

Name of Work : RFP FOR SELECTION OF CONSULTANCY FIRM FOR ASSISTING IN PRE-REQUISITS FOR ISSUING MUNICIPAL BONDS

Tender Ref. No.- 1020 Date : 06-09-2023

Reply of Pre Bid Meeting/Clarification

S.N	Particular	Clause in the RFP	Clarification/Request	Reply
1	Clarification /Request No.01	Clause 3 (Scope of work) under Terms of Reference	<p>1. Some of the TORs in this RFP contain the role which is performed by the technical consultants and not by the financial consultants for eg. Identification of development projects and their feasibility/viability, etc. There are separate firms for providing technical services and financial services. Therefore, it is requested to remove such technical activities from the scope of work.</p> <p>2. Please clarify whether the role of the consultant involves the Merchant Banking activities also or limited to only pre issue advisory activities.</p> <p>We would like to inform that most of the other ULBs which have issued the Municipal Bonds or are in the process of issuing the Municipal Bonds appoint both Transaction Advisor cum Merchant Banker in one go through a single process since both the activities are similar and related. The Merchant Bankers registered with SEBI provide both advisory and merchant bankers services to the Issuer. There are no separate firms for both the activities.</p> <p>Further, to ensure the success of the fund-raising program, the combined services i.e., advisory and merchant banking services are preferable from one consultant only as the consultant providing both the services together works with utmost commitment and provides end to end services for successful closure of the fund-raising program. The fund-raising programs are generally not successfully completed where the responsibilities of advisory and merchant banking services are divided as a separate process. Most of the state level bond issuances had been successful as they had only one consultant providing end to end services.</p> <p>Therefore, it is requested to make the scope of work of appointed consultant comprehensive as Transaction Advisor cum Merchant Banker.</p>	<p>RFP conditions shall prevail as the identification of development of project and their feasibility/ viability is an essential task and pre-requisite for issuance of municipal bond. Under the current scope, consultant will assist Bhilai municipal corporation in complying pre-requisites for issuance of municipal bonds instead of participating as merchant banker. The main objective of this RFP is to strengthen the Bhilai municipal corporation to make ready for issuance of municipal bonds.</p>

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2	Clarification /Request No.02	Bidder should have experience in at least one assignment of assistance in raising Municipal bond/ revenue augmentation/strengthen offinancial health/ financial consultancy/ Internal Control review/Audit at Urban Local Bodies and single work order value should be more than 2 crores (exclusive of taxes) Read with Detailed marking scheme for technical evaluation (point 1 (C))	Most of the assignments of Municipal Bonds are carried at the fee of Re 1 or very nominal fee. Therefore, it is requested to remove the requirement of assignment value of Rs 2 Crore and successful completion of municipal bond issuance may only be sought.	RFP Condition shall prevail the main Purpose of hiring the consultants is standardising the process of revenue towards revenue augmentation and to ensure the stability of the financial positions of the corporation by providing all the necessary support and suggestions towards the betterment of the same. Once the Corporation achieves the stability in meeting the requirements for issuance of Municipal Bond a separate merchant banker would be called for to carry out with the further process, however if any of the entity (LLP, Merchant banking) deems themselves eligible in carrying out with the work can participate in the bid.
3	Clarification /Request No.03	The Bidder should have work experience in at least in 30 ULBs in India. Read with Detailed marking scheme for technical evaluation (point 1 (D))	Post Smart City and AMRUT Mission, there has only been 14 municipal bond issuances. As on date, no firm is having the experience of more than 100 ULBs. Therefore, it is requested to reduce this work experience to 25-30 ULBs for full marks.	RFP Condition shall prevail.
4	Clarification /Request No.04	The Bidder should have financial consulting experience in at least three projects with the Urban local bodies/Government organizations across India and assignment value should be more than 50 Lakhs. Read with Detailed marking scheme for technical evaluation (point 1 (B))	As discussed above, most of the assignments of ULBs/ Government Organizations are carried at the fee of Re 1 or very nominal fee. Therefore, it is requested to remove the requirement of assignment value of Rs 50 Lakhs and successful completion of advisory assignments may only be sought.	RFP Condition shall prevail.

