

No. 31026/99/2020-Policy dated 25th January, 2021

**Selection of Public Financial Institution (Government Company)
for providing services of Project Management Agency (PMA) for
the implementation of Production Linked Incentive scheme for
Pharmaceuticals**

Request for Proposal (RFP)

**Department of Pharmaceuticals
Ministry of Chemicals & Fertilizers
Shastri Bhawan, Dr Rajendra Prasad Road, New Delhi- 110001**

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Request for Proposal

1. Proposals are solicited from Public Financial Institutions (Government companies only) for providing services of a Project Management Agency for the implementation of Production Linked Incentive (PLI) Scheme for Pharmaceuticals.

The Department of Pharmaceuticals (DoP), Ministry of Chemicals and Fertilizers, Government of India, solicits proposals from Public Financial Institutions (Government Companies as per section 2(45) of the Companies Act, 2013 only) defined as per section 72 of the Companies Act, 2013 (**hereinafter mentioned as bidders**) for providing services of a Project Management Agency (PMA) for the implementation of Production Linked Incentive (PLI) Scheme for Pharmaceuticals. The proposals will be evaluated through Quality and Cost Based Selection (QCBS) process which gives weighted scores to both the technical proposal (Quality) as well as the financial proposal (Cost).

2. Introduction to the scheme

DoP is proposing to introduce a PLI Scheme for Pharmaceuticals in the month of January, 2021 with the objective of enhancing India's manufacturing capabilities by boosting investment and production as well as contributing to product diversification of high value goods in the pharmaceutical sector. One of the further objectives of the scheme is to create global champions from amongst domestic players who have the potential to grow in size and scale using cutting edge technology and thereby penetrate the global value chains.

Under the scheme, applicants shall apply in three different categories. The criteria for categorization shall be on the basis of the Global Manufacturing Revenue (GMR) of FY 2019-20 in each group, details of which will be issued in the scheme guidelines which are under preparation.

The applications would be received through an online portal. Post the closure of application period the selection process shall be completed by end of April, 2021. Remaining period of FY 2021-22 will be the gestation period given to the selected participants to set up manufacturing plants, etc. Thereafter, the selected participants shall be given financial incentives based on the incremental sales of pharmaceutical goods covered under the scheme over a period of 6 years. FY 2019-20 is proposed to be the Base Year for calculation of incremental sales. The total scheme outlay will be ₹15,000 crores which will also include the expenditure for hiring the services of the Project Management Agency.

3. Terms of Reference (ToR)

The Project Management Agency (PMA) shall provide implementation support for effective implementation of the Scheme. The PMA shall be responsible for:

- a. Development and maintenance of an online portal for receipt of applications.
- b. Preparing operating procedures for processing, scrutiny, appraisal, verification, etc., as per procedure/established practice and getting them approved from DoP.
- c. Processing of applications against the qualification and evaluation criteria for the purpose of selection of participants.
- d. Receiving the application fee/bank guarantee from the participants on behalf of DoP and deposition of the same to DoP at appropriate time.

- e. Placing the appraisal reports of shortlisted participants before the Empowered Committee for its concurrence.
- f. Completion of documentary formalities and issuance of approval letter to all selected participants.
- g. Verification of annual threshold investment and sales of selected participants for deciding eligibility to receive incentives. This verification will primarily include document based verification but may also involve physical verification based on risk assessment.
- h. Receiving claims for incentives based on incremental sales, processing the same with regard to correctness of the claim and placing the claims before the Empowered Committee in DoP within laid down timelines for approval of the same.
- i. Disbursal of incentives to selected participants upon receiving the funds from DoP.
- j. Preparation of agenda papers for the EC meetings and providing secretarial assistance to DoP for the same.
- k. Maintenance of records in a systematic manner, both digital and physical, to be handed over to DOP as may be mutually decided.
- l. Periodic submission of data at various stages of the scheme to DoP which includes compilation of data on cumulative investment and incremental sales of pharmaceutical goods done by selected applicants.
- m. Monitoring the progress of the scheme in a framework to be provided by DoP.
- n. Communicating with the Technical Committee in case any technical opinion required for implementing the scheme.
- o. Providing all necessary documents and information as may be required for the conduct of mid-term and end of term evaluation of the scheme.
- p. Providing utilisation certificates in the prescribed format for the funds provided to PMA and submitting the progress report of the same to DoP.
- q. Any other work which may be specified in the scheme guidelines which will be issued in due course of time.

