

# **Request for Proposals**

## **Marketing Research for High Density Zone at Korangi Creek Industrial Park**

**A Project of National Industrial Parks Development and  
Management Company**



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## **Section 1. Letter of Invitation**

Karachi, June 1, 2010

1. National Industrial Parks Development and Management Company (NIPDMC) invites proposals from interested firms for conducting Market Research for development of a High Density Zone within the Korangi Creek Industrial Park

The scope of services is provided in the attached Terms of Reference.

2. A firm will be selected as per Consultants Qualification and procedures described in the Data Sheet.

3. The RFP includes the following documents:

Section 1 - Letter of Invitation

Section 2 - Information to Consultants including Data Sheet

Section 3 - Financial Proposal - Standard Form

Section 4 - Terms of Reference

Section 5 - Standard Form of Contract

Sincerely,

Sr. Manager Marketing  
National Industrial Parks Development and Management Company  
2nd Floor, Block C  
Finance and Trade Center  
Karachi

## **Section 2 – Information to Consultants**

### **Introduction:**

1.1 The Client will select a firm in accordance with the method of selection specified in the Data Sheet.

1.2 The consultants are invited to submit a Research Proposal (Technical Proposal) and a Statement of Service Charges (Financial Proposal) separately in two envelopes for consulting services required as per the Terms of Reference mentioned in this RFP. The proposal will be the basis for a signed contract with the selected firm.

1.3 Please note that:

- (i) the costs of preparing the proposal and of negotiating the contract, including a visit to the Client, are not reimbursable
- (ii) the Client is not bound to accept any of the proposals submitted.

1.4 Company policy requires that consultants provide professional, objective, and impartial advice and at all times hold the Client's interests paramount, without any consideration for future work, and strictly avoid conflicts with other assignments or their own corporate interests. Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of not being able to carry out the assignment in the best interest of the Client.

1.4.1 Without limitation on the generality of this rule, consultants shall not be hired under the circumstances set forth below:

(a) A firm which has been engaged by the Client to provide goods or works for a project, and any of their affiliates, shall be disqualified from providing consulting services for the same project. Conversely, firms hired to provide consulting services for the preparation or implementation of a project, and any of their affiliates, shall be disqualified from subsequently providing goods or works or services related to the initial assignment (other than a continuation of the firm's earlier consulting services) for the same project.

(b) Consultants or any of their affiliates shall not be hired for any assignment which, by its nature, may be in conflict with another assignment of the consultants.

1.4.2 Consultants may be hired for downstream work, when continuity is essential, in which case this possibility shall be indicated. It will be the exclusive decision of the Client whether or not to have the downstream assignment carried out, and if it is carried out, which consultant will be hired for the purpose.

1.5 Company policy requires consultants under this contract, observe the highest standard of ethics during the execution of such contracts. In pursuance of this policy, the Company:

(a) defines, for the purposes of this provision, the terms set forth below as follows:

(i) "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution; and

(ii) “fraudulent practice” means a misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the borrower, and includes collusive practices among consultants (prior to or after submission of proposals) designed to establish prices at artificial, noncompetitive levels and to deprive the borrower of the benefits of free and open competition.

(b) will reject a proposal for award if it determines that the firm recommended for award has engaged in corrupt or fraudulent activities in competing for the contract in question;

(c) will cancel the portion of the loan allocated to the firm’s contract if it at any time determines that corrupt or fraudulent practices were engaged in by representatives of the borrower or of a beneficiary of the loan during the selection process or the execution of that contract, without the borrower having taken timely and appropriate action satisfactory to the Bank to remedy the situation;

(d) will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded if it at any time determines that the firm has engaged in corrupt or fraudulent practices in competing for, or in executing, a contract; and

1.6 Consultants shall furnish information as described in the Financial Proposal submission form (Section 4) on commissions and gratuities, if any, paid or to be paid to agents relating to this proposal, and to execute the work if the firm is awarded the contract.

1.8 Consultants shall be aware of the provisions on fraud and corruption stated in the Standard Contract.

1.9 Consultants shall meet the minimum qualification requirements indicated in this RFP.

## **2. Clarification and Amendment of RFP Documents:**

2.1 Consultants may request a clarification of any of the RFP documents before the proposal submission date. Any request for clarification must be sent in writing by paper mail, cable, telex, facsimile, or electronic mail to the Client’s address indicated in the RFP. The Client will respond by cable, telex, facsimile, or electronic mail to such requests and will send written copies of the response (including an explanation of the query but without identifying the source of inquiry) to all invited consultants who intend to submit proposals.

