

**MINISTRY OF RAILWAYS**  
**(PROJECT IMPLEMENTATION**  
**UNIT)**

**SECOND CORRIGENDUM**

**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**

The first corrigendum was published in newspapers dated 19.04.2024 through PID(L)3235. As a result of pre-proposal conference held on May 7, 2024, various amendments have been made to RFP document as Addendum No. 1 and uploaded on Pakistan Railway's official website: [www.pakrail.gov.pk](http://www.pakrail.gov.pk) & EPADs website: [www.eprocure.gov.pk](http://www.eprocure.gov.pk).

Further, the date for submission of proposals which was fixed to 30<sup>th</sup> May, 2024 has been extended to 26<sup>th</sup> June, 2024. Addendum No.1 and reply to the queries of pre-proposal conference can be downloaded from above mentioned websites.

*Skhawat Ali*  
16.05.24  
**(SKHAWAT ALI)**

**Infrastructure Specialist**  
**for Team Leader / Project Director**  
PIU, ML-1 Project, Pakistan Railways  
3-Mayo Gardens, Sunderdas Road, Lahore  
Ph: +92(42) 99206054-55  
**Email: [pd.cpec@pakrail.gov.pk](mailto:pd.cpec@pakrail.gov.pk)**

**ADDENDUM NO.1 TO REQUEST FOR PROPOSAL (RFP)****FOR RESEARCH DRIVEN SOLUTION TO DEVELOP AND IMPLEMENT GOVERNANCE STRUCTURE, HUMAN RESOURCES FRAMEWORK AND BUSINESS MODEL FOR THE UPGRADED ML-1**

As a result of Pre-Proposal Conference held on May 7<sup>th</sup>, 2024, this addendum is being issued to provide clarifications, additions, amendments and / or corrections to the above mentioned RFP document. This addendum shall be deemed to form part of the RFP document.

**REQUEST FOR PROPOSAL****Data sheet: 2.17.4 Page 15, Section 1, Letter of Invitation (Clause-10)**

1. "30- May 2024 till 13:30 PM" may be read as "26- June 2024 till 13:30 PM"

**Section 2: Instructions to Consultant Clause 2.16 Taxes, 2.16.1**

2. Following text is added in Clause 2.16.1 of Instructions to Consultant:

*"All Taxes will be deducted as per applicable laws of Pakistan."*

**Data Sheet: Instructions to Consultant Clause 2.10.1**

3. Clause No.5 2.10.1 is replaced with the following:

*"Proposals must remain valid for one hundred twenty (120) days after the submission date."*

**Data Sheet: Instructions to Consultant Clause 2.19.1**

4. The heading page 16 (ii) "Assignment Team/Key Experts" has been replaced with "Project Team/ Key Experts"

The heading page 16 (iii) "Assignment Team/Key Experts" has been replaced with "Approach & Methodology"

**Form General-1 Basic Information and Form Tech-8 Financial Capabilities**

5. Following text is added in Form General-1 and Form Tech-8

*"Financial Year will be followed as prevalent in the country of consultant but 1<sup>st</sup> year report should not be older than 18 months from 30 June 2023."*

✓  
16-5-24  
I. S/PIU

## TERMS OF REFERENCE

### TOR Clause No. 5 Mode of Payment, i. Currency used for Payments

6. TOR Clause No.5 (i) Previous text is deleted and Following Text is added.

“The Client can make maximum of 20% of total payments in US Dollars (or any other foreign currency) 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.”


————— END OF ADDENDUM NO. 1 TO RFP —————

*SK*  
16-05.24  
**SKHAWAT ALI**  
Infrastructure Specialist  
PIU / CPEC  
Pakistan Railways, Lahore



Reply of Queries in Pre-bid Meeting Regarding RFP for Governance Structure of ML-1

