRAs

3.3.3.1 Diagnostics of Current Situation

The Consultant will perform a detailed study of existing mechanisms/work related to Private Sector Engagement and prepare a detailed report on the success factors and issues which hindered in proper implementation of PPP. The study would include review of data/information and interviews with past and present Customers/Vendors.

3.3.3.2 Key Areas for PPP

The Consultant will evaluate the following areas in which private sector can be offered to participate:

i. Private Train Operators (PTO)

The Consultant will develop a comprehensive framework that would encourage private sector participation in operating Passenger and Freight Trains addressing any issues identified in the Diagnostics. The detailed framework should include, but not limited to:

- a) Structure i.e. Joint Ventures, Concessions or Service Contracts or Others
- b) Carriers (owning Rolling Stock and operating trains) and Operators (owning and operating wagons or coaches with locomotives from PR)
- c) Acquisition of new or rehabilitation of old Rolling Stock
- d) Criteria for selecting the private parties
- e) Guidelines for selecting routes that should be outsourced to private parties

- f) Operational model for PTO with roles and responsibilities, sharing of information, financial terms, KPIs etc.
- g) Business viability for selected options
- h) Developing terms and conditions for contracts

ii. Freight Terminals

The Consultant will evaluate opportunities for PPP in freight terminals, both existing and planned for future. This would include, but not limited to:

- a) Identification of freight terminals and the services for PPP
- b) Options for PPP, including but not limited to:
 1. Complete New Terminals built and operated by private party
 2. New Terminals built by PR and operated by private party on concession – complete or partial
 3. Existing Terminals to private party on concession – complete or partial
 4. Complete privatization of existing ML-1 Terminals

The rationale for selecting any one or combination of options would be clearly explained along with merits and demerits as well as risk analysis with mitigation steps.

- c) Identifying specific requirements of Freight Terminals for particular industry as defined in section 3.2.3.4 i. of CEM for new or upgrading existing terminals
- d) Considering track infrastructure requirements, if any, for terminal to terminal freight operations for new or existing terminals
- e) Developing terms and conditions for contracts
- f) Minimum facilities to be ensured by the private parties for efficient management of freight terminals including warehousing, loading / unloading facilities and connecting

transport for both inward and outward from/to
sending/receiving locations

- g) Protocol for service tariffs which the private parties will be eligible to charge in return for services provided, including handling, loading, unloading, warehousing and transport.
- h) Specific responsibilities of the private party for handling and management of capital assets assigned for a specified time period
- i) Guidelines for capital expenditure the private parties will have to incur for the agreement period. These capex items will include, but not limited to, forklifts, vehicles, civil work, computer systems (both hardware and software) if needed etc.
- j) Requirement of an appropriate IT system, with real time access to ML-1, providing data about charges levied by the private parties
- k) Guidelines for charges ML-1 will receive from private parties for using the freight terminal facilities
- l) Specific Key Performance Indicators (KPIs) which the private parties will ensure, as per guidelines provided to them. These KPIs may include, but not limited to, handling time, loading/unloading time, on-time pickup and delivery, damages etc.

iii. Railway Stations

The Consultant will also evaluate opportunities for PPP in railway stations, both existing and planned for future. The framework developed by the Consultant will include, but not limited to, the following:

- a) Identification of railway stations and the services for PPP
- b) Options for PPP, including but not limited to:
 - 1. Existing Railway Stations to private party on concession – complete or partial

2. Complete New Stations built and operated by private party
3. New Stations built by ML-1 and operated by private party
4. Complete privatization of existing ML-1 Stations

The rationale for selecting any one or combination of options would be clearly explained along with merits and demerits as well as risks analysis with mitigation steps

- c) KPIs to be achieved by the private parties for efficient management of railway stations covering aspects relating to safety, security and environment, performance (punctuality and robustness), financial (cost and revenues), delivery (capacity and conditions) and growth.
- d) Developing terms and conditions for contracts
- e) Specific responsibilities of the private party for handling and management of capital assets assigned for a specified time period
- f) Guidelines for capital expenditure the private parties will have to incur for the agreement period
- g) Requirement of an appropriate IT system, with real time access to ML-1, providing data about charges levied by the private parties, as well as tickets issued to passengers at the stations
- h) Guidelines for charges ML-1 will receive from the private parties for using the railway stations facilities

iv. Inland-Courier Service by Private Sector

The Consultant will evaluate launching of in-land railway courier service which may be ‘commercialized’ by inviting the private parties. The policy paper will include the following:

- a) Use of normal passenger trains for courier

- b) Viability of launching dedicated wagons/trains for courier movement
- c) Providing physical facilities at ML-1 network (e.g. railway stations, freight terminals)
- d) Developing terms and conditions for contracts
- e) Guidelines for charges ML-1 will receive from the private parties for using ML-1 network for courier service

v. Maintenance

The Consultant will also consider opportunities for PPP in Maintenance of Rolling Stock, Track Infrastructure (including Manufacturing), Telecommunication Systems and other equipment or services. This would include options of Joint Ventures or complete outsourcing. This would also include developing detailed frameworks considering all operational and safety aspects with the regulatory requirements and the required contracts for proposed areas. In addition, Risk Management processes would also be developed.

vi. Other Areas for Private Sector Engagement

In addition to above-mentioned aspects, the Consultant will identify other areas of possible collaboration for private sector engagement which would produce additional revenue, reduce costs or improve Environment Health Safety related matters. The Consultant will also draft terms and conditions for engaging private sector in such identified areas.

3.3.3.3 Framework

In order to make the overall rail operations viable as well as provide better service to passengers and other customers, the Consultant will provide a framework for PPP in areas identified in the previous section. The Consultant will incorporate the following points in the PPP framework:

- i. Identify specific measures, along with required resources details and implementation phasing, for increasing the utilization of existing operational assets by getting private sector engagement.
- ii. Determine and compute, on the basis of available data, the actual cost of asset (both direct and indirect) that may serve as floor price for private parties.
- iii. Specify the criteria for selection of private parties under PPP as well as define the scope of arrangement clearly identifying the rights and responsibilities of the stakeholders.
- iv. Devise a method for calling, selecting and finalizing the private parties meeting the laid-down criteria for PPP arrangement.
- v. Draft Terms of Engagement (TOE) between ML-1 and the private party to whom the rights of use of assets have been assigned against the agreed price
- vi. Incorporate the required KPIs for the private party to whom rights of use of assets have been allowed under certain terms and conditions as well as for a limited time period, if applicable
- vii. Design a protocol whereby the performance of private party under PPP arrangement as well as adherence to TOE by both parties will be reviewed on pre-determined periodic basis
- viii. Provide a framework for engaging private sectors in above-mentioned areas as well as any other proposed area

3.3.3.4 Selection of Areas/Options

The Consultant will recommend areas and options of PPP as a result of the Diagnostics and other studies in section 3.3.3.2 utilizing the Framework developed in section 3.3.3.2., identifying the type of collaboration for providing different services (JV, Outright Sale, Concession, Service Contract etc.). This would also include detailed Action Plans with timelines and KPIs as well as steps to ensure timely and effective implementation of the recommended PPP options.

3.3.3.5 Implementation

The Consultant will furnish a timeline of implementation of Strategies/Action Plans/Recommendations/Frameworks, where applicable, falling within the Assignment Period, and provide assistance to the Client in implementation of the following:

- i. The Consultant will help finalize the selection of private sector parties in accordance with agreed criteria and will also provide support in negotiation with the private sector parties as a part of short-listing process.
- ii. The Consultant will assist the Client in drafting the required contracts/agreements.
- iii. The Consultant will also assist the Client in preparing any presentations/documents required for approval from the concerned authorities.
- iv. The Consultant will do the necessary vetting of systems installed by the private parties, if any, in accordance with the formal agreement between the private party and ML-1.
- v. The Consultant will monitor the performance of selected private parties agreed with the Client on a bi-annual basis. In case any of these private parties fails to perform against the agreed KPI, the Consultant will share the non-compliance with the Client along with suggested course of action.
- vi. The Consultant will help the Client in monitoring the capital expenditure by selected private parties as per their agreement with Client, on a bi-annual basis.
- vii. The Consultant will make the necessary changes in any strategy, action plan, forecast, framework and/or report/document/manual if during the implementation/monitoring phase, any rectification or correction of error or modification is identified/required.

3.3.3.6 Legal / Regulatory / Policy Changes

The Consultant will assist the Client in identifying any amendments required in the Railways Act and/or any other laws/regulations/rules/policies that would facilitate implementation of the Strategies/Action

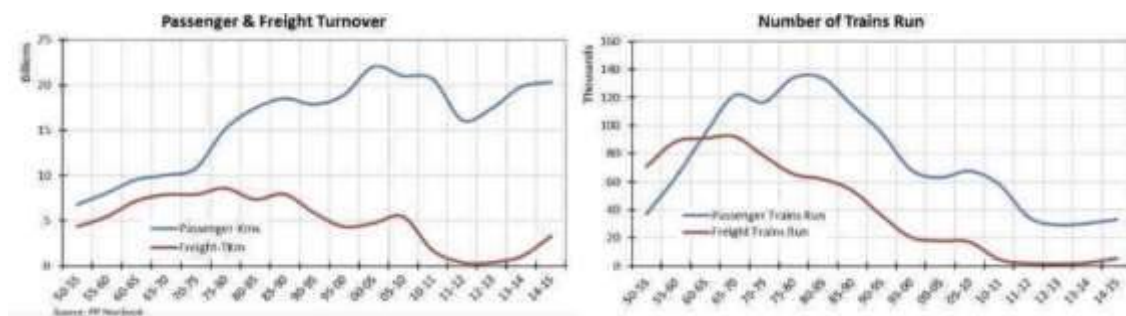
Plans/Recommendations/Frameworks identified and recommended in this Model. The Consultant will also assist the Client in drafting the required laws/regulations/rules/policies and also provide assistance in approval from the relevant authorities including Parliament, if requested by the Client.

3.4 Revenue Generation Model (RGM)

3.4.1 Background / Context / Current Status

Railways has been an important part in economic development of Pakistan since independence in 1947. By the early 1960s, PR handled nearly 75% of all freight traffic and was the preferred mode for long distance passenger traffic as well.

However, starting from 1980s Government's focus was shifted to Roads and consequently more investment was made in roads infrastructure while required investment was curtailed in PR. Furthermore, changes in PR's governance structure with more Government involvement in running the operations through non-technical people with limited transportation/railways experience resulted in a drastic reduction in number of trains and while Passenger traffic continued to grow, the more profitable Freight sector virtually collapsed.



In recent times, there has been a renewed interest in rejuvenating PR as part of Government's transport strategy, and investments have been made in infrastructure and Rolling Stock, which has resulted in significant enhancement of Freight traffic, though still not at par with the historical highs.

Currently, topline of PR comes from the following major heads:

- i. Passenger Traffic
- ii. Freight Traffic
- iii. Miscellaneous Revenue Sources

In the context of massive investment in ML-1, it is critical to ensure that PR identifies ways of enhancing traditional revenue streams as well as identify and use non-traditional revenue heads to improve the overall topline of PR. Furthermore, as PR considers creating Track Access Regime, this warrants new revenue models than the

ones PR has been historically using.

3.4.2 Overall Purpose / Expectation

The purpose of this section of TOR is to cover measures and different options for increased business volume at ML- 1 after up-gradation. The Consultant is to cover the pros and cons of different options for revenue generation as well as recommend best options.

The Consultant will identify areas of improving revenue generation both from existing heads (Passenger and Freight traffic) as well as suggest other areas like Track Access Regime, Station facilities etc. based upon best practices in other countries as well as leads from sections 3.1 GS, 3.2 CEM and 3.3 PSEM. The Consultant will also cover the advantages and disadvantages of different revenue options and suggest ones that lead to more profitable avenues. In addition, the Consultant will develop revenue forecasts for the entire Project Period.

3.4.3 Details of Responsibilities / Deliverables / KRAs

3.4.3.1 Diagnostics of Current Situation

The Consultant will perform a detailed analysis of current revenue streams and past trends. This will also entail discussions with various stakeholders – passengers, major Freight customers, PR employees etc. to identify current and past issues as well as opportunity areas for revenue improvement/

3.4.3.2 Revenue Business Plan

The Consultant will develop a comprehensive Business Plan for Revenue Generation including but not limited to Current Situation Analysis, Building Blocks, Strategies, Action Plans with timelines and KPIs. This will include 3-year detailed Operational Plan and summarized Plan for the remaining Project Period. The Business Plan will include, but not limited to, the following:

i. Building Blocks – Revenue Generation

The Revenue Building Blocks (also referred to as Waterfall) would

identify major initiatives that would result in taking the Revenue from the Base Year to the Respective Year of the Business Plan. The Building Blocks would be developed for each year of the 3 Year Operational Plan and for the Final Year of the Project Period. The Building Blocks would include, but not limited to:

- a) Passenger Traffic Volumes – segregated in new Routes/Trains and increased volumes in existing Routes/Trains
- b) Passenger Traffic Price change impact
- c) Freight Traffic Volumes– segregated in new Routes/Trains and increased volumes in existing Routes/Trains
- d) Freight Traffic Price change impact
- e) Railway Stations/Terminals
- f) New Businesses – each identified separately
- g) Other sources

ii. Revenue Strategies

The Consultant will formulate robust Revenue Strategies which should ensure that required top and bottom line is achieved to justify the ML-1 investment, in phased manner. They will cover pricing policy which would ensure the required utilization of infrastructure investment of ML-1 as well as make ML-1 a self-sufficient set-up, while considering the competitive landscape.

The Revenue Strategies will include, but not limited to, the following:

- a) Passengers
 - 1. Increasing Volumes
 - 2. Improving profitability of Passenger Traffic
 - 3. Long-distance, inter-city
 - 4. Value and Premium Segments
- b) Freight
 - 1. Increasing Volumes
 - 2. Profitable Freight business

- 3. Bulk commodities/other cargo
- 4. Railway contribution in overall Freight business
- c) Optimal Pricing Policy (passenger tickets, freight rates). It will include determinants of prices, methods of their calculation (inflation, cost, demand, competition, combination etc.), price elasticity etc.
- d) On-train catering
- e) Corporate advertising
- f) Other areas (parcels etc.)
- g) Non-fare (including leasing, mini marts, restaurants etc.)
- h) Identify the feeder lines which can generate significant Passenger or Freight traffic for ML-1. Assess the expected current volume of traffic from feeder lines and forecasted traffic volumes from feeder lines
- i) Yearly Traffic Volumes and Revenue realistic forecasts for Passenger and Freight for the Project Period, with explanation of all assumptions

iii. Public – Private Partnership

The Consultant will identify and recommend the Action Plan of areas identified in section 3.3 PSEM, that will be deployed during the Project Period along with their Revenue impact.

iv. Commercial Management Outsourcing

The Consultant will undertake the following in order to generate sustainable revenue streams:

- a) Identify the existing Passenger and Freight trains for handing over commercial management to private sector
- b) Determine the KPIs for private sector for ensuring that the private sector manages the designated trains in accordance with the agreed arrangement. Final adjustments in outsourcing fee levied on private sector are to be made in achieving (or otherwise) of agreed KPIs. The Consultant

will devise the formulas to determine the outsourcing fee based on KPI.

- c) The Consultant will recommend the additions in Passenger and Freight trains for commercial management under private parties. The recommendations by Consultant will be based on potential business, tariff structure and pre-determined Return on Sales.
- d) Develop a 'Profit Story' for private sector to assume commercial management of passenger and freight trains
- e) Draft an agreement to be entered between ML-1 and private sector entity to which commercial management of trains is entrusted. The draft agreement should include, but not limited to, role, authorities & responsibilities of stakeholders, Key Performance Indicators, fee structure, validity period, exit clause and conflict resolution.
- f) Develop 'Standard Operating Procedure' (SOP) for management of commercial outsourcing of trains and services associated with outsourced trains. SOPs are to clearly specify various activities, with responsibilities and timelines thereof, to be carried out by different managers/officers of ML-1. SOPs will also include documentation requirement, monitoring mechanism and data capturing requirements.

v. Track Access Regime (TAR)

Track Access Regime (TAR), a strategy for a particular part or the whole of the railway network infrastructure, will promote the effective and efficient use of the available capacity. The overall regime for Track Access includes procedures to govern access to rail track including setting an access pricing policy, criteria for permitting access and operating conditions.