4. Instruction to bidders on procedure for submission of proposal

- a. Proposals shall be submitted using Form-1, 2, 3 and 4 annexed to this RFP. It should be ensured that the formats mentioned in Form-1, 2, 3 and 4 should be adhered to and no changes in the format should be done.
- b. The proposals shall consist of supporting evidentiary documents as mentioned in the eligibility criteria in **Table-1** of Para-11 of this RFP.
- c. The proposal should be a complete document and should be bound as a volume. The document should be page numbered, contain list of contents with page numbers and shall be duly signed by the authorized representative of the Bidder.
- d. Bidder must ensure that the information furnished by him or her is in the original paper bid document.
- e. Proposal should be concise and contain only relevant information as required.
- f. The Technical and Financial proposals shall be enclosed in two separate sealed covers and submitted in another sealed cover containing the two bids and super scripted **“Project Management Agency services and Invitation letter No. 31026/99/2020-Policy dated 25th January, 2021”**
- g. Envelope should clearly indicate the Name, Address, Telephone number and Email ID of the Bidder.

- h. Revision in proposal already submitted would not be permitted.
- i. The financial proposal shall be quoted as a percentage of the total financial outlay of the Scheme viz. ₹15,000 crore.
- j. The GST to be levied on the quoted fee shall be mentioned separately.

5. Pre-bid Meeting

- a. A pre-bid meeting will be held with the prospective bidders on **29.01.2021 through Video Conference**, details of which shall be intimated at designated email of the bidders mentioned on the respective websites.
- b. The prospective bidders shall send their queries with regard to the RFP either by post or email before the pre-bid meeting to Dr. Sumit Garg, Deputy Secretary, Department of Pharmaceuticals, Room No. 228, A-Wing, Shastri Bhawan, New Delhi-110001 (Email: - sumit.g@nic.in : Telephone - 23389840)

6. Response to Pre-bid queries

- a. The DoP will endeavour to provide satisfactory response to all the queries.
- b. At any time prior to the last date for receipt of proposals, DoP may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective bidder, modify the RFP document by issuing a corrigendum.
- c. The corrigendum (if any) & clarifications to the queries from all bidders will be posted on <https://pharmaceuticals.gov.in/whats-new>, and emailed to all participants of the pre-bid conference. Any such corrigendum shall be deemed to be incorporated into this RFP.
- d. In order to afford prospective bidders reasonable time to take the corrigendum into account in the preparation of their bids, DoP may, at its discretion, extend the last date for the receipt of bids.

7. Completeness of response

- a. The proposal shall be full and complete in all respects. Failure to furnish complete information required under RFP documents will be at the Bidder's risk and may result in rejection of the proposal.
- b. Bidders are advised to study all instructions, forms, terms, requirements and other information in the RFP documents carefully. Submission of the proposal shall be deemed to be done after careful study and examination of the RFP documents with full understanding of its implications.

8. RFP preparation costs & related issues

- a. The Bidder shall be responsible for all costs incurred in connection with participation in the bid process, including, but not limited to, costs incurred in the conduct of informative and other diligence activities, participation in meetings/discussions/presentations, preparation of the proposal, providing any

additional information required by the DoP to facilitate the evaluation process, unless explicitly specified to the contrary.

- b. DoP will be in no case responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.
- c. This RFP does not commit DoP to award a contract or to engage in negotiations. Further, no reimbursable cost may be incurred in anticipation of award or for preparing this RFP.
- d. All materials submitted by the bidders will become the property of DoP and may be returned completely at its sole discretion.

9. Venue and deadline for submission of Proposal

- a. Proposals must be submitted by hand or speed post latest by **09.02.2021 at 17:00 hours** to Shri Venkat Hariharan, Deputy Director, Department of Pharmaceuticals, Room No. 235, A-Wing, Shastri Bhawan, New Delhi – 110001. (Email: - venkat.ha@gov.in: Telephone - 23071162)
- b. Any proposal received after the above mentioned deadline shall not be accepted and returned to the Bidder/representative as it is.
- c. DoP shall not be responsible for any postal delay or non-receipt/ non-delivery of the documents. No further correspondence on the subject will be entertained.
- d. The bids submitted by telex/telegram/fax/e-mail etc. shall not be considered. No correspondence will be entertained on this matter.
- e. DoP reserves the right to modify and amend any of the above-stipulated condition/criteria depending upon the project priorities.

