

**Micro Small and Medium Enterprise Umbrella Programme**

**Component: MSME Support Policies and Programme**

**PN: 09.2459.7-003.00**



**REQUEST FOR PROPOSAL**

**Organisational and Structural Review of MSME  
Development Institutes, Office of DC MSME,  
Ministry of MSME**

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH,  
GIZ Office, B 5/1, First Floor, Safdarjung Enclave  
New Delhi 110029, India



<b>TITLE OF THE ASSIGNMENT</b>	<b>Organisational and structural Review of MSME Development Institutes, office of DC MSME, Ministry of MSME</b>
<b>TENDER NUMBER</b>	
<b>CONTRACT PERIOD</b>	September 2011-January 2012
<b>DATE OF ISSUE</b>	19 <sup>th</sup> August 2011
<b>CLOSING DATE</b>	9 <sup>th</sup> September 2011

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## Section 1 — Letter of Invitation

**From:**

Procurement Manager  
German Development Cooperation  
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH,  
GIZ Office, B 5/1, First Floor, Safdarjung Enclave  
New Delhi 110029, India

**To:**

All Prospective Bidders

Dear Sir/Madam,

1. Office of DC MSME, Ministry of Micro Small and Medium Enterprises, Govt. of India - Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH are implementing the “MSME Policies and Programmes” component of the “MSME Umbrella Programme for MSME Promotion”.
2. GIZ Invites bid from reputed and experienced consultancy firms for providing the following consulting services:  
**“Organisational and structural Review of MSME Development Institutes, office of DC MSME, Ministry of MSME”**
3. This RFP is available to all eligible prospective consulting firms.
4. A firm will be selected under **Single Stage- two envelop bid on Quality-cum-Cost Based Selection (QCBS )** Method and procedures described in this RFP, in accordance with the policies of GIZ.
5. The RFP includes following documents:
  - Section 1 - Letter of Invitation
  - Section 2 - Instructions to Consultants (local)
  - Section 3 - Terms of Reference
  - Section 4 - Technical Proposal - Standard Formats
  - Section 5 - Financial Proposal – Standard Formats
6. GIZ reserves the rights to cancel / modify this tender without assigning any reasons.

Yours sincerely,

Venkat Narsimhan

## Section 2 — Instructions to Consultants

The Consultants are invited to submit a Technical Proposal and a Financial Proposal, as specified in the Data Sheet, for consulting services required for this assignment. The Proposal will be the basis for contract negotiations and ultimately for a signed Contract with the selected Consultant. Consultants are expected to familiarize themselves with conditions and take them into account in preparing their Proposals.

### 1. Address, and formal requirements

Bids are to be sent to-  
Procurement Manager  
GIZ Office India  
B 5/1, First Floor, Safdarjung Enclave,  
New Delhi 110 029

**Deadline for submission of bids:** 4:00 pm, 9th September 2011

The bids are to be sent in double envelopes. The inner envelope must be sealed and bear the following inscription:

#### Envelope 1

**Financial Proposal for Consulting Services for Organisational Structural Review of MSME  
Development Institutes, Office of DC MSME, Ministry of MSME  
PN: 09.2459.7-003.00**

#### Envelope 2

**Technical Proposal for Consulting Services for Organisational Structural Review of MSME  
Development Institutes, Office of DC MSME, Ministry of MSME  
PN: 09.2459.7-003.00**

*The Outer envelope containing these two envelopes should be marked:*

**Organisational Structural Review of MSME Development Institutes, Office of DC MSME,  
Ministry of MSME  
PN: 09.2459.7-003.00**

***Not to be opened before (10th September 2011)***

All copies of the bid must be submitted by courier/post/hand in letter form. The technical and financial proposal will also be presented in electronic format – on a CD duly labeled as such. The above formal requirements regarding envelopes and marking also apply to further copies of the bid.

## **2. The Technical Proposal**

It should include detailed working concept which allows us to examine the technical aspects in the light of the project objective (only in case, a detailed concept is not already given by GIZ). Also, if applicable, special tasks requested within the scope of the terms of reference (TOR). Technical proposals should be submitted in the following format using standard forms as outlined in **Section 4**.

- 1) Executive Summary
- 2) Profile
- 3) Relevant Experience
- 4) Technical Response
- 5) Description of the Team
- 6) Matters not appropriate in any other section

**There should be no price information anywhere in the technical proposal document. Failure to comply will result in disqualification of the bid.**

## **3. The Financial Proposal**

Price quotation is to be submitted in a separate envelope together with your technical proposal and should be prepared using the Standard Formats as outlined in **Section 5**. It shall list all costs associated with the assignment, including (a) remuneration for staff, and (b) reimbursable expenses indicated in the Data Sheet. If appropriate, these costs should be broken down by activity.

## **4. Cost of preparing the bid**

No remuneration will be granted for the preparation of the bid and the documents to be attached thereto. The bids, together with the attached documents, shall become the property of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, without entitlement to remuneration. A request that the first-ranked bidder present candidate staff

members previous to the awarding of the contract does not constitute grounds for a claim for reimbursement of related costs from the GIZ.