The services covered under the TAR will include, but not limited to, the following:

- a) Rail network access services provided to ML-1 and private party Freight trains
- b) track access provided to Passenger trains run by ML-1 and private parties
- c) station/terminal services provided in the railway network

The Consultant will draft SOP guidelines for arrangements with ML-1 and private parties for Track Access Regime. The guidelines should at least include the following:

Access Regime for Passenger Trains:

- a) Rights & Responsibilities of both ML-1 and Access beneficiary
- b) Service intervals and Clock-face departures
- c) Timing of first and last trains
- d) Calling Patterns
- e) Permitted Specified Equipment (Rolling Stock etc.)
- f) Journey Time protection
- g) Any other provisions

Access Regime for Freight Trains:

- a) Rights & Responsibilities of both ML-1 and Access beneficiary
- b) Origin and departure times
- c) Turnaround times
- d) Intermediate points
- e) Days of operation
- h) Permitted Specified Equipment (Rolling Stock etc.)
- f) Any other terms (e.g. connections between services)

vi. Marketing Plan for Revenue Generation

The Consultant will prepare a Marketing Plan with the objective of providing clarity about revenue generation from use of marketing and branding tools. The Marketing Plan will be designed under the ambit of overall corporate Business Plan though detailed action plans and will cover three years in detail, while directional numbers will be provided for remaining years of the Project Period.

In the Marketing Plan, the Consultant will clearly identify the resource allocation (funds, human resources etc.) for different branding initiatives as well as brand indicators to gauge the performance. The branding initiatives will include, but not limited, the following:

- a) Environment (stations, cargo terminals, railway offices, Passenger and Freight trains)
- b) Print collateral, signage, packaging, printing
- c) Web Portal
- d) Content publishing
- e) Customer service

It will also include:

- a) Marketing spend/ investment for revenue generation
- b) Tools for business development and incentive plan for team members
- c) Re-positioning ML-1 brand – specific measures
- d) ML-1 Brand building measures and measurement indicators
- e) Discounting & Customers'/ Passengers' Loyalty Program Guidelines
- f) Creating ML-1 Brand Ambassadors / Influencers

The Marketing Plan will also identify the extent of usage of the following medium for digital communication and brand building:

- a) Web Portal
- b) SEO & Content Marketing
- c) Social Media Marketing

- d) Email Marketing
- e) Paid Advertising (PPC - Pay Per Click)

The Consultant will ensure that the cost of Marketing Plan is less than one half of the branding revenue charged by ML-1 to private party advertisers (Corporate Advertising under Revenue Strategy).

vii. Service Costing and Profit Measurement System

The Consultant will develop a detailed Service Costing and Profit Measurement (SCPM) System which would provide detailed costs and profitability information for the railways operations. This would be utilized in:

- a) Commercial Pricing Decisions
- b) Evaluating Marketing Department's performance
- c) Prioritizing use of scarce resources
- d) Identifying opportunities for cost reduction
- e) Investment analysis

The SCPM system should have the following characteristics:

- a) **Timely:** Data must be available immediately when needed
- b) **Accurate:** All information should be accurate
- c) **Specific:** All revenue and costs specific to services are provided
- d) **Unbiased:** All users must view the system as impartial
- e) **Multidimensional:** Must provide short-, medium-, and long-term costing for decisions with multiple time horizons
- f) **Easy and Flexible:** Should be user-friendly so that it could be deployed broadly

The Consultant will evaluate commercially available SCPM and select one that optimally and cost effectively suits the Client's requirement. If no appropriate commercial system is available, then the Consultant will assist the Client in developing it locally. The Consultant will provide training to the Client on SCPM and its effective utilization in not only Marketing/Pricing, but also in Operations and Finance.

3.4.3.3 Implementation

The Consultant will furnish a timeline of implementation of Strategies/Action Plans/Recommendations/Frameworks, where applicable, falling within the Assignment Period, and provide assistance to the Client in implementation of the following:

- i. The Consultant will provide support to the Client in finalizing private partners and marketing agencies
- ii. The Consultant will assist the Client in drafting the required contracts/agreements
- iii. The Consultant will evaluate the KPIs (actual vs. target) on bi-annual basis and provide feedback to the Client
- iv. The Consultant will provide feedback to the Client on actual achievement against the target for major initiatives identified in the Business Plan, on a bi-annual basis.
- v. The Consultant will make the necessary changes in any strategy, action plan, forecast, framework and/or report/document/manual if during the implementation/monitoring phase, any rectification or correction of error or modification is identified/required.

3.4.3.4 Legal / Regulatory / Policy Changes

The Consultant will assist the Client in identifying any amendments required in the Railways Act and/or any other laws/regulations/rules/policies that would facilitate implementation of the Strategies/Action Plans/Recommendations/Frameworks identified and recommended in this Model. The Consultant will also assist the Client in drafting the required laws/regulations/rules/policies and also provide assistance in approval from the relevant authorities including Parliament, if requested by the Client.

3.5 Rolling Stock Availability & Maintenance Model (RSAMM)

3.5.1 Background / Context / Current Status

Currently the whole Rolling Stock is owned by the Government (PR) except ten locomotives which are NLC's property. PR has an aging fleet of locomotives, wagons, and passenger coaching stock. Out of 458 locomotive units, more than 1/3rd are already above the general economic life of 35 years and it currently has an unserviceable rate of 20%. Out of 15,500 freight wagons, almost 2/3rd are of 4-wheel type, which can't be used in the upgraded ML-1. Many of the 8-wheel wagons can't be operated at higher speed. Similarly, unserviceable passenger coaches represent over 24% of total stock.

The upgraded infrastructure of ML-1 will result in:

- i. Maximum speed of 160/120 km/hr for Passenger and 100/80 km/hr for freight
- ii. Increasing Axle Load from current 22.86 tons to 25 tons
- iii. Enhancing trailing load from current 800 tons to 900 tons for Passenger Train, and from current 2,400 tons to 3,400 tons for Freight Train

These changes will require modern Rolling Stock and it will not be possible to utilize most of existing ones on the upgraded infrastructure.

Furthermore, PR's Mechanical Department currently employs about 22,500 staff in workshops and depots across country. Many of the workshops were established long time ago. Therefore, the employees may not have the required skills and the existing workshops would not have the necessary equipment/facilities to handle the maintenance of this modern Rolling Stock.

The existing arrangement of providing Ten Locomotives by NLC is apparently working quite satisfactorily and reportedly, the performance of NLC locomotives is better compared to PR locomotives of the same age.

3.5.2 Overall Purpose/Expectation

The Consultant will calculate the Rolling Stock required for the Traffic Forecasts developed in section 3.4 RGM, evaluate avenues/options of procuring the required

Rolling Stock and determine the Maintenance Infrastructure / personnel required to ensure safe, efficient and reliable operations.

3.5.3 Details of Responsibilities / Deliverables / KRAs

3.5.3.1 Diagnostics of Current Situation

The Consultant will study in detail the current Rolling Stock situation and Maintenance Infrastructure/Operations including the current headcount and provide a detailed diagnostics report.

3.5.3.2 Strategies and Action Plans

The Consultant will develop comprehensive Rolling Stock Strategies and Action Plans with timelines for the Project Period, which will include but not limited to:

- i. Type and requirement of Rolling Stock for Passenger and Freight, in line with the projections in section 3.4 RGM and the suitability for the ML-1 upgraded infrastructure, as well as ensuring efficient and profitable rail operations. Provide merits and demerits of each option and the basis/criteria of the selected option. Also provide cost estimates of all options. In addition, provide model/method for calculating the requirements. Some of the features would include but not limited to:
 - a) Modern locomotives having diagnostic and reporting technology, location technology, throttle-brake interface technology for auto-stop functions and overspeed alters, multiple on-board computers/systems controlling engine performance and displaying train control signals, train handling information, train orders, digital communications with control centers etc.
 - b) 8-Wheeler or other High Capacity Freight Wagons using high-lifetime components that minimize wear and tear on the track and provide long life between preventive maintenance events etc.

- c) Modern End-of-Train (EOT) devices to replace current Brake-Vans
 - d) Modern Passenger Wagons with automated on-board equipment, automated doors, air conditioning, passenger amenities such as Wi-Fi, audio-video equipment etc.
 - e) Assumptions of spare units for breakdown replacements as per global best practices
- ii. Optimal sourcing of the required Rolling Stock, looking at options including but not limited to:
 - a) ML-1 through PSDP of the Government of Pakistan
 - b) PTOs as defined in sections 3.1 GS and 3.3 PSEM
 - c) Leasing
 - d) Other options
 - e) Combination of the above options
 - f) Provide rationale for selection of the optimal options
- iii. Deliberate and recommend the creation of a leasing company to lease out Rolling Stock
 - a) Structure of such a leasing company
 - b) Financing arrangements for leasing company
 - c) Draft agreement with end users of Rolling Stock
 - d) Creation of maintenance facilities for their Rolling Stock
 - e) Assessment of lease money to be charged from end users
- iv. Evaluate option of procuring used equipment from other railways systems and provide cost benefit analysis along with recommendation
- v. Utilizing the framework established in 3.3 PSEM, develop mechanism/processes, required documentation etc. of Rolling Stock belonging to Private Parties for the following:
 - a) Maintenance
 - b) Drivers
 - c) Fueling
 - d) Other operating/maintenance factors
- vi. Identify Maintenance Requirements of the proposed Rolling Stock and develop detailed methodology for efficient and cost-effective maintenance incorporating periodic/preventive and

breakdown/emergency maintenance along with KPIs, in line with global best practices

- vii. Evaluate maintenance outsourcing opportunity of all or some maintenance activities, identifying pros and cons, risk management etc. as per the framework provided in section 3.3 PSEM. Provide recommendation along with the necessary processes/documentation/contracts for outsourcing.
- viii. Determine Maintenance Workshops required for supporting the modern Rolling Stock. It would include but not limited to:
 - a) Number of workshops required along with proposed locations
 - b) Major equipment required for each workshop and estimate costs
 - c) Personnel required for each workshop
 - d) Other required factors
- ix. Design Maintenance Department organization for effective and cost-efficient maintenance of the modern Rolling Stock, including but not limited to:
 - a) Organization Structure
 - b) Headcount
 - c) Profiles and competencies of all jobs
 - d) Training Arrangements
 - e) Other requirements as per section 3.9 HRM
- x. Develop Training Curriculum for employees engaged in operations and maintenance of Rolling Stock
- xi. Develop detailed Maintenance Manuals as per global best practices to cover all aspects of maintenance of the proposed modern Rolling Stock

3.5.3.3 Implementation

The Consultant will furnish a timeline of implementation of Strategies/Action Plans/Recommendations/Frameworks, where applicable, falling within the Assignment Period, and provide assistance to the Client in implementation of the following:

- i. The Consultant will provide support to the Client in finalizing selection of private parties for Rolling Stock and Maintenance
- ii. The Consultant will assist the Client in drafting the required contracts/agreements
- iii. The Consultant will also help the Client in creation of the Leasing Company, if it is required.
- iv. The Consultant will make the necessary changes in any strategy, action plan, forecast, framework and/or report/document/manual if during the implementation/monitoring phase, any rectification or correction of error or modification is identified/required.

3.5.3.4 Legal / Regulatory / Policy Changes

The Consultant will assist the Client in identifying any amendments required in the Railways Act and/or any other laws/regulations/rules/policies that would facilitate implementation of the Strategies/Action Plans/Recommendations/Frameworks identified and recommended in this Model. The Consultant will also assist the Client in drafting the required laws/regulations/rules/policies and also provide assistance in approval from the relevant authorities including Parliament, if requested by the Client.

3.6 Outsourcing Model (OTM)

3.6.1 Background / Context / Current Status

Similar to most other government run railways around the world, PR has a history of heavily relying on own employees for running almost all rail operations including support services like janitorial, security, loading etc. In addition, there are several non-core businesses which PR owns and operates. This results in diverting focus of the management from their core objective of running efficient and profitable railway operations to these non-core activities. ML-1 is the most significant investment in the history of PR, which provides an opportunity to explore new paradigms, structures, alternates and tap them to the best advantage of PR.

Outsourcing is considered an important strategy around the world for improving productivity and/or reducing costs. It allows businesses to become leaner, helps in elimination of process, HR and financial waste, while Operations shall stay focused on its core business. The basic rule of outsourcing is to *“Preserve the Core & Outsource the Context”*. However, it may prove to be a disadvantage if not done in a proper way. It has been observed that major benefits of outsourcing are realized in a strategic context where it’s more effective when it is used as cost replacement rather than a cost displacement strategy.

3.6.2 Overall Purpose / Expectation

Evaluate Merits and Risks associated with Outsourcing in rail network environment for areas not already covered in sections 3.3 PSEM and 3.5 RSAMM and develop a strategic framework for identifying potential areas for outsourcing and the mechanism to implement it for improving productivity and/or reducing costs. Also develop the required contracts/agreements for the identified outsourcing areas and assist the Client in identifying private parties and executing the outsourcing contracts/agreements.

3.6.3 Details of Responsibilities / Deliverables / KRAs

3.6.3.1 Diagnostics of Current Situation

Perform a detailed study of policy and operational framework of ML-1 to determine the status of outsourcing in current ML-1 operations. It would also include an evaluation of current outsourced services and any other service that has been tried and discontinued in the past. The study should identify issues and improvement opportunities.

3.6.3.2 Strategic Framework

The Consultant will develop a strategic framework with KPIs for Outsourcing in areas not covered under section 3.2 PSEM and 3.5 RSAMM, which will not only be used for this assignment, but would provide mechanism for future outsourcing as well. This would include, but not limited to:

- i. Identification of areas that should be considered for Outsourcing in whole ML-1 operations as per the Diagnostics. The Consultant will identify the usual areas of Outsourcing prevailing in railways of other countries. It would include, but not limited to:
 - a. Operation or Maintenance of Ancillary Equipment e.g. forklifts etc.
 - b. Security/Police
 - c. Janitorial Services
 - d. Loading/Unloading
 - e. Accounting/Finance
 - f. IT
 - g. Other areas in core operations, based upon study of other railways
 - h. Other non-core areas e.g. schools, hospitals, factories and joint ventures, residences, property management etc.

The Framework should also include process of reviewing operations on a periodic basis to identify in future: What areas to outsource, When to outsource and How should it be carried out.

- ii. Determination of Tactical or Strategic Outsourcing after carefully studying Rail network’s peculiar environment and challenges in the backdrop of ML-1 as well as previous efforts which have been undertaken in ML-1. For illustration purposes, following template can be considered:

	Tactical Outsourcing	Strategic Outsourcing
Main purpose	Problem-solving	Restructuring organization
Duration	Short term	Long term
Decision rights	Not transferred	Transferred to providers
Impact on organization	Small	Large

- iii. Develop Cost Benefit Analysis model that would quantify to the maximum and consider, but not limited to, the following factors:

- a. Benefits:

1. Cost Reduction
2. Enhancing organization’s core competencies
3. Improving Performance/Productivity
4. Enhancing Quality
5. Risk Sharing

- b. Disadvantages/Risks:

1. Loss of cross-functional synergies
2. Transition Costs / Administrative Work
3. Uncertainty
4. Difficulty in Reversing

Highlight any benefit or risk that can't be properly quantified. In addition, identify the data sources of current situation and ensure that it's quality and reliability is acceptable. Also the basis for any projections/forecasts used should be clearly spelled out.

iv. Determine Pricing Methods:

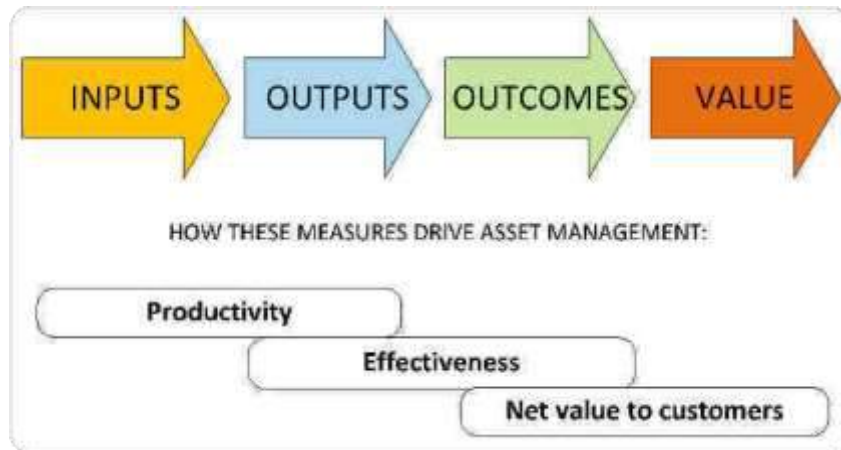
- a. Fixed-Type Contracts
- b. Cost Plus Contracts
- c. Incentive Based Contracts
- d. Combination of above
- e. Others

v. Establish Roles and Responsibilities of Client and the private party along with the frequency/nature of communication and meetings. Also establish information sharing requirements and mechanisms.

vi. Clearly define service standards and KPIs. It should include, but not limited to:

- a. Efficiency
- b. Effectiveness
- c. Productivity
- d. Quality
- e. Profit
- f. Innovation
- g. Compliance with regulatory requirements specially labour laws

vii. Develop a comprehensive Performance Management Mechanism for the private party. The mechanism shall include SMART goal/standard setting/KPIs, measurement and reward criteria. For illustration, attributes for measurement of performance could be:



The Performance Measurement should also be utilized for:

- a) To identify priority areas for improvement within each outsourced area (OA)
 - b) To identify the best performing OAs in different success dimensions and emulate to other OAs
 - c) To help determine how much improvement is possible
 - d) To monitor progress over time and if performance has improved, what practices have led to the improvement?
 - e) To monitor an OA's own progress over time, in order to determine if it is progressing towards its objectives
 - f) To estimate the effect of differences in processes and practices on actual outcomes
 - g) To set targets for improvement
- viii. Develop Risk Analysis mechanism that would identify all possible risks along with mitigation steps for each risk

3.6.3.3 Action Plans

Utilizing the Outsourcing Framework defined above, the Consultant will develop detailed Action Plans with timelines for executing the Framework. This would include the recommendations of specific areas for Outsourcing

identified by the Consultant after performing all the steps mentioned in the Framework.