2.2 At any time before the submission of proposals, the Client may, for any reason, whether at its own initiative or in response to a clarification requested by an invited firm, amend the RFP. Any amendment shall be issued in writing through addenda. Addenda shall be sent by mail, cable, telex, facsimile, or electronic mail to all invited consultants and will be binding on them. The Client may at its discretion extend the deadline for the submission of proposals.

## **3. Preparation of Research Proposal:**

3.1 Consultants are requested to submit a Research Proposal written in the language(s) specified in the Data Sheet.

3.2 In preparing the Research Proposal, consultants are expected to examine the documents constituting this RFP in detail.

3.3 The Research Proposal shall:

(i) Provide the following information:

- Organization Profile.
- Summary of studies of a similar nature for the commercial real estate market in Pakistan which the company has performed in the last 4 years. (Copies of at least one sample study report is to be attached with the proposal). Dates of performance of each study also need to be mentioned.
- Details of linkage with any global, internationally acclaimed firm having expertise in Commercial Real Estate Market Consulting. The nature of affiliation with the global firm needs to be mentioned, whether it is a joint venture, an agency/franchise relationship or a wholly owned subsidiary of the global firm.
- At least one sample research report of a similar nature from the studies previously conducted to ascertain the quality of work and capability of the firm.

(ii) Any comments or suggestions on the Terms of Reference.

(iii) A proposed 'Table of Contents' for the Research Report based on the Terms of Reference mentioned in this RFP.

(iv) A description of the methodology and work plan for performing the assignment.

3.4 The Research Proposal shall not include any financial information.

#### **4. Financial Proposal:**

4.1 In preparing the Financial Proposal, consultants are expected to take into account the requirements and conditions outlined in the RFP documents. The Financial Proposal should follow Standard Forms.

4.2 Consultants express the price of their services in National Currency i.e. Pak Rupee.

4.3 The RFP indicates how long the proposals must remain valid after the submission date. The Client will make its best effort to complete negotiations within this period. If the Client wishes to extend the validity period of the proposals, the consultants who do not agree have the right not to extend the validity of their proposals.

#### **5. Submission, Receipt and Opening of Proposal:**

5.1 The original proposal (Research Proposal and Financial Proposal; shall be prepared in indelible ink. It shall contain no interlineations or overwriting, except as necessary to

correct errors made by the firm itself. Any such corrections must be initialed by the persons or person who sign(s) the proposals.

5.2 An authorized representative of the firm initials all pages of the proposal. The representative's authorization is confirmed by a written power of attorney accompanying the proposal.

5.3 For each proposal, the consultants shall prepare the number of copies indicated in the Data Sheet. Each Research Proposal and Financial Proposal shall be marked "**ORIGINAL**" or "**COPY**" as appropriate. If there are any discrepancies between the original and the copies of the proposal, the original governs.

5.4 The original and all copies of the Research Proposal shall be placed in a sealed envelope clearly marked "**Research Proposal**," and the original and all copies of the Financial Proposal in a sealed envelope clearly marked "**Financial Proposal**" and warning: "**Do not Open with the Research Proposal**" Both envelopes shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address and other information indicated in the Data Sheet.

5.5 The completed Research and Financial Proposals must be delivered at the submission address on or before the time end-date stated in the RFP. Any proposal received after the closing time for submission of proposals shall be returned unopened.

5.6 After the deadline for submission of proposals, the Research Proposal shall be opened immediately by the evaluation committee. The Financial Proposal shall remain sealed until all submitted proposals are opened publicly.

## **6. Proposal Evaluation:**

6.1 The evaluation committee, appointed by the Client as a whole, and each of its members individually, evaluates the proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria, sub-criteria and point system specified in the Data Sheet. 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 Terms of Reference or if it fails to achieve the minimum technical score indicated in the Data Sheet.