Sr. No.	Reference para / page	CREEC's Queries	Remarks of Client
1.	4.2 completion Period (Timeline), 5 Mode of payment	<p>Overall completion period is Four and Half (4.5) years commencing from the date of signing of Consultancy Agreement, which includes design of all 11 models and implementation of Governance Structure and Human Resource Model within eighteen (18) months, and Implementation of remaining 9 models within thirty-six (36) months. And the Mode of payment is based on that completion schedule. However, completion period may be not as the scheduled time and delay, caused by construction of upgradation of ML1 and any unpredictable condition during implementation of each model, or remaining 9 models may not be implemented simultaneously within 36 months.</p> <p>It should be clarified that the completion period of Four and Half (4.5) years with consequently mode of payment is fixed time or not, otherwise a Price adjustment mechanism based on the report having details of actual time spent by the Consultant on the Assignment will be suggested here.</p>	<p>Time period for this assignment is split in two Phases. Phase-1 comprises 36 months with 18 months for part-I study/Design, 18 months for part-2 of the Phase-1(Implementation of GS &amp; HRM). Phase-II comprises implementation of 9 remaining models in 36 months. However, implementation of remaining 9 models can be commenced with Phase-I stage with written consent of the client.</p> <p>Assignment Phase-II be completed.</p> <p>The additional work and its fees will be dealt in terms of PPRA rules.</p> <p>The delay in services beyond the time limit if is on the accord of consultants would be considered and time limit would be extended on mutually agreed terms. In case delay is on accord of client then time limit and fees/payment for extension will be decided on mutually agreed terms.</p>
2.	3.1.3.1, 3.2.3.1, 3.3.3.1, 3.4.3.1, 3.5.3.1, 3.6.3.1, 3.7.3.1, 3.8.3.1, 3.9.3.1, 3.10.3.1, 3.11.3.1 Diagnostics of Current Situation	<p>Diagnostics of Current Situation in each model require lots of substantial information/data. The Client should facilitate and assist in access to collecting or provide those information/data from PR. The consultant will not undertake liability for delay of preparing analysis and reports caused by that PR could not provide key existing information/data.</p>	<p>Client would try to provide all the railways available data. However, it would be the responsibility of the consultant to obtain primary data from related sources.</p>
3.	3.3.3.5 v., vi.	<p>Monitoring and regulation on the performance of the selected private parties will be defined and specified in the Private Sector Engagement Agreement (or something like this) between the Client and the Private sector. The Private will undertake their liability and reporting KPIs periodically to The Client Contractually. The consultant undertaking the consultancy service of governance structure of ML-1 cannot be represent of</p>	<p>The consultant would suggest the potential private sector operators based on the field study besides, outlining broader terms and conditions for engaging the private operators/investors in addition to drafting agreements as per best national/international practices covered under the law.</p> <p>ML-1 authority of course would be the client but</p>


  
 Admin Officer  
 PIU/CPEC  
 3 Mayo Gardens Lahore



Sr. No.	Reference para / page	CREEC's Queries	Remarks of Client
		the Client to monitor the performance of the selected private parties. It is suggested that the consultant could provide assist in analysis on implementation of the Private Sector Engagement.	consultant would provide assistance to the client during the implementation period in addition to conducting audit/ evaluation of the performance and recommending course correction there after
4.	3.4.3.3 iii., iv. 3.7.3.3 i., ii. 3.10.3.3 ii	It should be specified that whether the consultant should be entitled to monitor the performance of implementation in the ML1 authority. It is suggested that the consultant could provide assist in analysis on implementation.	Yes agreed, consultants and client will jointly monitor performance of implementation of ML-1 authority so that a realistic Audit/evaluation report may be prepared with recommendation to set things right if any (1 year after implementation of the model).
5.	3.5.3.2 x,xi	The vehicle's maintenance manual and training courses are related to the specific selection of the vehicle and should be provided by the vehicle manufacturer during the procurement stage.	As different Type of rolling stock exists in Pakistan Railway, hence consultant is required to prepare comprehensive Rolling stock manuals. It would cover generalized preventive maintenance manuals covering the instruction of manufacturers besides any other items considered important to be included by the consultant in these manuals.
6.	3.4.3.2 vii. 3.8 IT Support Model	It is suggested that the consultant only provide solution for the IT system without providing hardware and software.	In addition to other TORs, The consultant will suggest possible Hard/Soft ware for the client based on his research and study of the existing systems of the client in place to overcome the weaknesses besides making it commensurate with the modern systems. The consultant would simultaneously, prepare the procurement specifications, catering for the trainings of clients staff for the suggested Hard/Software besides, assisting client in procurement where required during the life time of the assignment.
7.	3.4.3.2 vii. 3.7.3.2 vi., vii. 3.9.3.15 ii. 3.11.3.3 xvi.	It is suggested that the consultant could not be responsible for the training on any operation and staff without recognizing training plan and requirement from the Client and on any utilization as actual software and hardware to be provided by the suppliers. However, consultant could be responsible for providing knowledge transfer, developing the curriculums and assisting to select the third-party trainers and suppliers.	All trainings and its requirements will be designed by the consultants after study comprising curriculum development, training framework for transfer of knowledge. The consultant will also assist client in selecting third party trainers and suppliers.