10. Right to terminate the RFP process

- a. DoP may terminate the RFP process at any time without assigning any reason. DoP makes no commitment or expression that this process will result in a business transaction with anyone.
- b. This RFP does not constitute an offer by the DoP. The Bidder's participation in this process may result in shortlisting of the Bidder to submit a complete financial response at a later date.

11. Technical (Quality) Evaluation Criteria

The Bid evaluation committee will scrutinize the mandatory documents for eligibility listed in **Table-1** below and only the bidders fulfilling the same will be technically evaluated as per **Table-2** below.

Table-1

S.No.	Basic requirement	Documents required
1	Public Financial Institution as per section 72 of the Companies Act, 2013	Documentary evidence supporting the same.
2	Government Company as per section 2(45) of the Companies Act, 2013	Documentary evidence supporting the same.
3	Bidder must have experience in at least one such incentive/subsidy schemes of the Govt. of India.	Documentary evidence such as completion certificate, part/phase completion certificate, work order, etc., certified by the statutory auditor of the bidder.
4	Annual turnover of the last three financial years i.e. of FY 2017-18, 2018-19 and 2019-20 (as per the last published Balance sheets), should be in INR.	Documentary evidence such as Extracts from the audited financial statements (balance sheet and profit & loss statement); OR certificate from the statutory auditor

Table-2

S.No	Technical Evaluation Criteria	Score	Maximum Score	Minimum score
1.	Experience in handling atleast one incentive/subsidy schemes of the GoI.	20	30	20
	For experience in every additional incentive/subsidy scheme of the GoI.	5		
2	Min. Average Annual Turnover of FY 2017-18, 2018-19 and 2019-20 of ₹500 crore	10	20	10
	For every additional ₹100 crore turnover	5		
	Total		50	30

12. Financial (Cost) Evaluation Criteria

The Financial proposals shall be opened only of those bidders who obtain the minimum score of 30 in the Technical Evaluation. Thereafter, the bidders will be financially evaluated as per the **Table-3** below.

Table-3

S.No.	Financial Evaluation Criteria	Maximum Score
1	Bidder quoting the lowest percentage of fee (as a percentage rate of total scheme outlay)	50
	Total	50
The bidder quoting the lowest fee will get the maximum score of 50 and the score for remaining bidders will be calculated on proportionate basis using the formula: Score= (Lowest quoted Percentage of fee * Max. Score) / Quoted Percentage of fee.		

13. Evaluation Process and Selection of Bidder

- a. The Consultancy Evaluation Committee constituted by the DoP shall evaluate the proposals and all the supporting documents.
- b. Each of the proposals shall be first evaluated based on the Technical evaluation criteria and thereafter on the basis of Financial criteria for those who qualify the minimum score in the technical evaluation.
- c. The decision of the Bid Evaluation committee on the evaluation of proposals shall be final. No correspondence will be entertained outside the evaluation process conducted by the Bid Evaluation Committee.
- d. The Bid Evaluation Committee reserves the right to reject any or all proposals without citing any reasons.
- e. The bidder with the highest combined score (Technical and Financial evaluations constitute 50 marks each) shall be selected for awarding the project. In case of a tie, the bidder quoting lowest percentage of fee shall be selected.
- f. The highest scoring bidder (HS-1) shall be selected for complete tenure of the scheme i.e. FY 2020-21 to FY 2028-29.
- g. After selection, the Work Order/Award of contract will be issued. Thereafter, Non-Disclosure Agreement (NDA) and an MoU/Agreement between the selected Bidder and DoP shall be executed once the performance security has been submitted to DoP.
- h. If the selected bidder fails to accept the offer, then the second highest scoring (HS-2) bidder shall be offered to take up the projects at the HS-1 rate. The department may take the willingness of other bidders to work at lowest rate.

14. Conflict of Interest

The bidder shall be required to provide professional, objective and impartial advice, at all times holding the DoP's interests paramount, strictly avoiding conflicts with other assignments or its own corporate interests and acting without any consideration for future work. The bidder shall have an obligation to disclose to the DoP any situation of actual or potential conflict that impacts its capacity to serve the best interest of DoP. Failure to disclose

such situations may lead to the disqualification of the bidder or termination of its/his contract during execution of the assignment.