3.6.3.4 Implementation

The Consultant will furnish a timeline of implementation of Strategies/Action Plans/Recommendations/Frameworks, where applicable, falling within the Assignment Period, and provide assistance to the Client in implementation of the following:

- i. The Consultant will assist the Client in finalizing selection of the private parties for the identified Outsourcing areas.
- ii. The Consultant will assist the Client in drafting the required contracts/agreements.
- iii. In the fourth year, the Client will do an audit of the outsourced areas and provide a detailed report on the status and recommendations on improvement areas.
- iv. The Consultant will make the necessary changes in any strategy, action plan, forecast, framework and/or report/document/manual if during the implementation/monitoring phase, any rectification or correction of error or modification is identified/required.

3.6.3.5 Legal / Regulatory / Policy Changes

The Consultant will assist the Client in identifying any amendments required in the Railways Act and/or any other laws/regulations/rules/policies that would facilitate implementation of the Strategies/Action Plans/Recommendations/Frameworks identified and recommended in this Model. The Consultant will also assist the Client in drafting the required laws/regulations/rules/policies and also provide assistance in approval from the relevant authorities including Parliament, if requested by the Client.

3.7 Operational Model (OPM)

3.7.1 Background / Context / Current Status

Since 1947 when PR started to operate as an independent entity, it has been facing host of strategic and operational challenges. Operational matters include organizing, planning and managing the train movements in the network, support systems for rail traffic control, railway traffic control, train dispatching, rail yard technical systems, performance of terminals, timetable design as well as high-end operational aspects like role of private sector in different areas of activities. In view of ML-1 project which will significantly enhance the line capacity and allow higher speed trains carrying more loads, special focus is needed to streamline the same in order to ensure that strategic imperatives of railway restructuring are achieved. This section of TOR addresses the above mentioned and other aspects of railway operations.

Final outcome of implementation of ML-1 project is the significantly enhanced Line Capacity. On Karachi – Lahore Corridor, PR is currently operating about 30 trains including 20 passenger trains. After completing the construction of ML-1, the number of trains is likely to substantially increase on daily basis in each direction.

3.7.2 Overall Purpose / Expectation

The Consultant will develop a comprehensive Operational Model to ensure that the enhanced line capacity of up-graded ML-1 is being sufficiently utilized in a cost-effective manner. This would entail designing a fully automated train operation with fail-safe mechanisms to ensure highest level of safety.

3.7.3 Details of Responsibilities / Deliverables / KRAs

3.7.3.1 Diagnostics of Current Situation

The Consultant will perform a thorough diagnostics of the current operations to identify issues and opportunity areas, and prepare a detailed report. The Consultant will also evaluate the current resources in order to determine future course of action.

3.7.3.2 Strategies and Action Plans

The Consultant will develop Strategies and Action Plans with timelines along with KPIs for the Operational Model of ML-1 to effectively support the railways business considering sections 3.1 GS, 3.3 PSEM, 3.4 RGM, 3.5 RSAMM, and 3.6 OTM. This would include but not limited to:

- i. Identify the potential Origin and Destination stations with estimated volume and nature of traffic for each origin/destination point covering the Project Period based upon the data in 3.4 RGM.
- ii. Determine if loading and un-loading terminals have the required enhanced capacity – both Freight and Passenger services
- iii. Prepare plan for developing new terminals, enhancing the capacity of existing terminals and rehabilitation/up-gradation of those feeder lines which can handle traffic for ML-1 considering the relevant factors in sections 3.3 PSEM and 3.4 RGM
- iv. Design Operations department that will effectively cater to the requirements of ML-1 as per the sections mentioned before. This would include Hierarchy, Headcount, Roles & Responsibilities, KPIs, Competencies etc. as per factors provided in section 3.9 HRM. This would include an R&D department which would explore and evaluate technological changes/advancements for application in the ML-1 operations in future.
- v. Provide operational guidelines and parameters of working between Infrastructure Company/BU and Train Operation Companies as per sections 3.1 GS and 3.3 PSEM to ensure efficient and safe operations.
- vi. Design Training Curriculum for train operating staff and their certification for safe and efficient operations
- vii. Develop detailed framework for “Operational Excellence” or “Lean Operations” or other globally recognized model for continuous operations improvement and provide training to the Client for “Train the Trainer” program for this framework

- viii. Develop a comprehensive Operations Manual with detailed procedures and KPIs considering ML-1 operations with the modern Rolling Stock and infrastructure. This would include all Maintenance related work (excluding Rolling Stock already covered in section 3.5 RSAMM)
- ix. Develop framework to ensure that the Operations staff effectively utilizes all Railways Infrastructure and Operating IT systems for safe and efficient operations. This would also include Service Costing and Profit Measurement System as per section 3.4 RGB to identify opportunities of cost reduction and effective utilization of resources.
- x. Develop an operational system to decide the fate of those branch lines which fail to generate sufficient revenues for their upkeep and maintenance in accordance with guidelines as contained in Public Service Obligation as per section 3.11 FEM
- xi. Develop Infrastructure Parameters for keeping uniformity among different Infrastructure Units, if applicable, as per section 3.1 GS, and ensure compatibility of Rolling Stock of train operating companies with every infrastructure unit. Establish relationship between different Infrastructure Units when a train moves within the jurisdiction of different Infrastructure Units

3.7.3.3 Implementation

The Consultant will furnish a timeline of implementation of Strategies/Action Plans/Recommendations/Frameworks, where applicable, falling within the Assignment Period, and provide assistance to the Client in implementation of the following:

- i. The Consultant will monitor the progress of new terminals to be constructed by Infrastructure Company and TOC in accordance with the provisions of agreed arrangement, on a bi-annual basis.
- ii. The Consultant will review the progress on new origin and destination stations on a bi-annual basis and share the progress with the Client. The Consultant will also identify the reasons for delays, if any, as well as the responsibility thereof.

- iii. The Consultant will assist the Client in drafting the required contracts/agreements
- iv. In the fourth year, the Consultant will perform an Operations Audit identifying opportunity areas and improvement recommendations.
- v. The Consultant will make the necessary changes in any strategy, action plan, forecast, framework and/or report/document/manual if during the implementation/monitoring phase, any rectification or correction of error or modification is identified/required.

3.7.3.4 Legal / Regulatory / Policy Changes

The Consultant will assist the Client in identifying any amendments required in the Railways Act and/or any other laws/regulations/rules/policies that would facilitate implementation of the Strategies/Action Plans/Recommendations/Frameworks identified and recommended in this Model. The Consultant will also assist the Client in drafting the required laws/regulations/rules/policies and also provide assistance in approval from the relevant authorities including Parliament, if requested by the Client.

3.8 IT Support Model (ITSM)

3.8.1 Background / Context / Current Status

In today's world, Information Technology (IT) is an important component for efficient, safe and reliable operations. PR currently has a rudimentary and outdated IT structure/systems. There is no/limited integration between the existing systems. ML-1 project would require state of the art systems for Track Operations including Automated Signaling Systems, fool proof communication etc., which are already included in the Project Cost. In addition, a comprehensive IT model will also be required to facilitate all the Sales & Marketing, Operations, HR and Financial related Models.

3.8.2 Overall Purpose / Expectation

The ML-1 Project would require a modern, cost effective and integrated IT solution for its successful operations. The Consultant will provide an IT Support Model to fully automate and integrate all functions of ML-1, considering the requirements of all the other 10 Models explained in this TOR.

3.8.3 Details of Responsibilities / Deliverables / KRAs

3.8.3.1 Diagnostics of Current Situation

The Consultant will perform a thorough diagnostic of existing IT Systems deployed in ML-1 and provide a detailed report of current situation.

3.8.3.2 Strategies and Action Plans

The Consultant will also develop comprehensive IT Strategies and Action Plans with timelines, which would include but not limited to the following:

- i. Three Options of Software Solutions in each of the following, wherever possible:

- a) Enterprise Resource Planning (ERP) System having modules for Financial Accounting, Cost Accounting, Financial Planning, Fixed Assets Register, Manufacturing,

Maintenance, Supply Chain, Human Capital Management (including all modules as defined in HR Model section 3.9.3.13), any other modules required for the other 10 Models

- b) Independent Manufacturing, Maintenance, Supply Chain or HCM Systems if the ERP does not cater to the Client's requirements for any of these systems.
- c) Reservation and Ticketing System including Web Based Solution
- d) Web portal
- e) GIS Based Real Estate Management System
- f) Automated Signal Control System
- g) Train Control Systems
- h) Communication Systems
- i) Railway Control Systems (Traffic Management, Route Setting etc.)
- j) Safety Management System
- k) Railway Operations Optimization System
- l) Service Costing and Profit Measurement System (section 3.4.3.2 vii)
- m) Other Systems to automate current manual processes/systems
- n) Other Software solutions required or recommended as per other 10 Models
- o) Considering smart mobile phone utilization opportunities, provide solutions based upon mobile phone applications for improving productivity/controls and reducing costs. This could include commercially available software or developing solutions catering to specific Client's

requirements for ML-1 project

- p) Integration of all these IT systems of major Vendors, wherever possible
- q) Cloud vs. In House Servers options for relevant systems
- ii. Hardware requirements to effectively and efficiently operate the above Software Solutions including option of Cloud services. Also identify at least 3 potential Hardware and/or Cloud suppliers.
- iii. Expected Costs of the Software and Hardware/Cloud Solutions defined above including installation, training and ongoing support.
- iv. Rank the 3 Software and Hardware Options provided above, recommend Best Option and provide the basis of ranking and selection criteria.

3.8.3.3 IT Policies & Procedures Manual

The Consultant will develop IT Policies & Procedures Manual as per global best practices, including but not limited to:

- i. Information Security
- ii. Disaster Recovery
- iii. IP Compliance
- iv. HR related policies
- v. Training

3.8.3.4 Organization

Propose required IT Organization including directly employed/contracted headcount and outsourced services to ensure effective IT operations. The other details would be as covered in section 3.9 HRM.

3.8.3.5 Implementation

The Consultant will furnish a timeline of implementation of Strategies/Action Plans/Recommendations/Frameworks, where applicable, falling within the

Assignment Period, and provide assistance to the Client in implementation of the following:

- i. The Consultant will provide support to the Client in final selection of the Vendors.
- ii. The Consultant will also provide post installation feedback to the Client on efficacy of the IT solutions and guidance on improvement.
- iii. In the fourth year, the Consultant will perform a comprehensive IT Audit of all systems and provide the status report along with improvement recommendations.
- iv. The Consultant will make the necessary changes in any strategy, action plan, forecast, framework and/or report/document/manual if during the implementation/monitoring phase, any rectification or correction of error or modification is identified/required.

3.8.3.6 Legal / Regulatory / Policy Changes

The Consultant will assist the Client in identifying any amendments required in the Railways Act and/or any other laws/regulations/rules/policies that would facilitate implementation of the Strategies/Action Plans/Recommendations/Frameworks identified and recommended in this Model. The Consultant will also assist the Client in drafting the required laws/regulations/rules/policies and also provide assistance in approval from the relevant authorities including Parliament, if requested by the Client.

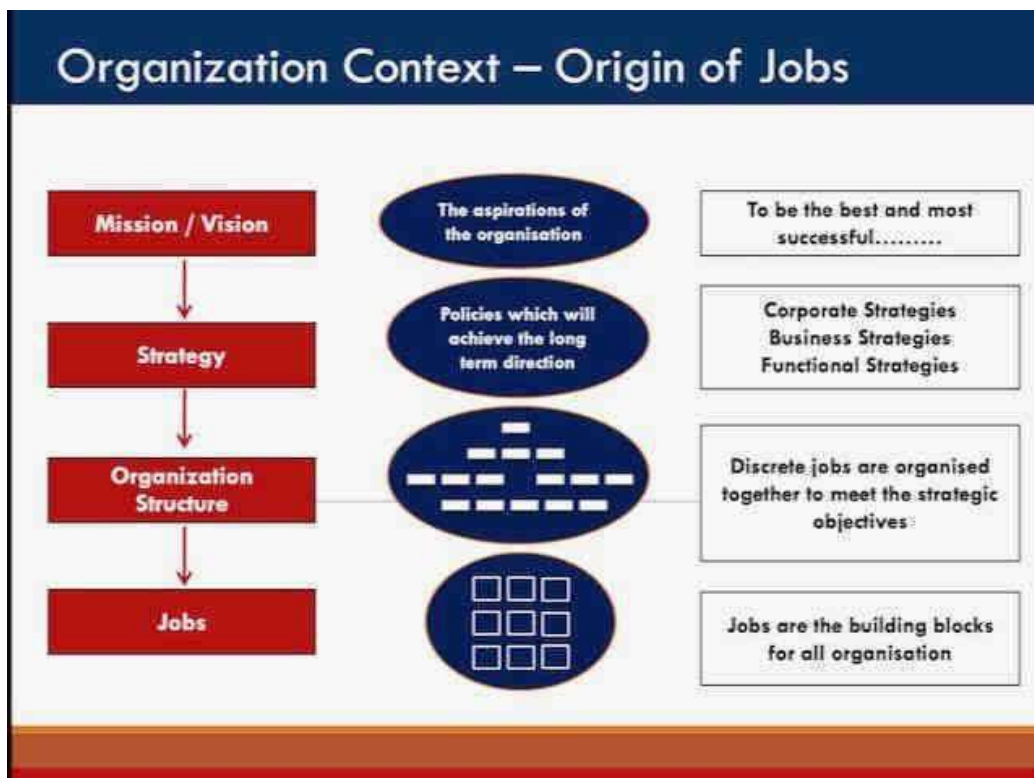
3.9 Human Resource Model (HRM)

3.9.1 Background / Context / Current Status

The current Human Resource structure and processes in PR are not geared to support the ML-1 project. The new Governance Structure would require a comprehensive Human Resource Model to ensure that the overall Strategic Objectives are met.

Therefore, it is critical that a resilient and capable organization is developed, which will be combination of People, Structure and Policies.