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5	Clarification /Request No.05	Detailed marking scheme for technical evaluation (point 1 (G))	ISO 9001:2015 quality accreditation is not required for the Merchant Banking industry. Therefore, we request that instead of the ISO quality accreditation, SEBI registered category- 1 Merchant Banking license may be kept as a criteria.	RFP Condition shall prevail and refer clarification in point no. 1
6	Clarification /Request No.06	Clause 4 (Expertise and inputs) under Terms of Reference Read with Key-professionals – 15 marks	The team composition of key experts includes team leader cum urban development expert, municipal cum civil expert and capacity and training expert and qualification requirements for these experts are of technical in nature which are not required for Municipal Bonds. Instead, it is requested to consider any degree in finance such as CA, MBA (Finance), etc. and experience related to municipal bonds for technical evaluation which is more relevant.	RFP Condition shall prevail and refer clarification in point no. 1
7	Clarification /Request No.07	Evaluation of financial proposals	<p>1. We understand that bidders are allowed to quote lowest possible financial quotes i.e., 1 rupee. In order to avoid any conflict at a later stage, please confirm that the lowest possible financial quote is 1 rupee (exclusive of taxes/GST).</p> <p>2. For your kind reference, we wish to apprise you the past instances of some of the similar kinds of assignments have been awarded at a nominal fee of Re 1 (One rupee only) by organizations such as Raipur Municipal Corporation, Lucknow Municipal Corporation, Kanpur Municipal Corporation, Prayagraj Municipal Corporation, Varanasi Municipal Corporation, Agra Municipal Corporation, etc.</p> <p>3. We further understand that the financial bid with Nil fee or any fee below Re. 1 (exclusive of GST) will not be accepted by Bhilai Municipal Corporation since BMC will sign contract with shortlisted bidder at a later stage and contractual agreement will be void with Nil fee. Please confirm</p> <p>4. We understand that financial bid has to be quoted inclusive of taxes/GST. Please confirm</p>	RFP Condition shall prevail and refer clarification in point no. 1
8	Clarification /Request No.08	Power of Attorney	In case the person who is signing the proposal/bid is an authorized person to sign such proposals/bids through a resolution passed by the board of directors or any committee, can we submit the copy of such resolution instead of power of attorney?	Board resolution of directors/ committee can be submitted instead of POA

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9	Clarification /Request No.09	Last date of bid submission – 27.09.2023 till 5.30 PM	It is requested to extend the last date of bid submission by at least 10 days as it takes time to get the management approval and preparation and submission of the bid after obtaining the reply to pre bid queries. Also reaching the bid by courier also takes at least 3-4 days	RFP Condition shall prevail
10	Clarification /Request No.10	The bidders are advised to submit valid work orders/Agreement with client against experience credentials.	In some cases, Government Organizations or ULBs do not provide the work order or execute the agreement. We request that in such cases any other proof of work undertaken may be accepted by BMC.	RFP Condition shall prevail
11	Clarification /Request No.11		<p>We understand that in case separate appointment of Merchant Banker is adopted by BMC at a later stage, all the participants including the consultant appointed under this RFP will be eligible to participate in the tender process for merchant banking, please confirm.</p> <p>We wish to bring to your kind notice that considering the limited quality market participants, all the entities issuing municipal bonds in the past and where the separate process was carried out for appointment of Transaction advisor and merchant banker had allowed these selected transaction advisor also to participate in the merchant banking process.</p> <p>We would also like to apprise you that, as per regulation 13, point no. 12 (Code of Conduct for Merchant Bankers) of SEBI (Merchant Bankers) Regulation, 1992, SEBI allows to resolve the conflict of interest in an equitable manner and accordingly Merchant Bankers may participate in both advisory role and also merchant banking role separately.</p> <p>Therefore, in view of the above, we request you to allow the consultant appointed under this RFP to take part in the tender process for appointment of merchant banker, otherwise this would be an extremely restrictive clause which may restrain the empaneled consultants from bidding and reduce the competition drastically.</p>	For issuance of municipal bonds and act as merchant banking activities would be decided at later stage.

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