Sr. No.	Reference para / page	CREEC's Queries	Remarks of Client
8.		If the consultant has developed the best governance structure, human resource framework and business model, but due to internal and external resistance in the railway system, all or part of the functions cannot be implemented and the expected goals cannot be achieved, this will not affect the payment to the consultant.	Implementation of the Governance structure will be done by Client with the assistance of consultant who would suggest measures through change management to overcoming the apprehended resistance.  The delay in services beyond the time limit if is on the accord of consultants would be considered and time limit would be extended on mutually agreed terms. In case delay is on accord of client then time limit and fees/payment for extension will be decided on mutually agreed terms.
9.	Section 2: 2.1.14, p. 8	<b>RFP Requirement:</b> "Similar Assignment" means preparation of Governance Structure or Business Model or Organization Restructuring / Structuring for organizations having at least 500 employees." <b>Comment:</b> Considering the nature of the assignment, the desired experience should be of public/government organizations.	RFP gives open option it is not limited to public or private sector organization's restructuring.
10.	Section 2, 2.4 Conflicting Activities, 2.4.1, p.9	<b>RFP Requirement:</b> "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." <b>Comment:</b> The statement requires clarity. How can some other assignment with the Client can result in conflict of interest unless it is directly related. Please review the wording.	The other assignment performed by the consultant for the same client, which is not directly related with the advertised assignment would not be considered as conflicting activity.
11.	Section 2, 2.5 Conflicting Activities, 2.5.1, p.9	<b>RFP Requirement:</b> "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."	The other assignment performed by the consultant for the same client, which is not directly related with the advertised assignment would not be considered as conflicting activity.

  
 Admin Officer  
 PIU/CPEC  
 3 Mayo Gardens Lahore



Sr. No.	Reference para / page	CREEC's Queries	Remarks of Client
12.	Section 2, 2.15 Payment of Remuneration, 2.15.2, p.13	<p><i>Comment:</i> Same comments as above.</p> <p><i>RFP Requirement:</i> "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."</p> <p><i>Comment:</i> Requires kind review. Logically, it should be returned after two months from the approval of the deliverables against which the amount is retained.</p>	Would remain three months.
13.	Section 2, 2.16 Taxes, 2.16.1, p.13	<p><i>RFP Requirement:</i> "The Client will withhold income tax from the payments to the Consultant as per income tax laws/regulations."</p> <p><i>Comment:</i> According to the applicable laws, client will also withhold sales tax. It needs to be added.</p>	All Taxes will be deducted as per applicable laws of Pakistan.
14.	Section 2, 2.19. Evaluation of Technical Proposal, 2.19.1, p.14	<p><i>Comment:</i> The results of the technical proposal should be circulated among the bidders few days before opening of the financial proposal. Not at the time of opening of financial bid.</p>	Cushion dates between technical and financial proposal will be in accordance with PPRA rules.
15.	DATA SHEET 2.26.1, p.17	<p><i>RFP Requirement</i> <b>Assignment completion period</b></p> <p><i>Comment:</i> All the modules are interconnected. As per practice, design should be done in Phase 1 and all implementations in the Phase 11. Partial implementation in such sort of assignments is not advisable. Even at the implementation stage the revision of design of some of the modules, particularly organizational structure and HR may be required. We think execution strategy should be left to the consultants to</p>	Option can be given by the consultant. Implementation of the remaining models suggested to be implemented in Phase-II can be commenced early i.e. with the Phase-1 with written approval of the client.



Sr. No.	Reference para / page	CREEC's Queries	Remarks of Client
		<p><i>Comment:</i> Same comments as above.</p>	
12.	<p>Section 2, 2.15 Payment of Remuneration, 2.15.2, p.13</p>	<p><i>RFP Requirement:</i> "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." <i>Comment:</i> Requires kind review. Logically, it should be returned after two months from the approval of the deliverables against which the amount is retained.</p>	<p>Would remain three months.</p>
13.	<p>Section 2, 2.16 Taxes, 2.16.1, p.13</p>	<p><i>RFP Requirement:</i> "The Client will withhold income tax from the payments to the Consultant as per income tax laws/regulations." <i>Comment:</i> According to the applicable laws, client will also withhold sales tax. It needs to be added.</p>	<p>All Taxes will be deducted as per applicable laws of Pakistan.</p>
14.	<p>Section 2, 2.19. Evaluation of Technical Proposal, 2.19.1, p.14</p>	<p><i>Comment:</i> The results of the technical proposal should be circulated among the bidders few days before opening of the financial proposal. Not at the time of opening of financial bid.</p>	<p>Cushion dates between technical and financial proposal will be in accordance with PPRA rules.</p>
15.	<p>DATA SHEET 2.26.1, p.17</p>	<p><i>RFP Requirement</i> <b>Assignment completion period</b> <i>Comment:</i> All the modules are interconnected. As per practice, design should be done in Phase I and all implementations in the Phase II. Partial implementation in such sort of assignments is not advisable. Even at the implementation stage the revision of design of some of the modules, particularly organizational structure and HR may be required. We think execution strategy should be left to the consultants to</p>	<p>Option can be given by the consultant. Implementation of the remaining models suggested to be implemented in Phase-II can be commenced early i.e. with the Phase-1 with written approval of the client.</p>