Model Below may be considered as a guide:



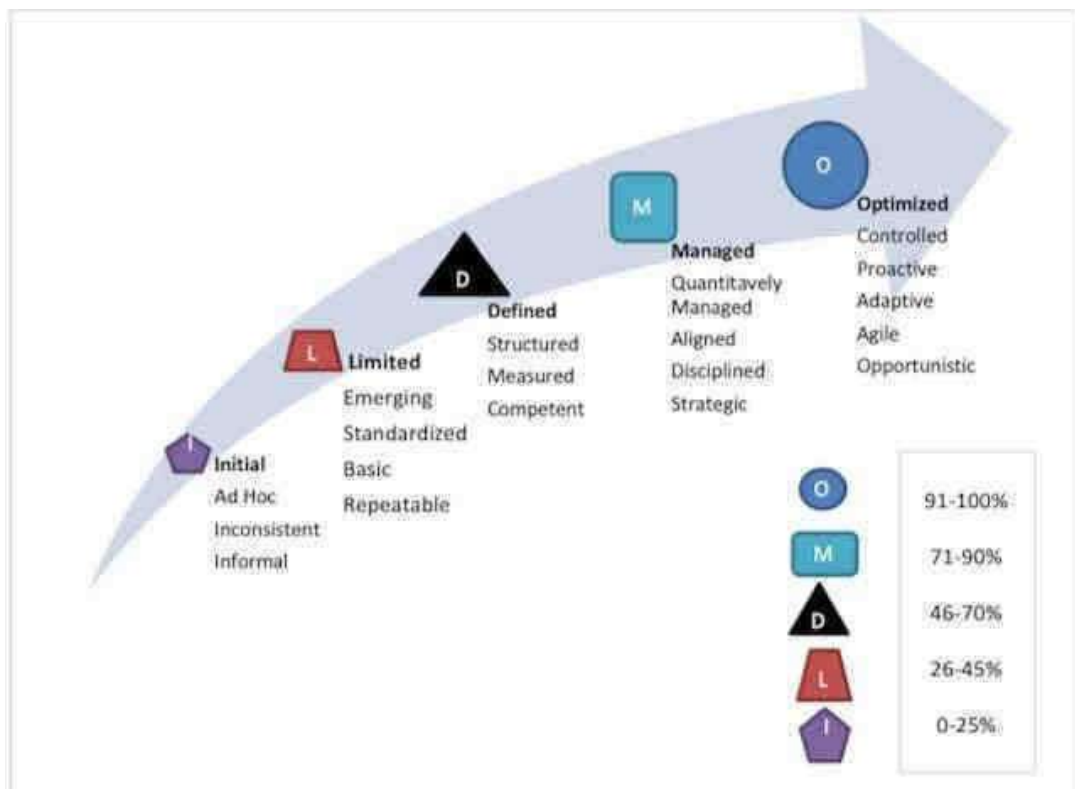
3.9.2 Overall Purpose / Expectation

Ensure that the necessary human resources and support systems are in place for the rapid and effective mobilization and management of ML-1 through phased Attraction, Retention and Motivation of talent in line with Project Objectives.

3.9.3 Details of Responsibilities / Deliverables / KRAs

3.9.3.1 Human Resource Audit

Conduct Comprehensive Human Resource Audit (CHRA) which can help identify whether PR HR department's specific practice areas or processes are adequate and effective. The results obtained from this review should help identify gaps in HR practices, and HR can then prioritize these gaps in an effort to achieve and maintain best-in-class competitiveness in key HR practice areas to systematically support towards the achievement of ML-1 objectives. CHRA should aim at careful analysis of current HR systems, processes, policies, conventions, data and practices, and ascertain their proficiency level on a numeric scale. An indicative scale is as follows:



The Consultant shall share detailed Gap Analysis of CHRA for each of the area substantiated by data. Below is an example of topline exhibit of CHRA.

Sample - Systems Readiness

Strategic HRM	29%	Limited	
Talent Sourcing	48%	Defined	
Organization Development	32%	Limited	
Rewards Management	49%	Defined	
Employee Relations Management	34%	Limited	
HR Administration	38%	Limited	
EHS&S Management	42%	Defined	
Overall	38%		Fundamental HR Functions



CHRA shall set the basis of HR Strategies and Action Plans, and must keep following objectives in mind:

- i. Organization (Structure) and Effectiveness of HR Department
- ii. Design and Implementation of HR policies, procedures
- iii. Optimize HR Performance and enhance productivity of entire Organization
- iv. Gauge and improve effectiveness of HR Strategies
- v. Capability assessment of the current staff
- vi. Modify and Review HR system and challenges

3.9.3.2 Organization Chart

Prepare the Organization Chart as per Organization Structure defined in section 3.1.3.4 of GS for all jobs at ML-1. It shall show the following:

- i. Hierarchy
- ii. Departments
- iii. Job Title
- iv. Job Grade
- v. No of incumbents

The Organization Chart should be prepared in Visio or any other software commonly used for Organization Charts and should be easily manageable in

soft and hard form.

3.9.3.3 Job Analysis

Perform Comprehensive Job Analysis as per international principles for all jobs in the new Organizational Structure, with the following details:

- i. Review Job Descriptions of existing positions that will be retained in the new Organizational Structure.
- ii. Conduct role clarification discussion with position holders and Client to seize required information necessary for carrying out position evaluation.
- iii. Develop Role Clarification (RC) document that should consist minimum of following information:
 - a) Purpose of Job
 - b) Essential information of position
 - c) Financial & non-financial authority
 - d) Operating system
 - e) Internal and external communication
 - f) Education, skills & training requirements
 - g) Functional & behavioral competencies (Knowledge Skills and Abilities)
 - h) List of critical responsibilities their frequency & weightage
 - i) KPIs/KRAs and essential measurement of criteria.
- iv. Submission of RC document to position holder and Client for review and comments.
- v. Update/rectify RC document based on feedback received, conduct review meeting with position holder and Client for validation.
- vi. Finalize RC document and obtain sign-off on RC document from the Client.

- vii. Conduct knowledge transfer session on development of RC document to Client.

3.9.3.4 Job Evaluation

Perform Job Evaluation opting internationally acclaimed Factor Point Method (e.g. HAY Guide Chart, IPE Mercer etc.) and deliver Job Sizes for the entire set of jobs in the new Organizational Structure. Following steps would be required:

- i. Analyze approved RC documents based on standard methodology (Hay or IPE etc.), following the Point-Factor-Job-Evaluation approach.
- ii. Conduct Job evaluation for specified unique/benchmarked positions and determine the size and weight of each position in relation to other positions.
- iii. Finalize Job Factor Scores of unique/benchmarked positions with Client.
- iv. Present Job Evaluation findings to Client and seek approval on JE scores.
- v. Knowledge transfer upon Job Evaluation methodology and IPE tool; product training; E- learning; and grant access of online tool to Client

3.9.3.5 Responsibility Level Analysis

Perform Responsibility level analysis of Critical Business Processes as prescribed below:

- i. Conduct responsibility level analysis of critical business processes of functions and departments to ensure alignment of key interrelationships and integration of Organization-Job structure and design.
- ii. Develop Responsibility Matrix (RM) document, submit RM document to Client for review and comments.
- iii. Update/rectify RM based on feedback received, obtain sign off on RM from Client.

3.9.3.6 Competencies

Prepare Function & Behavior competencies of benchmarked positions and share a Framework for Competency Based Management (CBM). The elements of the Competencies are as below:

- i. On the basis of RC document, prepare Job specific functional & behavioral competencies of benchmarked positions necessary for successful job performance.
- ii. Prepare proficiency level based on job complexity, level of responsibilities and occupational role of individual and team.
- iii. Review competencies with position holder and immediate supervisor.
- iv. Update, rectify & adjust competencies, obtain approval from the Client.
- v. Knowledge transfer on building competency matrix and proficiency levels to Client.

3.9.3.7 Market Benchmarking

In order to provide external competitiveness and form a market based pay-line, the Consultant shall conduct Total Rewards Survey i.e. Market Benchmarking of Salary structure:

- i. The Consultant and Client will jointly determine the Benchmarked Companies
- ii. Conduct salary benchmarking within, across, and peer groups for all the positions identified in the new set-up.
- iii. Analyze exiting pay structure, ranges & grading system based on function, department and job levels and compare them with industry trends & best practices.
- iv. Review existing salary spread & step differences, evaluate anomalies in salary structure and pay grades.
- v. Present findings, analysis and recommendations to the Client.

3.9.3.8 Pay Structure and Grading system

Based on the Salary benchmarking, Job Analysis and Job Evaluation, the Consultant will deliver the following:

- i. Define Job level wise market pay line, recommend job level wise pay grades, pay ranges, step differences, bandings and pay ranges.
- ii. Build up comprehensive Pay structure for benchmarked and non-benchmarked positions on the basis of recommended pay grades and pay ranges.
- iii. Assign grades to positions by matching market value with closest range midpoint, adjust internal equity, identify outliers and recommend plan of action to deal with anomalies.
- iv. Harmonize pay grades to allow movements within a pay structure based on duration, experience and merit of individual.
- v. Present recommendations on Pay design & structure to the Client.

3.9.3.9 Remuneration Strategy

Based upon the above exercises, the Consultant shall devise Total Reward & Remuneration Strategy and Retention Policy, having following elements:

- i. Determine the optimal percentile/salary line where the new ML-1 Organization should place itself
- ii. Build up companywide total reward framework comprising plans related to intrinsic and extrinsic benefits, employee well-being and welfare schemes and programs, variable pay plans, terminal and On-The-Job benefits.
- iii. Identify turn over risk of benchmarked positions and develop Employee retention policy to stop employees from leaving high-value and high-critical positions.

3.9.3.10 Assessment of Current ML-1 Staff

Prepare and execute a plan for conducting assessment of all current ML-1 staff for grade 11 and above, and a sample based for the employees below grade 11.

Based upon assessment of those individuals for their suitability to the competencies required in the new ML-1 Structure, provide recommendation on whom to retain and whom to let go. For retained employees, prepare training and development programs, based upon the Training Need Analysis (TNA), to ensure their effectiveness in the new structure. This could include, but not limited to:

<ul style="list-style-type: none"> • Mechanized track maintenance • Standards & Specifications Development • Modern Signaling Systems • Integrated Train Control Operations • Contract Management • Marketing • Digital Technology • Change Management • Work Life Balance • Conflict Resolution • Negotiations Skills • Teamwork • Leadership 	<ul style="list-style-type: none"> • Critical Decision Making & Lateral Thinking • Corporate Communication • Situational Leadership • Finance for non-finance managers • Emotional Intelligence • Dealing with difficult people and situations • Decision Making and Strategy Formulation • Ethics & Business Conduct • Communication Skills • Transportation Economics • Warehouse & Logistics Skills • Culture & Diversity Management • Other programs as identified in TNA
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Also identify recruitment needs for additional staff required under the new regime.

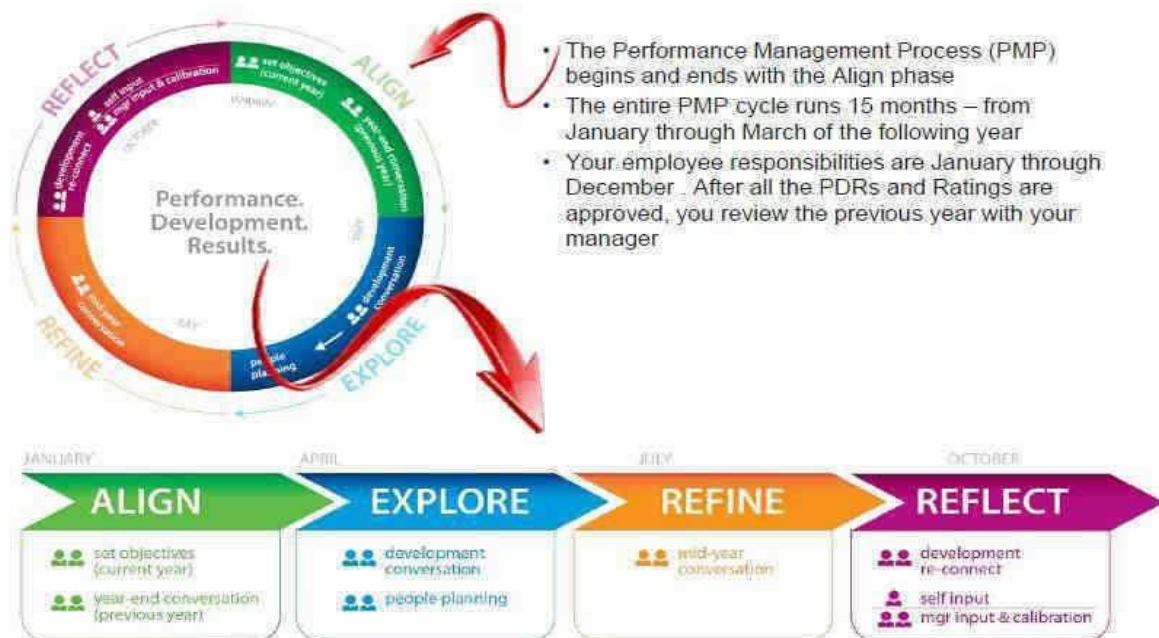
3.9.3.11 Change Management

Develop and implement strategy and process for effective Change Management for employees that would be transferred from existing PR/ML-1 organization to the new Governance Structure of ML-1 as well as new hires, to address resistance to change and to facilitate meeting of the ML-1 objectives. This would be applicable to all the action plans and initiatives of the other 10

Models as well, throughout the Implementation phase.

3.9.3.12 Performance Management System

Considering ML-1 Business Objectives, design pertinent Performance Management Process (PMP) which serves to provide both employer and employee a fair & transparent feedback system. While preparing the PMP, the Consultant should keep the principle of it as an iterative process of goal setting, communication, observation and evaluation to support, retain and develop exceptional employees for organizational success. An example, for illustration purposes, is as follows:



The main elements of PMP should include:

- i. Performance Planning Mechanism
- ii. Performance Measurement
- iii. Performance Designations and their guideline
- iv. Numeric Assessment Scale
- v. Career Feedback
- vi. Summary of Strengths and Areas of Development
- vii. Mechanism to measure cultural fit assessment for executive staff
- viii. 360 Degree Feedback suitability

- ix. Succession Planning documentation
- x. Process to Manage Training & Development Needs filtration
- xi. Guidelines for Merit Based Pay Increases
- xii. Grievance Handling Process
- xiii. PMP Form in English and other languages as decided by ML-1
- xiv. PMP Policy & Handbook for employees
- xv. PMP Policy & Procedure Manual
- xvi. Process to manage annual and other periodic performance reviews
- xvii. Support Management Decisions such as:
 - a) Merit Increments (Pay for Performance/Effort/Inflation)
 - b) Personnel Actions
 - c) Job Evaluation
 - d) Training Needs
 - e) Career Planning
 - f) Employee Relations
 - g) Validation

3.9.3.13 Human Capital Management System

Study organizational needs and suggest a suitable Human Capital Management (HCM) software which is compatible with ERP of the Client and capable of providing timely executive information to HR and other senior managers.

The important modules of HCM include, but not limited to:

- i. **Recruitment & Selection:** This module deals with all the activities of recruitment of applicant from initial entry to hiring or rejection of applicant.
- ii. **Organizational Management:** This module describes the organizational structure and reporting structure for a specific period. This module is mandatory to implement, whenever client would like to go for Employee Self Service, Management Self Service, Personnel Development and Employee Career Management.
- iii. **Travel Management:** This module deals with all the activities of business travel like booking travel trips, settlements, etc.

- iv. **Payroll & Compensation Management/Accounting:** This module deals with financial records of employee salaries, wages, bonuses, etc. The basic functionality of payroll is processing the pay components for a specific period.
- v. **Training and Development Management:** This module enables to plan and manage training needs and facilities for employees. Based on the requirements, organization provides training for implementing modules, so that end to end implementation is possible.
- vi. **Employee Master File/Personnel Administration:** This module maintains all the HR master database of employees, so information about an employee can be accessed on personnel administration.
- vii. **Time & Attendance Management:** This module enables to track the working time of an employees in an organization. The important functions of HR time management are Time recording, leave management, attendance management, time data collection for payroll run.

The HCM should be capable of the following:

- i. Deliver superb experiences in every moment that matters with solutions for employee engagement, lifecycle feedback, and benefits optimization.
- ii. Support a modern and diverse workforce with global solutions for core HR, payroll, time tracking, benefits admin, HR service delivery, and more.
- iii. Manage talent with powerful software for recruiting, onboarding, performance, compensation, learning, and succession and development.
- iv. For HR Analytics and Workforce Planning, use data-driven insights in every HR process – and improve performance and results – with people analytics and workforce planning tools.

3.9.3.14 HR Policy Manual

Develop HR management policies which are formal written documents easily accessible by management, employees and key stakeholders in the form of an

HR Policy Manual. The manual is intended to provide policies and procedures with links to more detailed information and guidance on the application of policies, practices, and procedures located on the Human Resources and other applicable staff web sites.

Below are sample contents for reference only.