#### **5. Material and Equipments**

Details on the materials and equipment needed, generally to be procured by the GIZ; the TORs for planned subcontracts, other measures as well as training planned for partner experts or staffs in the framework of preparation for the assignment are also to be provided, if needed.

#### **6. Formation of consortium**

Should you form a joint venture group or consortium, the bid must specify the members of this group/consortium and lead partner. Furthermore, the authorised representatives of the members are to be named. Furthermore, the members must declare that they are jointly and severally liable for the performance of the contract. The formation of joint ventures with a company, also invited by GIZ to submit a bid (in a two stage bid process), requires the prior written consent of GIZ.

#### **7. Modification/withdrawal of the bid**

Adjustments to or withdrawal of bids are to be communicated in writing by post by the deadline for submission of bids. Subsequent adjustments or modifications to the bid, which can be submitted up to the deadline for submission of bids, shall also be subject to the requirements for sending in the bid. The front of the envelope is to be clearly marked as...

**Adjustment to Financial Proposal or Technical Proposal for consulting services for  
Organisational Structural Review of MSME Development Institutes, Office of DC MSME,  
Ministry of MSME  
PN: 09.2459.7-003.00**

(as the case maybe)

#### **8. Other requirements**

Agreements with third parties in restraint of competition, which are to the disadvantage of the GIZ, are not permissible and will lead to the bid not being considered.

The documents submitted in response to the request to bid shall be treated confidentially by yourself and may only be made available to third parties in connection with potential subcontractors in relation to your bid. Non-compliance may result in the bid not being considered.



## 9. Data Sheet

1.1	Name of the Client: <b>Deutsche Gesellschaft für Internationale Zusammenarbeit / German International Cooperation (GIZ)</b> Method of selection: <b>Single stage- two envelop ; Quality-cum-Cost Based Selection Method (QCBS)</b>
1.2	Financial Proposal to be submitted together with Technical Proposal: <b>Yes</b> Name of the assignment is: <b>Organisational and Structural Review of MSME Development Institutes, Office of DC MSME, Ministry of MSME</b>
1.3	Proposals must remain valid 60 days after the submission date, i.e. until: <b>8<sup>th</sup> November2011</b>
2.1	All Clarifications required by bidders with reference to this RFP may be sent latest by <b>26<sup>th</sup> August 2011</b> on the email : <a href="mailto:gtzproc@giz.de">gtzproc@giz.de</a> .  All such queries will be compiled and a consolidated reply will be sent to all the bidders by <b>1st September 2011</b> and also put on the website <a href="http://www.tendernews.com">www.tendernews.com</a>
3.1	Proposals shall be submitted in the following language: <b>English</b>
3.2	Consultants may associate with other Consultants: <b>Yes</b>
3.2	The estimated number of calendar-months required for the assignment is <b>5 months</b> from the date of contract signing
3.3	Training is a specific component of this assignment: <b>No</b>
3.4	Applicable Reimbursable Expenses  (1)a per diem allowance in respect of Personnel of the Consultant for every day in which the Personnel shall be absent from the home office for purposes of the Services  (2)cost of necessary travel, including transportation of the Personnel by the most appropriate means of transport and the most direct practicable route  (3) cost of investigations and surveys in field locations

	<p>(4) cost of applicable international or local communications such as the use of telephone and facsimile required for the purpose of the Services</p> <p>(5) cost of printing and dispatching of the reports to be produced for the Services</p>															
<b>3.5</b>	<p>Amounts payable by the Client to the Consultant under the contract to be subject to local taxation: <b>Yes</b></p> <p>Service tax will be applicable as per prevailing tax law in India. As per Indian Tax Law, tax at source has to be deducted on payments to consultants, if such payments exceed Indian Rupees 30,000 p.a.</p>															
<b>4.1</b>	<p>Consultant must submit the original and 2 copies of the Technical Proposal, and the original of the Financial Proposal</p> <p>Electronic copies of the Technical and Financial Proposal in MS Word must also be submitted on a separate CD along with the hard copy proposals</p>															
<b>4.2</b>	<p>The Proposal submission address is:</p> <p>Procurement Manager, GIZ, B-5/1 (2<sup>nd</sup> floor), Safdarjung Enclave, New Delhi 110 029</p> <p>Proposals must be submitted no later than the following date and time: <b>4:00 pm on 9<sup>th</sup> September 2011</b></p>															
<b>5.1 (a)</b>	<p>The number of points to be assigned to each of the staff positions or disciplines shall be determined considering the following sub-criteria and relevant percentage weights:</p> <table> <tr> <td>1)</td> <td>Experience of the company</td> <td>12%</td> </tr> <tr> <td>2)</td> <td>Appropriateness of suggested concept and work plan</td> <td>25% (<i>Points on this will be awarded taking into account the technical proposal and technical presentation – which will be required to be made to GIZ project team</i>)</td> </tr> <tr> <td>3)</td> <td>Technical backstopping</td> <td>8%</td> </tr> <tr> <td>4)</td> <td>Qualification of local staff</td> <td>55%</td> </tr> <tr> <td colspan="2">Total weight:</td> <td>100%</td> </tr> </table> <p>Please refer <b>annex I</b> for detailed technical assessment grid of the offer</p>	1)	Experience of the company	12%	2)	Appropriateness of suggested concept and work plan	25% ( <i>Points on this will be awarded taking into account the technical proposal and technical presentation – which will be required to be made to GIZ project team</i> )	3)	Technical backstopping	8%	4)	Qualification of local staff	55%	Total weight:		100%
1)	Experience of the company	12%														
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3)	Technical backstopping	8%														
4)	Qualification of local staff	55%														
Total weight:		100%														
<b>5.1(b)</b>	The minimum technical score required to be called for Technical Presentation is: 50%															