Sr. No.	Reference para / page	CREEC's Queries	Remarks of Client
		done in their proposal. This would in assessing their understanding of the assignment and marks can be assigned accordingly.	
16.	Appendix-I to Data Sheet (B)(i) Company Profile a) Number of Similar Assignments (70 Marks), p. 18	<b>RF Requirement:</b> "Part (iv) Similar Assignments in respect of number of employees shall be graded as under: (a) Similar Assignment for more than 3,000 employees = 100% Mks" <b>Comment:</b> 3000 employee's requirement is on the higher side, this can be reduced to 1500 and having three slabs. Particularly, if we are talking about experience of Government/public organizations.	Criteria remains same.
17.	Appendix-I to Data Sheet (B)(ii) Project Tem, p. 18	<b>RR Requirement:</b> (i) Project Team <b>Comment:</b> The heading should be Assignment Team as mentioned in the Evaluation Criteria, p.16	Agreed, Title will be Updated.
18.	Appendix-I to Data Sheet (B)(iii) Approach & Methodology, p. 22 TOR Improvement	<b>Comment:</b> It should cover strategy for the execution of the assignment. Considering the design and implementation phases for different modules. <b>TC</b> Improvement should be focused on execution of the assignment.	The Form Tech-3 elaborates the requirement.
19.	Form Tech-4: Description Of Approach, Methodology And Work Plan For Performing The Assignment (c) Organization & Staffing	<b>RP Requirement:</b> As provide brief 1-2 pages CVs of each Non-Key Expert for the Assignment and clearly define their roles in the Assignment. <b>Comment:</b> Please specify non-key experts	Non key experts refer to the support staff of the consultant, it gives flexibility to the consultant in performing his assignment keeping in view the economy. If it is engaged then detail will be provided by the consultant.




Sr. No.	Reference para / page	CREEC's Queries	Remarks of Client
	P.32		
20.	Appendix-I to Data Sheet Details of Evaluation Criteria for Organization Structure	<p>Evaluation Criteria for Team Leader/Governance Expert Additional Experience requires one additional assignment of developing railways Governance Structure. Relevant Assignments should have 5 assignments and get 100%.</p> <p>We are in view that one Assignment of railways Governance Structure for Team Leader is sufficient. Please also kindly clarify five relevant assignments also include the two assignments of railways governance structure or not mentioned in the Minimum Experience and Additional Experience.</p>	Technical Evaluation criteria will remain same.
21.	Appendix-I to Data Sheet Details of Evaluation Criteria for Organization Structure	Minimum Experience for Legal Expert is Minimum 20 years post qualification. At least 10 years in Corporate Law. Please kindly clarify both 20 years and 10 years experiences will be required, or either 20 years or 10 years can satisfy.	The experience weightage is evaluated in TECH forms minimum experience requirement is 20 years with at least 10 years in corporate law.
22.	Appendix-I to Data Sheet Details of Evaluation Criteria for Organization Structure	Post qualification is mentioned in Minimum Experience Please kindly clarify whether the post qualification refers to post qualification of the required degree mentioned in Minimum Education or not.	20-year experience refers to qualification mentioned in Minimum Education
23.	Form General-1 Basic Information and Form Tech-8 Financial Capabilities	In most of the International firms financial year is from January to December. For such firms the required information can be for the calendar years 2020, 2021 and 2022 because financial statements for the year 2023 is still not available.	Financial Year will be followed as prevalent in the country of consultant but 1 <sup>st</sup> year report should not be older than 18 months from 30 June 2023.
<b>General</b>			
24.		<p><b>Designing Governance Structure appears to be a pre-requisite of ML-1 Upgradation Project. It is to be clarified at what stage ML-1 authority (or corporation or company) would be created. Following are the possible options</b></p> <p>First stage would be the creation of ML-1 authority (or corporation or company), after completing Design Part of the assignment. The same ML-1 authority (or corporation or company), once created, will execute the project of Up-gradation of ML-1?</p> <p>Alternatively, PR, with its existing governance structure, will execute the Project of up-gradation of ML-1 and after completion of the project of up-gradation of ML-1, the ML-</p>	<p>Implementation of MI-1 authority would be started as soon as study of Governance structure and HRM module with its design is approved by the client duly supported by legal framework.</p> <p>The Authority is expected to take functional control before completion of phase -II of the Governance structure assignment.</p>