The Policy Manual is expected to serve the following purpose:

- a) Communication Resource for Company vision, mission, values, policies, procedures, and benefits
- ii. Limits Legal Liability
 - a) Protects against discrimination and unfair treatment claims
 - b) Explains applicable laws
- iii. Administrative Time Saver and helps orient new employees
- iv. Answers questions that arise during employment

It would include, but not limited to:

i. Overall philosophy

A general, introductory statement about the organization's approach to human resources management

ii. Recruitment, hiring and induction

- a) Sources of recruitment
- b) Methods of recruitment (internal and external)
- c) Approval to fill vacancies and new positions
- d) Methods of selection (interviews, biographical questionnaire, testing, reference checking, etc.)
- e) Re-employment of ex-employees
- f) Employment of relatives
- g) Equal opportunity
- h) Affirmative action
- i) Induction procedures

iii. Human Resource planning

- a) Job evaluation
- b) Job design
- c) Transfers
- d) Relocations
- e) Promotion
- f) Part-time employment
- g) Casual employment
- h) Work experience
- i) Preparation of budgets, forecasts, statistics
- j) Demotion

iv. Conditions of employment

- a) Industrial relations
- b) Discipline
- c) Dress
- d) Employee identification
- e) Parking
- f) Attendance
- g) Grievance handling/disputes
- h) Personal tools, equipment
- i) Code of Conduct
- j) Divulging company secrets, etc.
- k) Access to premises/security
- l) E-mail & Internet Usage Policy

v. Training and development

- a) General approach to training and development
- b) Access to opportunities
- c) Courses (internal and external)
- d) Training evaluation
- e) Expense reimbursement
- f) Attendance at conferences, etc.
- g) Assistance with education expenses

- h) Recognition of qualifications
- i) On-the-job training

3.9.3.15 Implementation

The Consultant will furnish a timeline of implementation of Strategies/Action Plans/Recommendations/Frameworks, where applicable, falling within the Assignment Period, and provide assistance to the Client in implementation of the following:

- i. The Consultant will assist the Client in final selection of the required personnel as per the new organization.
- ii. The Consultant will assist in selecting third party trainers as per the Training Programs identified above.
- iii. In the fourth year, the Consultant will perform another CHRA, compare it with the previous audit and the actual implementation of all the points covered in sections 3.9.3.2 to 3.9.3.13, determine variances and recommend improvement steps.
- iv. The Consultant will make the necessary changes in any strategy, action plan, forecast, framework and/or report/document/manual if during the implementation/monitoring phase, any rectification or correction of error or modification is identified/required.

3.9.3.16 Legal / Regulatory / Policy Changes

The Consultant will assist the Client in identifying any amendments required in the Railways Act and/or any other laws/regulations/rules/policies that would facilitate implementation of the Strategies/Action Plans/Recommendations/Frameworks identified and recommended in this Model. The Consultant will also assist the Client in drafting the required laws/regulations/rules/policies and also provide assistance in approval from the relevant authorities including Parliament, if requested by the Client.

3.10 Environment, Health and Safety Model (EHSM)

3.10.1 Background / Context / Current Status

Currently each department of PR has safety rules and procedures, which are provided in “rule-books”. Theoretically, safety is responsibility of every employee. However, almost all inspection results are in paper based reports or journals and there is no system to properly accumulate these reports and analyze them for patterns or trends. These reports are mostly utilized in case of any accident inquiry.

The Railways Act requires the Government to act as technical/safety regulator in specified areas. The Act requires appointment of an Inspector of Railways who is responsible for inspecting railways and Rolling Stock to determine whether they are fit for the carriage of passengers and for accident investigation. It does not include Freight. The Federal Government Inspector of Railways is independent of the Pakistan Railways Board and is also responsible for holding inquiries into accidents. He currently have a staff of 20 people.

There is limited emphasis on Health and Environment in the current PR operations as focus remains on Safety.

ML-1 Project will bring technological and operational improvements that will significantly enhance safety e.g. fencing of right-of-way, grade separations of road and pedestrian crossings etc. Other elements include modern train control and communications systems, and a heavier more solidly built infrastructure, track geometry vehicles, rail flaw detection systems, safer coaches, wagons, and locomotives etc.

However, it would require a comprehensive and robust Environmental Health and Safety regime with proactive measures and monitory mechanisms.

3.10.2 Overall Purpose / Expectation

The Consultant will develop a comprehensive EHS Model which ensures that all aspects of ML-1 operations are run without any EHS related issues.

3.10.3 Details of Responsibilities / Deliverables / KRAs

3.10.3.1 Diagnostics of Current Situation

The Consultant will perform a detailed EHS Audit, as per global best practices, of PR operations and facilities to identify issues and improvement areas in the existing systems/processes.

3.10.3.2 Strategies and Action Plans

The Consultant will develop comprehensive EHS Strategies, detailed Action Plans with timelines and required KPIs. This would include but not limited to:

- i. Design an overall EHS framework as per global best practices which also complies with all local legal/regulatory requirements. Move from current reactive processes to a more proactive system.
- ii. Develop EHS Policies and Procedures Manual as per global best practices for rail operations, considering current policies/procedures (rule-books) and the areas/issues identified in the EHS Audit in previous section. This would have specific references to all departments and include, but not limited to, hazard identification, risk assessment, roles & responsibilities, standards, statutory requirements, training, documentation, record maintenance, monitoring mechanism, performance measurement, emergency preparedness & response, incident investigation, internal audits, other elements etc. Key areas include, but not limited to:

a. Environmental Areas

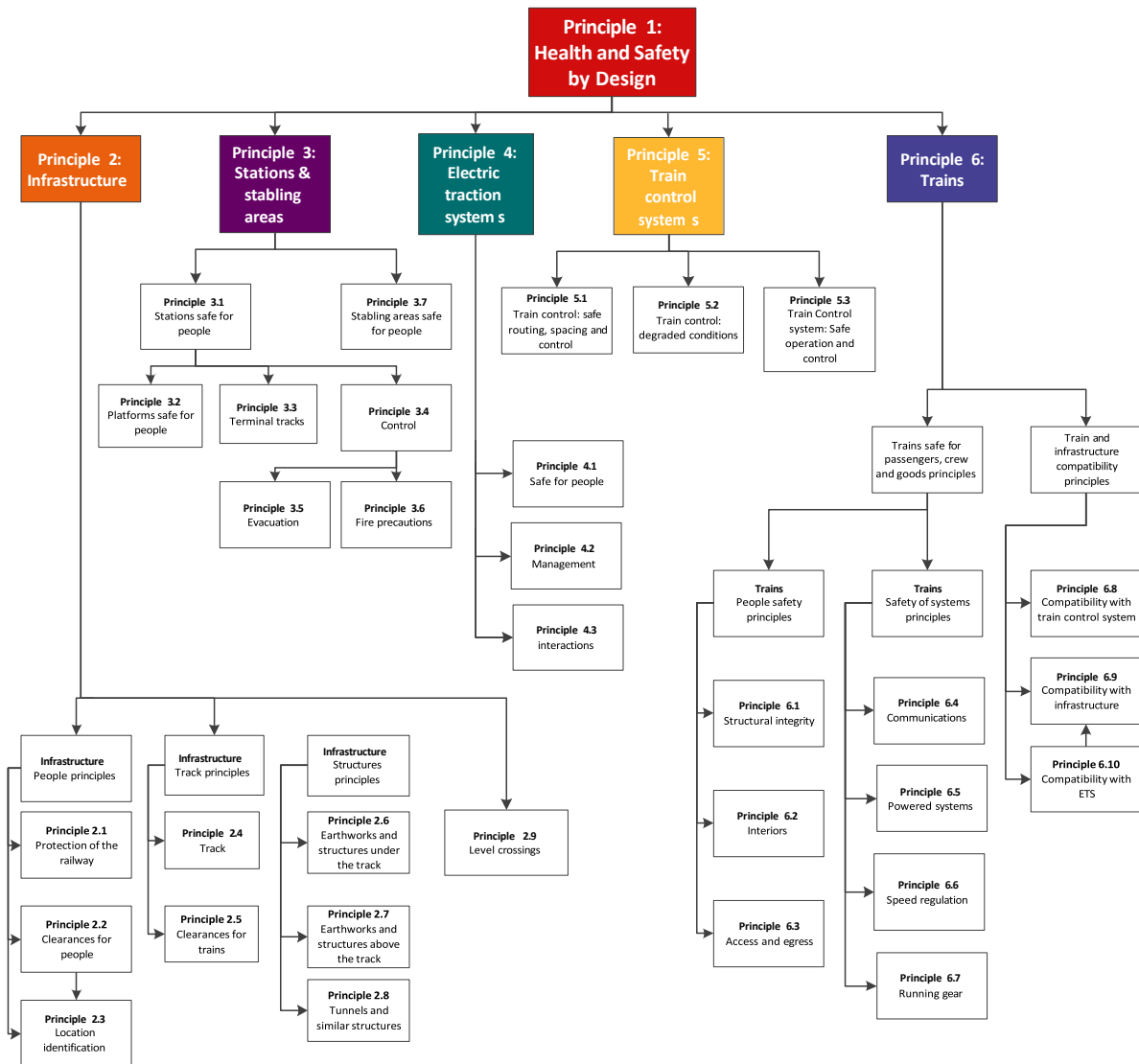
1. Emissions to Air
2. Fuel Management
3. Maintenance Management
4. Wastewater
5. Other Waste from Trains, Stations and Other Facilities
6. Noise and Vibrations

7. Habitat alteration and fragmentation in Rail Rights-of-Way

b. Occupational and Community Health & Safety Areas

1. Train Operations
2. Train and Worker Accidents
3. Noise and Vibration
4. Diesel Exhaust
5. Fatigue
6. Electric Hazards
7. Transportation of Hazardous Materials
8. Level Crossings
9. Pedestrians
10. Employee Health

Sample of an approach (for illustration purposes) is development of principals that identify & describe the health and safety benchmark required by an item of works, plant or equipment and its interaction with people and other items of work, plant or equipment. Each of the principles should comprise a number of factors which should be taken into account in order to achieve the outcome described in the principle. The flowchart sets out how the principles could be arranged:



- iii. Develop comprehensive Training Regime to ensure world class EHS implementation at all levels of the organization
- iv. Develop KPIs and Monitoring mechanism, and evaluate actual performance and benchmark against globally available data provided by international railway bodies like UIC, AAR, ARTC etc.
- v. Develop or recommend a comprehensive Safety Management System, covering all areas of rail operations, being deployed in other railway companies around the world
- vi. Design EHS Department(s) whose Head would be reporting directly to CEO of the relevant entity, and provide all relevant information about

hierarchy, people, roles & responsibilities, skills, competencies etc.as per section 3.9 HRM

3.10.3.3 Implementation

The Consultant will furnish a timeline of implementation of Strategies/Action Plans/Recommendations/Frameworks, where applicable, falling within the Assignment Period, and provide assistance to the Client in implementation of the following:

- i. The Consultant will perform another EHS Audit in fourth year, evaluate compliance with the new EHS Policies and Procedures, identify non conformances and provide improvement recommendations.
- ii. The Consultant will independently check the actual KPIs and compare with international benchmarks as per section 3.10.3.3 iv. on a bi-annual basis and provide feedback to the Client.
- iii. The Consultant will review Safety Management System for it's data integrity and effectiveness on a bi-annual basis and present report to the Client.
- iv. The Consultant will make the necessary changes in any strategy, action plan, forecast, framework and/or report/document/manual if during the implementation/monitoring phase, any rectification or correction of error or modification is identified/required.

3.10.3.4 Legal / Regulatory / Policy Changes

The Consultant will assist the Client in identifying any amendments required in the Railways Act and/or any other laws/regulations/rules/policies that would facilitate implementation of the Strategies/Action Plans/Recommendations/Frameworks identified and recommended in this Model. The Consultant will also assist the Client in drafting the required laws/regulations/rules/policies and also provide assistance in approval from the relevant authorities including Parliament, if requested by the Client.

3.11 Financial & Economic Model (FEM)

3.11.1 Background / Context / Current Status

PR currently does not have proper financial and cost accounting systems. The accounting is done on single entry basis and most finance related services are provided by Finance Department of Government of Pakistan, since PR does not have an independent fully functional Finance Department. The Revenue and Cost information is not available in details or organized in a way that is generally required to run such large organizations in an efficient and controlled environment.

The overall feasibility including Financial and Economic Analysis of ML-1 project has been prepared by the Chinese Consultants in conjunction with the PIU team. However, this and all other studies/analysis need to be reviewed and a more comprehensive model needs to be developed which provides more details and solutions for improving the Financial and Economic Forecasts of the ML-1 Project.

3.11.2 Overall Purpose / Expectation

The Consultant will develop Financial and Economic Model with forecasts incorporating the recommendations and their impact as per the previously described 10 Models as well as reviewing all the previous Financial and Economic projections related to ML-1. It will also include review of existing Financial Policies/Systems and development of optimal Policies/Systems to fully support the ML-1 Project.

3.11.3 Details of Responsibilities / Deliverables / KRAs

3.11.3.1 Diagnostics

The Consultant will perform a detailed review of current Financials, Accounting Systems and Finance Processes of the Client, highlight any issues that could impact the ML-1 project in future (for example unfunded employee pension etc.) and propose mitigating options in a detailed report.

3.11.3.2 Finance Strategies and Action Plans

The Consultant will develop comprehensive Finance Strategies, detailed Action

Plans with timelines and KPIs. This would include but not limited to:

- i. Financial Statutory and Management Reporting requirements and processes as per 3.1 GS
- ii. Financial and Cost Accounting Methodologies
- iii. Framework for calculating Public Service Obligation along with disbursement mechanism
- iv. Chart of Accounts
- v. Internal Controls System
- vi. External and Internal Audit mechanisms as per statutory requirements
- vii. Financial Budgeting & Planning
- viii. Investments and their financing options e.g. PSDP along with its framework, government loans, commercial loans, land sales etc.
- ix. Treasury Management
- x. Pension and/or other long term employee benefit funding
- xi. Other points as identified in the other 10 Models

3.11.3.3 Business Plan

The Consultant will develop a detailed Business Plan which would include but not limited to Current Situation Analysis, Strategies, Action Plans and Objectives/KPIs with timelines covering the above 10 Models along with Finance Strategies. The Business Plan would have 3 years detailed Operating Plan starting with second year of the Project Period and summarized plan for the balance Project Period.

The Business Plan will also include a comprehensive Financial Model with Profit & Loss, Balance Sheet and Cash Flow forecasts for full of the Project Period (38 years). The Consultant will compare this Financial Model against the Base Line Scenario i.e. without ML-1 investment as already prepared by the Client, which will be re-validated by the Consultant. The Financial Model will cover but not limited to:

- i. Review of all previous working/analysis of Macroeconomic Indicators, Revenue, Costs, Financial and Economic Cash Flows and adoption of components, if required, after validation and updating with latest data.

It would include but not limited to:

- a) Pakistan Railways Strategic Plan
 - b) PC-1 of ML-1
 - c) Review of PR ML-1 Project
 - d) Original Working by Chinese Consultant
 - e) Other Studies to be provided by Client, if required/available
- ii. Macroeconomic projections of Pakistan for the Project Period including but not limited to:
- a) Population
 - b) USD to PKR exchange rate
 - c) GDP
 - d) Inflation / CPI
 - e) Urbanization Trend
 - f) Local fuel prices considering Global Oil Prices
 - g) Other macroeconomic indicators that would be relevant to the Financial Model
 - h) Explanation of sources and/or models used to develop the above projections as per global best practices
- iii. Revenue and Cost forecasts incorporating the impact of 10 Models defined before including but not limited to:
- a) Freight and Passenger Traffic
 - b) Passenger Ticket Prices and Freight Rates
 - c) Estimate of Passenger Ticket in Cash or on Credit/Debit Card
 - d) Pricing Mechanism/Model of Track Access Regime and Annual Price increases
 - e) Other Revenue sources
 - f) Cost of Operations including but not limited to:
 - 1. All employee related costs
 - 2. Fuel Prices
 - 3. Maintenance Costs
 - 4. Utility Costs
 - 5. Outsourcing Costs
 - 6. Communication Costs

7. IT Systems Costs
 8. Other Operations Costs in details as per prevalent Financial Reports of railway organizations in other countries. This should include all items which are 5% or more of the Total Cost and “Other Costs” Head should not be more than 15%
 - g) Identify/estimate the Fixed and Variable components of all Costs and provide criteria, wherever applicable
 - h) Annual Cost Increase assumptions for both Fixed and Variable Costs
 - i) Develop cost reduction initiatives other than already provided in the 10 Models and include their impact in the Forecast
 - j) The Costs would be grouped in the Heads of Cost as per prevalent Financial Reports of railway organizations in other countries.
 - k) All assumptions used for Cost Forecasts will be developed as per global best practices and clearly explained
 - l) Marketing Costs as per section 3.4.3.2 vi.
 - m) Financial Costs including Principal Payments and Interest Charges
 - n) Taxes
 - o) Clearly identify PKR and Foreign Currency components of Costs, if relevant
 - p) Options on funding the P&L losses and corresponding Cash Flow requirement in relevant years
 - q) Ensure that the Revenue and Cost Models are designed in a flexible way so that they can be updated in future with any changes to the parameters used in these models
- iv. Incorporate impact of Public Service Obligation (PSO) for loss making portions of business including but not limited to Passenger Trains, Other Railway Operations etc. by developing PSO model incorporating actual examples in other countries and having discussions with the appropriate forums of Government of Pakistan. The Consultant will provide specific

examples to minimize PSO including revenue generation activities and cost reduction initiatives.