6.2 After the evaluation of quality is completed, the Client shall notify those consultants whose proposals did not meet the minimum qualifying mark or were considered non-responsive to the RFP and Terms of Reference, indicating that their Financial Proposals will be returned unopened after completing the selection process. The Client shall simultaneously notify the consultants that have secured the minimum qualifying mark.

6.3 In the case of the Least-Cost Selection, the Client will select the lowest proposal ("evaluated" price) among those that passed the minimum technical score.

## **7. Negotiations:**

7.1 There shall be no negotiations with the bidder having submitted the lowest evaluated bid or with any other bidder.

## **8. Award of Contract:**

8.1 The contract will be awarded following financial evaluation of technically qualified bids. After financial evaluation of technically qualified bids are completed, the Client will promptly notify other consultants on the shortlist that they were unsuccessful and return the unopened Financial Proposals of those consultants who did not pass the technical evaluation.

8.2 The firm is expected to commence the assignment on the date and at the location specified in the Data Sheet.

## **9. Confidentiality:**

9.1 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 winning firm has been notified that it has been awarded the contract.

## **Data Sheet:**

- 1.1 Name of the Client: National Industrial Parks Development and Management Co.
- 1.2 Name of Project: Korangi Creek Industrial Park (KCIP)
- 1.3 Method of Selection: Quality and Cost Based Selection (QCBS) as per PPRA rules.
- 1.5 Objectives: Conduct Feasibility Study for High Density Zone at Korangi Creek Industrial Park
- The High Density Zone spread over 29 acres and having a height of construction permission of 75 m is envisioned to attract investment from companies wishing to establish flatted factory complexes and business centers.
- 1.6 The clauses on fraud and corruption in the Contract are: As per PPRA Rules 2006
- 1.7 Firms should be able to demonstrate following minimum qualifications:
- 1.7.1 Proven experience of conducting Real Estate research jobs in Karachi and the country.
- 1.7.2 At least one similar study conducted for the built-up properties supply and demand, which needs to be attached to the 'Research Proposal'.
- 1.8 Clarifications may be requested 7 days before the submission date.
- 1.9 Proposals should be submitted in the following language(s): English
- 2.0 Consultants are to state the cost in Pakistani Rupee.
- 3.0 Proposals must remain valid for 60 days from the last date of submission.
- 3.1 Consultants must submit one original and two copies of the proposal.
- 3.2 The proposal submission address is:

The Marketing Department  
National Industrial Parks Development and Management Company  
2<sup>nd</sup> Floor, Block 'C'  
Finance and Trade Center  
Shahrah-E-Faisal  
Karachi  
Tel: 111-447-111  
Fax : 35631069

3.3 Proposals must be submitted no later than:

December 15, 2010 before 2:00 PM.

3.4 The number of points given in each element of the selection criteria are:

<b>Evaluation Parameter</b>	<b>Marks</b>
Company exclusively operating as a Real Estate Research & Consulting firm in Pakistan	35
Affiliation with a Global Real Estate Exclusive Consultancy Firm	30
Quality of Previous work of a similar nature (Based on at least one sample report)	20
Total number of researches of a similar nature	15

Minimum qualifying marks are 80 failing which the financial proposals of the disqualified firms will be returned unopened.

3.5 The assignment is expected to commence within December 2010.

### **Section 3 - Financial Proposal (Standard Form)**

The Financial Proposal should state the service charges for the Market Research in the following format:

- Manpower Employed.
- Total Man-hours Employed in Project.
- Total Cost of Manpower.
- Traveling, Lodging Costs. (supported by backup calculations)
- Miscellaneous Costs (supported by calculations and heads for which the amount will be spent)
- Tax Obligations
- Total Cost (A sum total of all the above-mentioned costs)

## **Section 4 - Terms of Reference**

This section highlights the specific information elements that are to be covered in detail while performing the Market Research for the High Density Zone. However, in submitting the Research Proposal, the consultant can propose additions to this with the objective of increasing the quality and objectivity of the research.