Sr. No.	Reference para / page	CREEC's Queries	Remarks of Client
		1 authority (or corporation or company) will be created and will take over ML-1?	

**Pre-Bid meeting RSM Queries on dated 07-05-24**

SN	RSM Queries	Reply by PIU
1	Compared to the previous RFP in 2021 only the project phases and overall timeline has changed. While the Consultant fully supports a longer design and implementation phase, what was the rationale behind this amendment?	RFP has been amended as per requirement of client based on the execution scheme of up-gradation of ML-1 Project.
2	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. Please clarify: if unincorporated JV is acceptable to the Client.	In case of JV, Joint venture agreement/MOU between the JV partners for the assignment would be acceptable as stated in RFP.
3	Key Expert – Team Leader / Governance expert: Project team leader and Governance Expert require two distinct skill sets, which not always allocated within one person. In addition, the work on the GS model could distract from the project management/team leading task, if it is combined in one person. The governance model and HR restructuring model are intrinsically linked. The person involved in governance model shall invariably identify the new legal substructure that needs to be identified, yet in so many ways will be required to assist in working out the HR model. Both need to have diversified experience on both aspects of the work. It is not the HR qualification that will matter here. A qualified chartered accountant, or a person with a legal background or an engineer with a legal or financial or business administration background can be suitable for the purpose. There should be a qualification flexibility provided here without sacrificing on experience.	Technical Evaluation criteria will remain same.

  
 Admin Officer  
 PIU/CPEC  
 3 Mayo Gardens Lahore



SN	RSM Queries	Reply by PIU
	Please clarify: Would the Client consider splitting the role of Team Leader and Key Expert Governance into two, so that two candidates can be proposed?	
4	<p>Education: Germany adopted bachelor / master degree system in 1999 by signing Bologna Reform agreement. The proposed experts are subject specialist and completed their qualifications as "Diplom" before bachelor / master degree system adoption.</p> <p>To be specific: Diplom-Kaufmann equals to Master of Business Administration; Diplom-Ingenieur (FH) equals to Bachelor in Engineer.</p> <p>Please clarify: The Client accepts and confirms the degree equivalence of "Diplom".</p>	On submitting proof of equivalence for degree certificate and declaration on stamp paper, qualification may be accepted subject to satisfaction of client.
5	For the effort for these tasks are quite difficult to estimate, would the Client kindly consider having the implementation phases based on time and material and only the detailed specified Design Phase as lump sum? Phase 1- Part 2 and Phase 2 a lot of work is specified as supporting the Client in negotiations/contracts and monitoring performance.	Phasing is as per re-equipment and for easement of implementation. However, client is open to suggestions.
6	Phase 1- Part 2 requires the delivery of two documents within the initial two months of the 18-month period. For HRM the document for the Audit in the 4th year is requested (Chapter 3.9.3.15 iii). The dedicated implementation phase for GS and HRM Model is in year 3. Please kindly explain, which HRM deliverable document is due within the initial two months of Phase 1-Part 2.	Document for the implementation for HRM and GS Model will be required within initial two months of implementation of 18 month's time stipulated for part-2 of Phase-1.
7	<p>Please clarify:</p> <ol style="list-style-type: none"> <li>1. What measures will the Client take to facilitate out of country payments? as remitting abroad is a key concern for foreign firms.</li> <li>2. Besides the 20% US Dollars, will the Client consider paying certain amount of the balance in CNY (Chinese Yuan) or EUR (Euro) instead of in PKR?</li> <li>3. Will the client consider direct payment to the JV partners based on their share of the assignment? The Privatization Commission of Pakistan,</li> </ol>	Payments will be made in PKR. (Maximum upto 20% can be made in USD or other foreign currency for foreign partners only).



SN	RSM Queries	Reply by PIU
	any limit to non-key staff to be taken on board. It is obvious that one person cannot handle an entire model. Comments 4: Whether the non-core experts/staff be altered (increased or decreased) as per need after project commencement	clients.