- v. Determine the P&L, Balance Sheet and Cash Flow of Track Access Regime and the Train Operations separately, as defined in 3.1 GS and on combined basis as well
- vi. Develop model of calculating Train Route Profitability and provide Train Route Profitability working for 10 longest and 10 shortest routes
- vii. Capex Investments forecasts for the Period including but not limited to:
 - a) Rolling Stock, identifying Local Currency and Foreign Currency components. Also determine ML-1 and Private Sector Investments separately.
 - b) New Terminals and Stations or upgrading of existing ones, ML- 1 and Private Sector Investments separately
 - c) Employee Vehicles, if relevant
 - d) IT Upgrade and/or Replacement
 - e) Other Major Capex components identified in all Models
 - f) For ML-1 investments, identify sources of funding e.g. PSDP, loans etc.
- viii. Weighted Average Cost of Capital (WACC) and Discount Rate working/basis
- ix. Working Capital changes including but not limited to:
 - a) Accounts Receivable
 - b) Other Receivable
 - c) Inventories
 - d) Accounts Payable
 - e) Other Payable/Accrued Expenses
- x. Develop Financial Cash Flow Analysis utilizing the above Revenue, Costs, Working Capital and Capex Investment Forecasts along with the Project Investment Costs as provided by the Client and calculate IRR, NPV and Payback Period based upon incremental benefit i.e. difference

between Cash Flows with ML-1 and without ML-1

- xi. Develop Economic Analysis incorporating all of the above forecasts and further including, but not limited to:
 - a) Level of improvement in turn-around/travel times (ports to up-country and back)
 - b) Impact of the Project on competitiveness, ease of doing business, and associated indices (e.g. Logistics Performance Index etc.)
 - c) Impact on productivity, fuel savings, savings from vehicle operating costs
 - d) Impact on Total Factor Productivity
 - e) Climate Change/Environmental Impacts
 - f) Overall impact on Pakistan's macroeconomic indicators
 - g) Other relevant factors as per global best practices of performing Economic Analysis
 - h) Determine EIRR, NPV and Payback Period of the Economic Cash Flow based upon incremental analysis
- xii. Do sensitivity analysis by changing forecasts of major Macroeconomic, Revenue, Costs and Capex Investment elements and provide multiple scenarios (at least 15) with different forecasts
- xiii. Determine 5 major Risks and 5 major Opportunities in the Financial and Economic Analysis and provide input on mitigating these Risks and leveraging the Opportunities
- xiv. Ensure that all forecasts are developed based upon realistic assumptions, factors and workings
- xv. Provide detailed explanations of all the models, assumptions, formulas used and the development of the Macroeconomic, Revenue, Costs, Financial Analysis and Economic Analysis Costs forecasts and Sensitivity Analysis/Scenarios
- xvi. Utilize an appropriate commercial software for the above Forecasts, if available, and provide training to the Client representatives about it's

operations

- xvii. All backup working in Excel etc. to be clearly explained and developed in a flexible manner with formulas/links with minimal hard coding of data

3.11.3.4 Financial Policies Manual

The Consultant will develop a detailed Financial Policies and Procedures Manual incorporating major Financial / Accounting Policies along with required forms, reports etc. in line with the Chart of Authority defined in section

3.1.3.6 of GS and the Financial Strategies defined above

3.11.3.5 Implementation

The Consultant will furnish a timeline of implementation of Strategies/Action Plans/Recommendations/Frameworks, where applicable, falling within the Assignment Period, and provide assistance to the Client in implementation of the following:

- i. The Consultant will assist the Client in developing and making presentations to the concerned authorities for information and/ or approval of the relevant points in this Model.
- ii. The Consultant will also review the progress of the financial performance versus the Business Plan on an annualized basis and provide detailed analysis to the Client identifying problem areas and their mitigation steps.
- iii. In the fourth year, the Consultant will update the Business Plan with past actual data, current situation at that time and any required changes to the Forecasts of all elements used in the original Business Plan.
- iv. The Consultant will make the necessary changes in any strategy, action plan, forecast, framework and/or report/document/manual if during the implementation/monitoring phase, any rectification or correction of error or modification is identified/required.

3.11.3.6 Legal / Regulatory / Policy Changes

The Consultant will assist the Client in identifying any amendments required in the Railways Act and/or any other laws/regulations/rules/policies that would facilitate implementation of the Strategies/Action Plans / Recommendations / Frameworks identified and recommended in this Model. The Consultant will also assist the Client in drafting the required laws/regulations/rules/policies and also provide assistance in approval from the relevant authorities including Parliament, if requested by the Client.

4. Deliverable Documents and Timeline

4.1 Following is the list of deliverable documents:

Phase-1, Part-1(Design)

S. No.	Model	Section	Document Type
1		Detailed Inception report including work plan	Report
2	GS	3.1.3.1 Diagnostics of Current Situation	Report
3	GS	3.1.3.2 Governance Structure Options	Report
4	GS	3.1.3.3 Proposed Governance Structure	
5	GS	3.1.3.4 Organization Structure	Report
6	GS	3.1.3.5 Vision, Mission, Values	Report
7	GS	3.1.3.6 Chart of Authority	Report
8	GS	3.1.3.7 Code of Business Conduct	Report
9	GS	3.1.3.8 Implementation timeline	Report
10	GS	3.1.3.9 Legal/Regulatory/Policy changes	Required documents
11	CEM	3.2.3.1 Diagnostics of Current Situation	Report
12	CEM	3.2.3.2 Research Tools & Methodologies	Report
13	CEM	3.2.3.3 Passenger Traffic–Competitive Analysis	Report
14	CEM	3.2.3.4 Freight Traffic–Competitive Analysis	Report
15	CEM	3.2.3.5 SWOT Analysis	Report
16	CEM	3.2.3.6 Strategies & Action Plans	
17	CEM	3.2.3.7 Implementation timeline	Report
18	CEM	3.2.3.8 Legal/Regulatory/Policy changes	Required documents
19	PSEM	3.3.3.1 Diagnostics of Current Situation	Report
20	PSEM	3.3.3.2 Key Areas for PPP	Report
21	PSEM	3.3.3.3 Framework	
22	PSEM	3.3.3.4 Selection of Areas/Options	
23	PSEM	3.3.3.5 Implementation timeline	Report
24	PSEM	3.3.3.6 Legal/Regulatory/Policy changes	Required documents
25	RGM	3.4.3.1 Diagnostics of Current Situation	Report

26	RGM	3.4.3.2 Revenue Business Plan	Report, backup working
27	RGM	3.4.3.3 Implementation timeline	Report
28	PSEM	3.4.3.4 Legal/Regulatory/Policy changes	Required documents
29	RSAMM	3.5.3.1 Diagnostics of Current Situation	Report
30	RSAMM	3.5.3.2 Strategies and Action Plans	Report, Manual
31	RSAMM	3.5.3.3 Implementation timeline	Report
32	RSAMM	3.5.3.4 Legal/Regulatory/Policy changes	Required documents
33	OTM	3.6.3.1 Diagnostics of Current Situation	Report
34	OTM	3.6.3.2 Strategic Framework	Report
35	OTM	3.6.3.3 Action Plans	
36	OTM	3.6.3.4 Implementation timeline	Report
37	OTM	3.6.3.5 Legal/Regulatory/Policy changes	Required documents
38	OPM	3.7.3.1 Diagnostics of Current Situation	Report
39	OPM	3.7.3.2 Strategies and Action Plans	Report, Manual
40	OPM	3.7.3.3 Implementation timeline	Report
41	OPM	3.7.3.4 Legal/Regulatory/Policy changes	Required documents
42	ITSM	3.8.3.1 Diagnostics of Current Situation	Report
43	ITSM	3.8.3.2 Strategies & Action Plans	Report
44	ITSM	3.8.3.3 Policies & Procedures Manual	Manual
45	ITSM	3.8.3.4 Organization	Report
46	ITSM	3.8.3.5 Implementation timeline	Report
47	ITSM	3.8.3.6 Legal/Regulatory/Policy changes	Required documents
48	HRM	3.9.3.1 Human Resource Audit	Report
49	HRM	3.9.3.2 Organization Chart	Report
50	HRM	3.9.3.3 Job Analysis	Report
51	HRM	3.9.3.4 Job Evaluation	Report
52	HRM	3.9.3.5 Responsibility Level Analysis	Report
53	HRM	3.9.3.6 Competencies	Report
54	HRM	3.9.3.7 Market Benchmarking	Report

55	HRM	3.9.3.8 Pay Structure & Grading Systems	Report
56	HRM	3.9.3.9 Remuneration Strategy	Report
57	HRM	3.9.3.10 Assessment of Current PR staff	Report
58	HRM	3.9.3.11 Change Management	Report
59	HRM	3.9.3.12 Performance Management System	Report, Manual
60	HRM	3.9.3.13 Human Capital Management System	Report
61	HRM	3.9.3.14 HR Policy Manual	Manual
62	HRM	3.9.3.15 Implementation timeline	Report
63	HRM	3.9.3.16 Legal/Regulatory/Policy changes	Required documents
64	EHSM	3.10.3.1 Diagnostics of Current Situation	Report
65	EHSM	3.10.3.2 Strategies and Action Plans	Report, Manual
66	EHSM	3.10.3.3 Implementation timeline	Report
67	EHSM	3.10.3.4 Legal/Regulatory/Policy changes	Required documents
68	FEM	3.11.3.1 Diagnostics of Current Situation	Report
69	FEM	3.11.3.2 Finance Strategies and Action Plans	Report
70	FEM	3.11.3.3 Business Plan	Report, backup working
71	FEM	3.11.3.4 Financial Policies Manual	Manual
72	FEM	3.11.3.5 Implementation timeline	Report
73	FEM	3.11.3.6 Legal/Regulatory/Policy changes	Required documents

Phase-1 Part-2 (Implementation)

S.No.	Model	Section	Document Type
1	GS	3.1.3.8 ii. Documents for Implementation	Required documents
2	HRM	3.9.3.15 iii. Audit in fourth year	Report

Phase-2 (Implementation)

S.No.	Model	Section	Document Type
1	CEM	3.2.3.7 iii. Market Research in fourth year	Report
2	PSEM	3.3.3.5 iv. Vetting of private party systems	Report
3	PSEM	3.3.3.5 v., vi. Monitoring	Report
4	RGM	3.4.3.3 iii., iv. Monitoring	Report

5	OTM	3.6.3.4 iii. Audit in fourth year	Report
6	OPM	3.7.3.3 i., ii. Monitoring	Report
7	OPM	3.7.3.3 iv. Audit in fourth year	Report
8	ITSM	3.8.3.5 ii. Post Installation feedback	Report
9	ITSM	3.8.3.5 iii. Audit in fourth year	Report
10	EHSM	3.10.3.3 i. Audit in fourth year	Report
11	EHSM	3.10.3.3 ii. Monitoring of KPIs	Report
12	EHSM	3.10.3.3 iii. Review of Safety Mgt. System	Report
13	FEM	3.11.3.5 ii. Progress vs. Business Plan	Report
14	FEM	3.11.3.5 iii. Update Business Plan	Report, backup working

The documents will be provided by the Consultant in Two (2) hard copies and editable soft copy on USB.

4.2 Completion Period (Timeline):

- i. Overall completion period is Six (06) years commencing from the date of signing of Consultancy Agreement, as detailed below:

A. Phase-1 (Design & Implementation of Governance Structure & HR Model)

Part-1 - Preparation of Governance Structure and all other Models as stated in RFP within eighteen (18) months after signing of Contract Agreement.

Part-2 - Implementation of Governance Structure and Human Resource Model within eighteen (18) months after preparation and acceptance of Governance Structure by the Client. The Consultant will not initiate Implementation and will not depute professionals for this purpose until a letter to commence the Implementation is issued by the Client.

B. Phase-2 (Implementation)

Implementation of all models (except Governance Structure & Human Resource Model) within thirty six (36) months after preparation and acceptance of such models by the Client. The Consultant will not initiate Implementation and will not depute professionals for this purpose until a letter to commence the Implementation is issued by the Client.

- ii. Detailed Inception report including work plan (S.No.1) is required within One (01) month.
- iii. Reports / documents listed from S.No.2 to 73 are required within Eighteen (18) months being related with Part-1 of Phase-1.
- iv. Document for Implementation of Governance Structure (GS) and Human Resource Model (HRM) as part of Part-2 of Phase-1 are to be provided within initial two (02) months out of total implementation period of eighteen (18) months for Part-2 of Phase-1.

- v. For Phase-2, document for Implementation of all Models, where applicable, except Governance Structure (GS) and Human Resource Model (HRM) are to be provided within initial six (06) months out of total implementation period of thirty six (36) months for Phase-2.
- vi. Other deliverables in the Implementation sections related to assistance in contracts, selection of parties/employees, legal/regulatory/policy changes etc. would be required as needed during the Assignment Period.
- vii. The Client will accord approval of the Reports / Documents within Fifteen (15) days of the submission.

5. Mode of payment

i. Currency used for payments

The Client can make maximum of 20% of total payments in US Dollars and the balance in Pakistan Rupees in case there is a foreign firm/partner(s) or foreign individual consultant(s). If there are no foreign firm/partner(s) or individual consultant(s), then all the payments will be made in Pakistan Rupees (PKR) only.

ii. Schedule of payments

- a. Payment shall be made as per following schedule.

Phase-1 (Design and Implementation of Governance Structure & HR Model)		
S. No	Submission of Deliverables	%age Payment
	Part-1 of Phase-1 (Design)	
1	Detailed Inception Report including work plan as stated at S.No.1 of section 4 of the above TOR	15% of total accepted cost of Part-1 of Phase-1
2	Draft submission for each Model as provided in FORM FIN-4 and as explained in the TOR	50% of accepted cost of each Model
3	Final submission and approval for each Model as provided in FORM FIN-4 and as explained in the TOR	35% of accepted cost of each Model
	Part-2 of Phase-1 (Implementation of Governance Structure and HR Model)	
4	Monthly Payment, subject to submission of Documents and provision of other deliverables as defined in the Implementation section as well as of section 4 of the TOR along with the report having details of actual time spent by the Consultant on the	Monthly @ rate quoted for that particular half year in FORM FIN-5

	Assignment during the Month	
Phase-2 (Implementation) (except Governance Structure and HR Model)		
1	Monthly Payment, subject to submission of Documents and provision of other deliverables as defined in the Implementation section as well as of section 4 of the TOR along with the report having details of actual time spent by the Consultant on the Assignment during the quarter	Monthly @ rate quoted for that particular year in FORM FIN-6

- b. All payments will be made within Thirty (30) days against invoices provided by the Consultant.
 - c. Proportionate payment on submission of draft Models will be allowed. In addition, in case of starting implementation earlier than specified time, payment will also be started earlier, if approved by the Client.
 - d. 5% Retention Money will be deducted from each payment. Retention Money of each Model in Phase-1 (Design) will be returned after three months of approval of that Model. Retention Money for Implementation (for both Part-2 of Phase-1 and Phase-2) will be returned after three months of completion of Implementation Period.
 - e. Payments shall be made to the Lead Partner. However, payments can also be made to each JV partner(s) separately subject to the written consent of the Lead Partner. Payment can also be made directly sub-consultant (if applicable) subject to written consent of the Lead Partner.
 - f. The Consultant will not initiate Implementation and will not depute professionals for this purpose until a letter to commence the Implementation is issued by the Client.
- iii. **Mobilization Advance Payments**
- In accordance with the prevailing policy of Ministry of Railways, mobilization advance payment is not admissible
- iv. **Financing Charges.**
- No Financing Charges shall be admissible due to delayed payment.

**DRAFT CONTRACT AGREEMENT FOR ENGINEERING
CONSULTANCY SERVICES**

between

**Team Leader / Project Director PIU,
ML-1 Project, Pakistan Railways**

and

(Name of Consultant)

For

**Research Driven Solution to Develop and Implement Governance
Structure, Human Resources Framework and Business Model for the
upgraded ML-1**

(Month, Year)

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CONTRACT

This CONTRACT (hereinafter called the "Contract") is made on the ____ of _____, 2024, between, on the one hand, Team Leader / Project Director, PIU ML-1 Project, Pakistan Railways, Lahore (hereinafter called the "Client" which expression shall include the successors, legal representatives and permitted assigns) and, on the other hand, _____ (hereinafter called the "Consultants, which expression shall include the successors, legal representatives and permitted assigns).