### ***Section 1 - Real estate & Commercial Real Estate overview / analysis***

- Number of local / multinationals in Karachi
- Assessment of accumulative area these companies are operating in
- Customer behavior towards commercial real estate
- Market practice / trend (Payment plans / mortgage facilities, project completion timelines, quality of building etc)
- Investors' interest (Quantitative)
- Joint venture opportunities

### ***Section 2 - Target market***

- Definition
- Prospective clients for commercial land
- Prospective clients for commercial office space
- Market segmentation
- Size of the market
- Current situation analysis / need of good quality office space

### ***Section 3 - Supply***

- Details of commercial office projects in City
- Selling price + rental value + maintenance charges
- Features
- Total net saleable area in square feet of each project
- Size range of office
- Area sold / available
- Supply forecast for next 5 years (Quantitative)

### ***Section 4 - Demand Estimation***

#### ***Demand for Commercial Land @ KCIP***

- Why would people buy / not buy land in Business District
- Proposed price and / or Price Validation @ Rs.85M / Acre
- Demand of commercial land for office towers (next 5-10 years)

#### ***Demand for Office Space @ KCIP***

- Why would people buy / not buy in Business District
- Proposed price + Payment terms
- Market absorption capability for next 5 -10 years

### ***Section 5 - Conclusion & Recommendations***

- KCIP - Business District SWOT Analysis
- Optimum land utilization
- If Business District to be developed;
  - Pricing structure
  - Timelines for commercial office / commercial land
  - Development phases
  - Limitations

## Section 5 - Sample Form of Contract

### CONTRACT

THIS CONTRACT (“Market Research for Development of High Density Zone at Korangi Creek Industrial Park” ) is entered into this [insert date], by and between National Industrial Parks Development and Management Company (“the Client”) having its principal place of business at \_\_\_\_\_, and M/s \_\_\_\_\_ (“the Consultant”) having its principal office located at \_\_\_\_\_Pakistan.

WHEREAS, the Client wishes to have the Consultant perform the services hereinafter referred to, and

WHEREAS, the Consultant is willing to perform these services,

NOW THEREFORE THE PARTIES hereby agree as follows:

#### 1. Services

(i) The Consultant shall perform the services specified in Annex A, “Terms of Reference and Scope of Services,” which is made an integral part of this Contract (“the Services”).

(ii) The Consultant shall submit to the Client the reports in the form and within the time periods specified in Annex B, “Consultant’s Reporting Obligations.”

**2. Term** The Consultant shall perform the Services during the period of \_\_\_ months commencing [insert date] and continuing through [insert date], or any other period as may be subsequently agreed by the parties in writing

#### 3. Payment

##### A. Ceiling

For Services rendered pursuant to Annex A, the Client shall pay the Consultant an amount not to exceed [insert amount]. This amount has been established based on the understanding that it includes all of the Consultant's costs and profits as well as any tax obligation that may be imposed on the Consultant.

##### B. Schedule of Payments

The schedule of payments is specified below:

##### C. Payment Conditions

Payment shall be made in Pak Rupees, no later than 30 days following submission by the Consultant of invoices in duplicate to the Client.

#### 4. Performance Standards

The Consultant undertakes to perform the Services with the highest standards of professional and ethical competence and integrity. The Consultant shall promptly replace any employees assigned under this Contract that the Client considers unsatisfactory.

**6. Confidentiality** The Consultants shall not, during the term of this Contract and within two years after its expiration, disclose any proprietary or confidential information relating to the Services, this Contract or the Client's business or operations without the prior written consent of the Client.

**7. Ownership of Material**

Any studies reports or other material, graphic, software or otherwise, prepared by the Consultant for the Client under the Contract shall belong to and remain the property of the Client. The Consultant may retain a copy of such documents and software.<sup>2</sup>

**8. Consultant Not to be Engaged in Certain Activities**

The Consultant agrees that, during the term of this Contract and after its termination, the Consultant and any entity affiliated with the Consultant, shall be disqualified from providing goods, works or services (other than the Services and any continuation thereof) for any project resulting from or closely related to the Services).

**9. Insurance** The Consultant will be responsible for taking out any appropriate insurance coverage.

**10. Assignment** The Consultant shall not assign this Contract or sub-contract any portion of it without the Client's prior written consent.

**11. Law Governing Contract and Language**

The Contract shall be governed by the laws of Pakistan, and the language of the Contract shall be English

**12. Dispute Resolution**

Any dispute arising out of the Contract, which cannot be amicably settled between the parties, shall be referred to adjudication/arbitration in accordance with the PPRA Rules.

**FOR THE CLIENT FOR THE CONSULTANT**

Signed by \_\_\_\_\_ Signed by \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_