15. Payment Terms

Payment Terms in respect of implementation of the scheme are as follows:

S.No	Description of fee component	Percentage of the quoted fee.	Remarks
1	Upfront fee and fee during the Gestation Period (FY 2021-22)	5%	On selection of PMA and execution of NDA and MoU. The fee will be paid in FY 2020-21 and/or FY 2021-22.
2	Capex verification for FY 2021-22	10%	The fee will be paid in FY 2022-23.
3	Capex and Sales verification for FY 2022-23	15%	The fee will be paid in FY 2023-24 after disbursement of incentive to all selected participants for sales of FY 2022-23
4	Capex and Sales verification for FY 2023-24	15%	The fee will be paid in FY 2024-25 after disbursement of incentive to all selected participants for sales of FY 2023-24
5	Capex and Sales verification for FY 2024-25	15%	The fee will be paid in FY 2025-26 after disbursement of incentive to all selected participants for sales of FY 2024-25
6	Capex and Sales verification for FY 2025-26	15%	The fee will be paid in FY 2026-27 after disbursement of incentive to all selected participants for sales of FY 2025-26
7	Sales verification for FY 2026-27	12.5%	The fee will be paid in FY 2027-28 after disbursement of incentive to all selected participants for sales of FY 2026-27
8	Sales verification for FY 2027-28	12.5%	The fee will be paid in FY 2028-29 after disbursement of incentive to all selected participants for sales of FY 2027-28

16. Bid submission forms (as annexed)

- a. **Form 1:** Letter for submission of Proposal
- b. **Form 2:** Details of the Bidder.
- c. **Form 3:** Compliance sheet for pre-qualification criteria
- d. **Form 4:** Financial Bid Quotation format

Form 1: Letter for submission of Proposal

<Location, Date>

To,

Shri Venkat Hariharan
Deputy Director
Department of Pharmaceuticals
Room No. 235, A-Wing,
Shastri Bhawan, New Delhi-110001

Sir,

We, the undersigned, hereby submit out proposal for Project Management Agency services for Production Linked Incentive Scheme for Pharmaceuticals. The correspondence details with regard to this RFP are:

S. No.	Information	Details
1.	Name and designation of the Contact Person	
2.	Address of the Contact Person	
4.	Telephone number of the Contact Person	
5.	Mobile number of the Contact Person	
7.	Email ID of the Contact Person	
8.	Corporate website URL	

2. We hereby declare that our proposal submitted in response to this RFP is made in good faith and the information contained is true and correct to the best of our knowledge and belief. We understand that the Department is not bound to accept our proposal. We also understand and agree to comply that on verification, if any, of the information provided is found to be false/misleading, the DoP reserves the right to disqualify us from the selection process or terminate the work order at any point of time.

For and on behalf of <<Legal name of bidding entity>>
<<Authorised Signatory's signature affixed with corporate seal>>
Name: <<Insert Name of Contact>>
Title: <<Insert Name of Contact>>
Signature: <<Insert Signature>>

Form 2: Details of the Bidder

S.No.	Information sought	Document furnished
1	Name and address of the bidder	
2	Year of establishment	
3	Details of registration with Registrar of Companies (RoC)	
4	GST Registration (in case of multiple, only of HQ)	

Form 3: Compliance sheet for pre-qualification criteria

S. No.	Basic requirement	Documents required	Provided (Yes/No)	Reference & page number
1	Public Financial Institution as per section 72 of the Companies Act, 2013	Documentary evidence supporting the same.		
2	Government Company as per section 2(45) of the Companies Act, 2013	Documentary evidence supporting the same.		
3	Bidder must have experience in handling at least one such incentive/subsidy schemes of the Govt. of India.	Documentary evidence such as completion certificate, part/phase completion certificate, work order, etc., certified by the statutory auditor of the bidder.		
4	Annual turnover of the last three financial years i.e. of FY 2017-18, 2018-19 and 2019-20	Documentary evidence such as Extracts from the audited financial statements (balance sheet and profit & loss statement); OR certificate from the statutory auditor		

Form 4: Financial Bid Quotation format

Name of the Bidder	Single Price Quotation i.e., fee as a percentage of ₹15,000 crores.
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Note: The GST to be levied on the quoted fee shall be mentioned separately.

It is certified that the above quotation is submitted after fully understanding all the clauses of the RFP.

For and on behalf of <<Legal name of bidding entity>>
<<Authorised Signatory's signature affixed with corporate seal>>
Name: <<Insert Name of Contact>>
Title: <<Insert Name of Contact>>
Signature: <<Insert Signature>>