WHEREAS

- (a) the Client has requested the Consultants to provide certain consulting services as defined in the General Conditions of Contract attached to this Contract (hereinafter called the "Services"); and
- (b) the Consultants, having represented to the Client that they have the required professional skills, and personnel and technical resources, have agreed to provide the Services on the terms and conditions set forth in this Contract;

NOW THEREFORE the Parties hereby agree as follows:

- 1. The following documents attached hereto shall be deemed to form an integral part of this Contract:

- (a) the Letter of Acceptance;
- (b) the General Conditions of Contract
- (c) the Special Conditions of Contract;
- (d) the following Appendices:

Appendix A: Description of Services

Appendix B: Reporting Requirements

Appendix C: Key Personnel and Subconsultants

Appendix D: Breakdown of Contract Price in Foreign Currency

Appendix E: Breakdown of Contract Price in Local Currency

Appendix F: Services & Facilities to be Provided by the Client

Appendix G: Integrity Pact

Appendix H: Consultant's Proposal (Technical & Financial)

Appendix I: Terms of Reference (TORs), including amendments (if any)

Appendix J: Post RFP correspondence (if any)

- 2. The mutual rights and obligations of the Client and the Consultants shall be as set forth in the Contract, in particular:

- (a) the Consultants shall carry out the Services in accordance with the provisions of the Contract; and
- (b) the Client shall make payments to the Consultants in accordance with the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names in two identical parts each of which shall be deemed as the original, as of the day, month and year first above written.

For and on behalf of CLIENT

For and on behalf of CONSULTANTS

Signature _____

Signature _____

Name: -----

Name: -----

Title: -----

Title: -----

Address: -----

Address: -----

(Seal)

(Seal)

Witness

Witness

Signature _____

Signature _____

Name: _____

Name: _____

Title: _____

Title: _____

II. GENERAL CONDITIONS OF CONTRACT

1. GENERAL PROVISIONS

1.1 Definitions

Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

- (a) "Applicable Law" means the laws and any other instruments having the force of law in the Islamic Republic of Pakistan, as those may be issued and in force from time to time;
- (b) "Contract" means the Contract signed by the Parties, to which these General Conditions of Contract (GC) are attached, together with all the documents listed in Clause 1 of such signed Contract;
- (c) "Contract Price" means the price to be paid for the performance of the Services, in accordance with Clause 6;
- (d) "Effective Date" means the date on which this Contract comes into force and effect pursuant to Sub-Clause 2.1;
- (e) "GC" means these General Conditions of Contract;
- (f) "Government" means the Government of the Islamic Republic of Pakistan and/or Provincial Government(s);
- (g) "Foreign Currency" means currency other than the currency of Islamic Republic of Pakistan.;
- (h) "Local Currency" means the currency of the Islamic Republic of Pakistan;
- (i) "Member" in case the Consultants consist of a joint venture of more than one entity, means any of the entities, and "Members" means all of these entities;
- (j) "Party" means the Client or the Consultants, as the case may be, and "Parties" means both of them;
- (k) "Personnel" means persons hired by the Consultants or by any Subconsultant as employees and assigned to the performance of the Services or any part thereof;

- (l) "SC" means the Special Conditions of Contract by which the GC are amended or supplemented;
- (m) "Services" means the work to be performed by the Consultants pursuant to this Contract, as described in Appendix A;
- (n) "Subconsultant" means any entity to which the Consultants subcontract any part of the Services in accordance with the provisions of Sub-Clause 3.6;
- (o) "Third Party" means any person or entity other than the Client, the Consultants or a Subconsultant; and
- (p) "Project" means the work specified in SC for which engineering consultancy services are desired.

1.2 Law Governing the Contract

This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Laws of Pakistan .

1.3 Language

This Contract has been executed in the English language which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract. All the reports and communications shall be in the English language.

1.4 Notices

Any notice, request, or consent made pursuant to this Contract shall be in writing and shall be deemed to have been made when delivered in person to an Authorised Representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, or facsimile to such Party at the address of the Authorised Representatives specified under Sub-Clause SC 1.6. A Party may change its address for notice hereunder by giving the other Party notice of such change.

1.5 Location

The Services shall be performed at such locations as are specified in Appendix A and, where the location of a particular task is not so specified, at such locations as mutually agreed by the Parties.

1.6 Authorised Representatives

Any action required or permitted to be taken, and any document required or permitted to be executed, under this Contract by the Client or the Consultants

shall be taken or executed by the Authorised Representatives specified in the SC.

1.7 Taxes and Duties

Unless specified in the SC, the Consultants, Subconsultants, and their Personnel shall pay such taxes, duties, fees, and other impositions as may be levied under the Applicable Law, the amount of which is deemed to have been included in the Contract Price.

1.8 Leader of Joint Venture

In case the Consultants consist of a joint venture of more than one entity, the Consultants shall be jointly and severally bound to the Client for fulfillment of the terms of the Contract and designate the Member named in the SC to act as leader of the Joint Venture, for the purpose of receiving instructions from the Client.

2. COMMENCEMENT, COMPLETION, MODIFICATION, AND TERMINATION OF CONTRACT

2.1 Effectiveness of Contract

This Contract shall come into force and effect on the date (the "Effective Date") of the Client's notice to the Consultants instructing the Consultants to begin carrying out the Services. This notice shall confirm that the effectiveness conditions, if any, listed in the SC have been met.

2.2 Termination of Contract for Failure to Become Effective

If this Contract has not become effective within such time period after the date of the Contract signed by the Parties as shall be specified in the SC, either Party may, by not less than twenty eight (28) days written notice to the other Party, declare this Contract to be null and void, and in the event of such a declaration by either Party, neither Party shall have any claim against the other Party except for the work (if any) already done or costs already incurred by a Party at the request of the other Party.

2.3 Commencement of Services

The Consultants shall begin carrying out the Services at the end of such time period after the Effective Date as shall be specified in the SC.

2.4 Expiration of Contract

Unless terminated earlier pursuant to Sub-Clause 2.9, this Contract shall expire when, pursuant to the provisions hereof, the Services have been

completed and the payments of remunerations including the direct costs if any, have been made. The Services shall be completed within a period as is specified in the SC, or such extended time as may be allowed under Sub-Clause 2.6.

The term "Completion of Services" is as specified in the SC.

2.5 Modification

Modification of the terms and conditions of this Contract, including any modification of the scope of the Services or of the Contract Price, may only be made in writing, which shall be signed by both the Parties.

2.6 Extension of Time for Completion

If the scope or duration of the Services is increased:

- (a) the Consultants shall inform the Client of the circumstances and probable effects;
- (b) the increase shall be regarded as Additional Services; and
- (c) the Client shall extend the time for Completion of the Services accordingly.

2.7 Force Majeure

2.7.1 Definition

- (a) For the purposes of this Contract, "Force Majeure" means an event which is beyond the reasonable control of a Party and which makes a Party's performance of its obligations under the Contract impossible or so impractical as to be considered impossible under 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 actions (except where such strikes, lockouts or other industrial actions are within the power of the Party invoking Force Majeure to prevent), confiscation or any other action by government agencies.
- (b) Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or such Party's Subconsultants or agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected to both (A) take into account at the time of the conclusion of this Contract and (B) avoid or overcome in the carrying out of its obligations hereunder.

- (c) Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder.

2.7.2 No Breach of Contract

The failure of a Party to fulfill any of its obligations under the Contract shall not be considered to be a breach of, or default under this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event; (a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this Contract; and (b) has informed the other Party in writing not later than fifteen (15) days following the occurrence of such an event.

2.7.3 Extension of Time

Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

2.7.4 Payments

During the period of their inability to perform the Services as a result of an event of Force Majeure, the Consultants shall be entitled to continue to be paid under the terms of this Contract, as well as to be reimbursed for additional costs reasonably and necessarily incurred by them during such period for the purpose of the Services and in reactivating the Services after the end of such period.

2.8 Suspension of Payments by the Client

The Client may, by written notice of suspension to the Consultants, suspend all payments to the Consultants hereunder if the Consultants fail to perform any of their obligations under this Contract, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall request the Consultants to remedy such failure within a period not exceeding thirty (30) days after receipt by the Consultants of such notice of suspension.

2.9 Termination

2.9.1 By the Client

The Client may terminate this Contract, by not less than thirty (30) days written notice of termination to the Consultants, to be given after the occurrence of any of the events specified in paragraphs (a) through (e) of this Sub-Clause 2.9.1 and sixty (60) days' in the case of the event referred to in paragraph (f):

- (a) if the Consultants do not remedy a failure in the performance of their obligations under the Contract, within thirty (30) days after being notified or within any further period as the Client may have subsequently approved in writing;
- (b) if the Consultants become (or, if the Consultants consist of more than one entity, if any of their Members becomes) insolvent or bankrupt or enter into any agreements with their creditors for relief of debt or take advantage of any law for the benefit of debtors or go into liquidation or receivership whether compulsory or voluntary;
- (c) if the Consultants fail to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause 7 hereof;
- (d) if the Consultants submit to the Client a statement which has a material effect on the rights, obligations or interests of the Client and which the Consultants know to be false;
- (e) if, as the result of Force Majeure, the Consultants are unable to perform a material portion of the Services for a period of not less than sixty (60) days;
- (f) if the Client, in its sole discretion, decides to terminate this Contract.

2.9.2 By the Consultants

The Consultants may terminate this Contract, by not less than thirty (30) days written notice to the Client, such notice to be given after the occurrence of any of the events specified in paragraphs (a) through (d) of this Sub-Clause 2.9.2:

- (a) if the Client fails to pay any monies due to the Consultants pursuant to this Contract and not subject to dispute pursuant to Clause 7 within forty-five (45) days after receiving written notice from the Consultants that such payment is overdue;
- (b) if the Client is in material breach of its obligations pursuant to this Contract and has not remedied the same within forty-five (45) days (or such longer period as the Consultants may have subsequently approved in writing) following the receipt by the Client of the Consultants' notice specifying such breach;
- (c) if, as a result of Force Majeure, the Consultants are unable to perform a material portion of the Services for a period of not less than sixty (60) days;
- (d) if the Client fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause 7 hereof.

2.9.3 Cessation of Services

Upon receipt of notice of termination under Sub-Clause 2.9.1, or giving of notice of termination under Sub-Clause 2.9.2, the Consultants shall take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by the Consultants, and equipment and materials furnished by the Client, the Consultants shall proceed as provided, respectively, by Sub-Clauses 3.8 or 3.9.

2.9.4 Payment upon Termination

Upon termination of this Contract pursuant to Sub-Clauses 2.9.1 or 2.9.2, the Client shall make the following payments to the Consultants:

- (a) remuneration and reimbursable direct costs expenditure pursuant to Clause 6 for Services satisfactorily performed prior to the effective date of termination. Effective date of termination for purposes of this Sub-Clause means the date when the prescribed notice period would expire;
- (b) except in the case of termination pursuant to paragraphs (a) through (d) of Sub-Clause 2.9.1, reimbursement of any reasonable cost incidental to the prompt and orderly termination of the Contract, including the cost of the return travel of the Personnel, according to Consultants Traveling Allowance Rules.

In order to compute the remuneration for the part of the Services satisfactorily performed prior to the effective date of termination, the respective remunerations shall be proportioned.

2.9.5 Disputes about Events of Termination

If either Party disputes whether an event specified in paragraphs (a) through (e) of Sub-Clause 2.9.1 or in paragraph (a) through (d) of Sub-Clause 2.9.2 hereof has occurred, such Party may, within forty-five (45) days after receipt of notice of termination from the other Party, refer the matter to arbitration pursuant to Clause 7 hereof, and this Contract shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award.

3. OBLIGATIONS OF THE CONSULTANTS

3.1 General

The Consultants shall perform the Services and carry out their obligations with all due diligence, efficiency, and economy, in accordance with generally accepted professional techniques and practices, and shall observe sound management practices, and employ appropriate advanced technology and safe

methods. The Consultants shall always act, in respect of any matter relating to this Contract or to the Services, as faithful advisers to the Client, and shall at all times support and safeguard the Client's legitimate interests in any dealings with Subconsultants or third parties.

3.2 Consultants Not to Benefit from Commissions, Discounts, etc.

The remuneration of the Consultants pursuant to Clause 6 shall constitute the Consultants' sole remuneration in connection with this Contract or the Services, and the Consultants shall not accept for their own benefit any trade commission, discount, or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations under the Contract, and the Consultants shall use their best efforts to ensure that the Personnel, any Subconsultants, and agents of either of them similarly shall not receive any such additional remuneration.

3.3 Confidentiality

The Consultants, their Subconsultants, and the Personnel of either of them shall not, either during the term or after the expiration of this Contract, disclose any proprietary or confidential information relating to the Project, the Services, this Contract, or the Client's business or operations without the prior written consent of the Client.

3.4 Liability of the Consultants

The Consultants are liable for the consequence of errors and omissions on their part or on the part of their employees in so far as the design of the Project is concerned to the extent and with the limitations as mentioned hereinbelow.

If the Client suffers any losses or damages as a result of proven faults, errors or omissions in the design of a project, the Consultants shall make good such losses or damages, subject to the conditions that the maximum liability as aforesaid shall not exceed twice the total remuneration of the Consultants for design phase in accordance with the terms of the Contract.

The liability of the Consultants expires after one (1) year from the stipulated date of completion of construction or after three (3) years from the date of final completion of the design whichever is earlier.

The Consultants may, to protect themselves, insure themselves against their liabilities but this is not obligatory. The extent of the insurance shall be up to the limit specified in second para above. The Consultants shall procure the necessary cover before commencing the Services and the cost of procuring such cover shall be borne by the Consultants up to a limit of one percent of the total remuneration of the Consultants for the design phase for every year of keeping such cover effective.

The Consultants shall, at the request of the Client, indemnify the Client against any or all risks arising out of the furnishing of professional services by the Consultants to the Client, not covered by the provisions contained in the first para above and exceeding the limits set forth in second para above provided the actual cost of procuring such indemnity as well as costs exceeding the limits set forth in fourth para above shall be borne by the Client.

3.5 Other Insurance to be Taken out by the Consultants

The Consultants (a) shall take out and maintain, and shall cause any Subconsultants to take out and maintain, at their (or the Subconsultants', as the case may be) own cost but on terms and conditions approved by the Client, insurance against the risks, and for the coverage, as are specified in the SC; and (b) at the Client's request, shall provide evidence to the Client showing that such insurance has been taken out and maintained and that the current premiums have been paid.

3.6 Consultants' Actions Requiring Client's Prior Approval

The Consultants shall obtain the Client's prior approval in writing before taking any of the following actions:

- (a) appointing such Personnel as are listed in Appendix-C merely by title but not by name;
- (b) entering into a subcontract for the performance of any part of the Services, it being understood (i) that the selection of Subconsultants and the terms and conditions of the subcontract shall have been approved in writing by the Client prior to the execution of the subcontract, and (ii) that the Consultants shall remain fully liable for the performance of the Services by the Subconsultants and its Personnel pursuant to this Contract;
- (c) any other action that may be specified in the SC.

3.7 Reporting Obligations

The Consultants shall submit to the Client the reports and documents specified in Appendix B in the form, in the numbers, and within the periods set forth in the said Appendix.

3.8 Documents Prepared by the Consultants to be the Property of the Client

All plans, drawings, specifications, reports, and other documents and software prepared by the Consultants in accordance with Sub-Clause 3.7 shall become and remain the property of the Client, and the Consultants shall, not later than upon termination or expiration of this Contract, deliver (if not already delivered) all such documents and software to the Client, together with a

detailed inventory thereof. The Consultants may retain a copy of such documents and software.

Restriction(s) about the future use of these documents is specified in the SC.

3.9 Equipment and Materials Furnished by the Client

Equipment and materials made available to the Consultants by the Client, or purchased by the Consultants with funds provided exclusively for this purpose by the Client, shall be the property of the Client and shall be marked accordingly. Upon termination or expiration of this Contract, the Consultants shall make available to the Client an inventory of such equipment and materials and shall dispose of such equipment and materials in accordance with the Client's instructions or afford salvage value of the same. While in possession of such equipment and materials, the Consultants, unless otherwise instructed by the Client in writing, shall insure them at the expense of the Client in an amount equal to their full replacement value.

3.10 Accounting, Inspection and Auditing

The Consultants (i) shall keep accurate and systematic accounts and records in respect of the Services hereunder, in accordance with internationally accepted accounting principles and in such form and detail as will clearly identify all relevant time charges, and cost, and the basis thereof, and (ii) shall permit the Client or its designated representatives periodically, and up to one year from the expiration or termination of this Contract, to inspect the same and make copies thereof as well as to have them audited by auditors appointed by the Client.

4. CONSULTANTS' PERSONNEL AND SUBCONSULTANTS

4.1 Description of Personnel

The titles, agreed job descriptions, minimum qualifications, and estimated periods of engagement in the carrying out of the Services of the Consultants' Key Personnel are described in Appendix C. The Key Personnel and Subconsultants listed by title and/or by name, as the case may be, in Appendix C are deemed to be approved by the Client.

4.2 Removal and/or Replacement of Personnel

- (a) Except as the Client may otherwise agree, no changes shall be made in the Key Personnel. If, for any reason beyond the reasonable control of the Consultants, it becomes necessary to replace any of the Key Personnel, the Consultants shall provide as a replacement a person of equivalent or better qualifications;
- (b) If the Client, (i) finds that any of the Personnel have committed serious misconduct or have been charged with having committed a criminal action; or (ii) has reasonable cause to be dissatisfied with the

performance of any of the Personnel, then the Consultants shall, at the Client's written request specifying the grounds therefor, provide as a replacement a person with qualifications and experience acceptable to the Client.

- (c) Except as the Client may otherwise agree, the Consultants shall; (i) bear all the additional travel and other costs arising out of or incidental to any removal and/or replacement; and (ii) bear any additional remuneration, to be paid for any of the Personnel provided as a replacement to that of the Personnel being replaced.

5. OBLIGATIONS OF THE CLIENT

5.1 Assistance, Coordination and Approvals

5.1.1 Assistance

The Client shall use its best efforts to ensure that the Client shall:

- (a) provide at no cost to the Consultants, Subconsultants and Personnel such documents prepared by the Client or other consulting engineers appointed by the Client as shall be necessary to enable the Consultants, Subconsultants or Personnel to perform the Services. The documents and the time within which such documents shall be made available, are as specified in the SC;
- (b) assist to obtain the existing data pertaining or relevant to the carrying out of the Services, with various Government and other organisations. Such items unless paid for by the Consultants without reimbursement by the Client, shall be returned by the Consultants upon completion of the Services under this Contract;
- (c) issue to officials, agents and representatives of the concerned organisations, all such instructions as may be necessary or appropriate for prompt and effective implementation of the Services;
- (d) assist to obtain permits which may be required for right-of-way, entry upon the lands and properties for the purposes of this Contract;
- (e) provide to the Consultants, Subconsultants, and Personnel any such other assistance and exemptions as may be specified in the SC.

5.1.2 Co-ordination

The Client shall:

- (a) coordinate and get or expedite any necessary approval and clearances relating to the work from any Government or Semi-Government

Agency, Department or Authority, and other concerned organisation named in the SC.

(b) coordinate with any other consultants employed by him.

5.1.3 Approvals

The Client shall accord approval of the documents within such time as specified in the SC, whenever these are applied for by the Consultants.

5.2 Access to Land

The Client warrants that the Consultants shall have, free of charge, unimpeded access to all land of which access is required for the performance of the Services.

5.3 Change in the Applicable Law

If, after the date of this Contract, there is any change in the Applicable Law which increases or decreases the cost of the Services rendered by the Consultants, then the remunerations and direct costs otherwise payable to the Consultants under this Contract shall be increased or decreased accordingly, and corresponding adjustment shall be made to the amounts referred to in Sub-Clause 6.2 (a) or (b), as the case may be.

5.4 Services and Facilities

The Client shall make available to the Consultants, Subconsultants and the Personnel, for the purpose of the Services and free of any charge, the services, facilities and property described in Appendix F at the times and in the manner specified in said Appendix F, provided that if such services, facilities and property shall not be made available to the Consultants as and when so specified, the Parties shall agree on; (i) any time extension that it may be appropriate to grant to the Consultants for the performance of the Services; (ii) the manner in which the Consultants shall procure any such services, facilities and property from other sources; and (iii) the additional payments, if any, to be made to the Consultants as a result thereof pursuant to Clause 6 hereinafter.

5.5 Payments

In consideration of the Services performed by the Consultants under this Contract, the Client shall make to the Consultants such payments and in such manner as is provided by Clause 6 of this Contract.

6. PAYMENTS TO THE CONSULTANTS

6.1 Lump Sum Remuneration

The Consultants' total remuneration shall not exceed the Contract Price and shall be a fixed lump sum including all staff costs, incurred by the Consultants in carrying out the Services described in Appendix A. Other reimbursable direct costs expenditure, if any, are specified in the SC. Except as provided in Sub-Clause 5.3, the Contract Price may only be increased above the amounts stated in Sub-Clause 6.2 if the Parties have agreed to additional payments in accordance with Sub-Clauses 2.5, 2.6, 5.4 or 6.6.

6.2 Contract Price

- (a) Foreign currency payment shall be made in the currency or currencies specified as foreign currency or currencies in the SC, and local currency payment shall be made in Pakistani Rupees.
- (b) The SC shall specify the break up of remuneration to be paid, respectively, in foreign and in local currencies.

6.3 Terms and Conditions of Payment

Payment will be made to the account of the Consultants and according to the payment schedule stated in the SC. Payments shall be made after the conditions listed in the SC for such payments have been met, and the Consultants have submitted an invoice to the Client specifying the amount due.

6.4 Period of Payment

- (a) Advance payment to the Consultants shall be affected within the period specified in the SC, after signing of the Contract Agreement between the Parties.
- (b) Any other amount due to the Consultants shall be paid by the Client to the Consultants within twenty-eight (28) days in case of local currency and fifty six (56) days in case of foreign currency after the Consultants' invoice has been delivered to the Client.

6.5 Delayed Payments

If the Client has delayed payments beyond the period stated in paragraph (b) of Sub-Clause 6.4, financing charges shall be paid to the Consultants for each day of delay at the rate specified in the SC.

6.6 Additional Services

Additional Services means:

- (a) Services as approved by the Client outside the Scope of Services described in Appendix A;
- (b) Services to be performed during the period extended pursuant to Sub-Clause 2.6, beyond the original schedule time for completion of the Services; and
- (c) any re-doing of any part of the Services as a result of Client's instructions.

If, in the opinion of the Client, it is necessary to perform Additional Services during the currency of the Contract for the purpose of the Project, such Additional Services shall be performed with the prior concurrence of both the Parties. The Consultants shall inform the Client of the additional time (if any), and the additional remuneration and reimbursable direct costs expenditure for such Additional Services. If there is no disagreement by the Client within two weeks of this intimation, such additional time, remuneration and reimbursable direct costs expenditure shall be deemed to become part of the Contract. Such remuneration and reimbursable direct costs expenditure shall be determined on the basis of rates provided in Appendices D and E, in case the Additional Services are performed during the scheduled period of the Services, otherwise remuneration for Additional Services shall be determined on the basis of Consultants' billing rates prevailing at the time of performing the Additional Services.

6.7 Consultants' Entitlement to Suspend Services

If the Client fails to make the payment of any of the Consultants' invoice (excluding the advance payment), within twenty-eight (28) days after the expiry of the time stated in paragraph (b) of Sub-Clause 6.4, within which payment is to be made, the Consultants may after giving not less than fourteen (14) days' prior notice to the Client, suspend the Services or reduce the rate of carrying out the Services, unless and until the Consultants have received the payment.

This action will not prejudice the Consultants entitlement to financing charges under Sub-Clause 6.5.

7. SETTLEMENT OF DISPUTES

7.1 Amicable Settlement

The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation.

7.2 Dispute Settlement

Any dispute between the Parties as to matters arising pursuant to this Contract which cannot be settled amicably within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for settlement in accordance with the provisions of the Arbitration Act, 1940 (Act No.X of 1940) and of the Rules made thereunder and any statutory modifications thereto.

Services under the Contract shall, if reasonably possible, continue during the arbitration proceedings and no payment due to or by the Client shall be withheld on account of such proceedings.

8. INTEGRITY PACT

8.1 If the Consultant or any of his Subconsultants, agents or servants is found to have violated or involved in violation of the Integrity Pact signed by the Consultant as Appendix-G to this Form of Contract, then the Client shall be entitled to:

- (a) recover from the Consultant an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by the Consultant or any of his Subconsultant, agents or servants;
- (b) terminate the Contract; and
- (c) recover from the Consultant any loss or damage to the Client as a result of such termination or of any other corrupt business practices of the Consultant or any of his Subconsultant, agents or servants.

On termination of the Contract under Sub-Para (b) of this Sub-Clause, the Consultant shall proceed in accordance with Sub-Clause 2.9.3. Payment upon such termination shall be made under Sub-Clause 2.9.4 (a) after having deducted the amounts due to the Client under Sub-Para (a) and (c) of this Sub-Clause.

III. SPECIAL CONDITIONS OF CONTRACT

No. Amendments of, and Supplements to, Clauses in the General Conditions
of GC of Contract
Clause

1.1 Definitions

- (p) "Project" means **“Research Driven Solution to Develop and Implement Governance Structure, Human Resources Framework and Business Model for the upgraded ML-1”**

1.6 Authorised Representatives

The Authorised Representatives are the following:

For the Client:

Name :

Telephone :

Facsimile :

E.Mail :

For the Consultants:

Name :

Project :

Address :

Telephone :

E.Mail :

1.7 Taxes and Duties

All the taxes, as per Applicable Laws as on date of submission of bid (Technical & Financial Proposal) i.e., ----- shall be the responsibility of the Consultants. In case of any increase by the Government of Pakistan in rate of taxes after said date the Consultants shall be paid extra and for any reduction in taxes the Consultants shall be paid less accordingly.

1.8 Leader of the Consortium

The leader of the Consortium is:

(please specify in case of JV)

2.1 Effectiveness of Contract

The date on which this Contract shall come into effect is the date when the Contract is signed by both the Parties.

2.2 Termination of Contract for Failure to Become Effective

The time period shall be 60 days, or such other period as the Parties may agree in writing.

2.3 Commencement of Services

The Consultants shall commence the Services within fifteen (15) days after the date of signing of Contract Agreement.

2.4 Expiration of Contract

The period of completion of Services shall be ----- days from the Commencement Date of the Services or such other period as the Parties may agree in writing. The Services are estimated to be completed before 20...

"Completion of Services" means.....
.....
.....

3.5 Insurance to be Taken out by the Consultants

The risks and the coverages shall be as follows:

- (a) Third Party motor vehicle liability insurance in respect of motor vehicles operated in Pakistan by the Consultants or their Personnel or any Subconsultants or their Personnel, with a minimum coverage of Rs.100,000/-.
- (b) Insurance against loss of or damage to equipment purchased in whole or in part with funds provided under the Contract. *(if deemed appropriate by the Consultant otherwise this sub-clause can be deleted)*

3.6 Consultants' Actions Requiring Client's Prior Approval

The Consultants shall also clear with the Client, before commitments on any action they propose to take under the following:

- i) Carrying out additional services not included in TORs.
- ii) Replacement of any Key Personnel.
- iii) Hiring of any Sub-Consultant and sub-letting of any part of the assignment.
- iv) Any deviation from TORs.

3.8 Documents Prepared by the Consultants to be the Property of the Client

The Client and the Consultants shall not use these documents for purposes unrelated to this Contract without the prior written approval of the other Party.

5.1.1 Assistance

- (a) The Client shall make available to the Consultants the documents, related to the Assignment available with them, within 15 (Fifteen) days from the Commencement Date.

5.1.2 Coordination

The client shall extend full cooperation, including provision of Authorization letter (if required) to facilitate the Consultant to obtain data and other information from other departments and agencies, but this will not absolve Consultants from fulfilling any obligation as specified in the TORs.

5.1.3 Approvals

The Client shall accord approval of the documents immediately but not later than fifteen (15) days from the date of their submission by the Consultants.

6.1 Lump Sum Remuneration

Being a Lump Sum remuneration based Assignment, reimbursement of any other expenditure is not allowed.

6.2 Contract Price

- (a) The amount in local currency is Pakistani Rupees -----, as detailed in attached accepted Financial Proposal.
- (b) The break up of Contract Price in Pak Rupees is as detailed in attached accepted Financial Proposal.

6.3 Terms and Conditions of Payment

Payment will be made in accordance with Terms of Payment stated in Terms of Reference.

6.4 Period of Payment

- (a) Advance payment not allowed.
- (b) Add the following text at the end of this paragraph, after the word Client:
“Subject to the condition that if delay is caused due to an act of nature or beyond reasonable control of the Client, the twenty eight (28) days and fifty six (56) days shall be read as forty two (42) days and eighty four (84) days respectively.”

6.5 Delayed Payments

No Financing Charges shall be admissible due to delayed payment.

6.7 Consultants Entitlement to Suspend Services

The word fourteen (14) days appearing in the 1st paragraph of this Clause may be read as twenty (20) days.

7.1 Amicable Settlement

Replace the existing text of this sub-clause as under:

“The Parties shall use their best efforts to settle amicably through negotiation all disputes arising out of or in connection with this Contract or its interpretation.”

7.2 Dispute Settlement

Replace the existing text of this sub-clause as under

Any dispute between the Parties as to matters arising pursuant to this Contract which cannot be settled amicably through negotiation under Clause 7.1 within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for settlement in accordance with the provisions of the Arbitration Act, 1940 (Act No.X of 1940) and of the Rules made thereunder and any statutory modifications thereto.

However, before resorting to the above mentioned arbitration with or without intervention of court under Arbitration Act 1940, the aggrieved party shall be bound to ask for settlement of dispute, if any, through alternate dispute resolution as envisaged under Section 89A of Code of Civil Procedure by referring the dispute to mutually agreed recognized/certified mediator, expenses whereof shall be borne by such aggrieved party. The suit/application before the court under Arbitration Act 1940, if filed by either of two Parties,

shall be considered as premature. The mediator shall decide the matter within thirty (30) days after having taken cognizance of the dispute.

Services under the Contract shall, if reasonably possible, continue during the arbitration proceedings and no payment due to or by the Client shall be withheld on account of such proceedings.

IV APPENDICES

Appendix A

Description of the Services

Description of Services will be as stated in Terms of References attached with the Contract Agreement.

Appendix B

Reporting Requirements

Reporting Requirements will be as stated in Terms of References attached with the Contract Agreement.

Appendix C

Key Personnel and Subconsultants

- [List under:
- C-1 Title [and names, if already available], activities of job descriptions of key Personnel to be assigned to work and staff-months for each.
 - C-2 List of approved Subconsultants (if already available); same information with respect to their Personnel as in C-1.]

Appendix D

Breakdown of Contract Price in Foreign Currency

Not applicable as Foreign Currency is not admissible.

Appendix E

Breakdown of Contract Price in Local Currency

Break Down of Contract Price in Local Currency is in accordance with accepted Financial Proposal attached with the Contract Agreement.

Appendix F

Services and Facilities to be Provided by the Client

The Client shall make available the following Services and Facilities:

1. Services and Facilities of the Client

The Client shall make available to the Consultants, one room in ML-1 office to be used as visiting office by the Consultant. Room will be equipped with office furniture. However, necessary accessories like computer, printers, stationary etc to be arranged by the Consultant. No rent or utility bills will be charged for utilization of said room by the Consultant.

Appendix G

(INTEGRITY PACT)

**DECLARATION OF FEES, COMMISSION AND BROKERAGE ETC.
PAYABLE BY THE SUPPLIERS OF GOODS, SERVICES & WORKS IN
CONTRACTS WORTH RS. 10.00 MILLION OR MORE**

Contract No. _____ Dated _____

Contract Value: _____

Contract Title: _____

..... [name of Supplier] hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from Government of Pakistan (GoP) or any administrative subdivision or agency thereof or any other entity owned or controlled by GoP through any corrupt business practice.

Without limiting the generality of the foregoing, [name of Supplier] represents and warrants that it has fully declared the brokerage, commission, fees etc. paid or payable to anyone and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kickback, whether described as consultation fee or otherwise, with the object of obtaining or inducing the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoP, except that which has been expressly declared pursuant hereto.

[name of Supplier] certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with GoP and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.

[name of Supplier] accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other rights and remedies available to GoP under any law, contract or other instrument, be voidable at the option of GoP.

Notwithstanding any rights and remedies exercised by GoP in this regard, [name of Supplier] agrees to indemnify GoP for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to GoP in an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by [name of Supplier] as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoP.

Name of Buyer:

Signature:

[Seal]

Name of Seller/Supplier:

Signature:

[Seal]