	(i.e. 375 points out of total 750)
<b>5.1 (c)</b>	After the technical presentation by bidders a composite score for technical proposal will be calculated and the minimum marks required to be scored in Technical Presentation is 70% i.e 175 out of 250. i.e Financial bids of only those bidders will be opened who score 70 % or more in technical presentation.
<b>5.2</b>	Financial quotes to be provided in INR
<b>5.3</b>	The weights given to the Technical and Financial Proposals are: Technical = <u>0.7</u> and Financial = <u>0.3</u> Total score for technical proposal will be sum of technical proposal and presentation both.
<b>6.1</b>	Expected date and address for Technical Presentation: <b>19<sup>th</sup> September 2011</b> , GIZ Office, B-5/1 (2 <sup>nd</sup> floor), Safdarjung Enclave, New Delhi 110 029
<b>7.1</b>	Expected date for commencement of consulting services: <b>28<sup>th</sup> September 2011</b>

## Section 3: Terms of Reference

### 1. Background:

Office of DC MSME , Ministry of Micro Small and Medium, Govt Of India - Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH are implementing the “MSME Policies and Programmes” component of the “MSME Umbrella Programme for MSME Promotion”. The project aims at improving the effectiveness and efficiency with which MSME support policies and programmes are implemented, thus promoting increased responsible competitiveness of MSME.

As part of this partnership, Office of DC MSME has requested GIZ to review the functioning, role, relevance and responsibilities, current structure, service portfolio, need assessment of MSME development Institute against the mandate of the Ministry and to suggest an actionable plan for improvement, which potentially can include revised management structure, organizational set up, targeted technical support etc.

**Office of Development Commissioner** (MSME earlier SSI) was established in 1954 on the basis of the recommendations of the Ford Foundation. The main services rendered by DC (MSME) office are:

- Advising the Government in policy formulation for the promotion and development of MSMEs.
- Providing techno-economic and managerial consultancy, common facilities and extension services to MSMEs.
- Providing facilities for technology upgradation, modernisation, quality improvement and infrastructure.
- Developing Human Resources through training and skill upgradation.
- Providing economic information services.
- Maintaining a close liaison with the Central Ministries, Planning Commission, State Governments, Financial Institutions and other Organisations concerned with development of MSMEs.
- Evolving and coordinating Policies and Programmes for development of MSMEs as ancillaries to large industries.

It has over 70 offices known as MSME development institutes (MSME DI- earlier known as small industries service institute) and autonomous bodies such as Tool Rooms, Training Institutions and Project-cum-Process Development Centres under its management, through which different services are being delivered to Micro and Small Enterprises.

**MSME Development Institutes** are the one of the main field office networks through which DC MSME functions. There are 30 MSME DIs and 28 Branch MSME-DIs set up in State capitals and

other industrial cities all over the country to facilitate promotion and development of MSMEs through delivery of various services (mostly public funded or highly subsidized) and are present at following locations in India

North	South	East	West	North East
Agra , Allahabad, Haldwani, Jammu, Kanpur, Karnal, Ludhiana, New Delhi, Solan	Bangalore, Chennai, Hubli, Hyderabad, Thrissur	Cuttak, Kolkata, Muzaffarpur, Patna, Raipur, Ranchi	Ahmadabad, Goa, indore, Jaipur, Mumbai, Nagpur	Agartala, Gangtoke, Guwahati, Imphal

**Services:** Though each institution depending upon the characteristics of local industries have some variance in their service offerings but generally services offered by these DIs can be broadly classified into following categories

Technical Services : Providing Technical Consultancy to existing and prospective entrepreneurs for selection of products, technology, machinery, raw materials etc. and its sources for procurement, Preparation of project profiles on potential products and other technical literature like technology transfer document and special study reports on various technical subjects, Preparation of detailed feasibility reports and project reports on request, Guidance on testing of raw materials, semi finished and finished products ,Consultancy on improvement, development and diversification of products, guidance for quality control and ISO system

Training Programmes: Conduct Product & Process Oriented Entrepreneurship Development Programmes for different target groups such as educated unemployed youths. General & Technical Graduates, women, ex-servicemen etc under ministry’s skill development support initiative.

Ancillary Development: Identification of ancillary opportunities of new ventures of existing medium & large undertakings , Conducting buyer - seller meets (vendor development Programmes), seminars & exhibition for ancillary development , Operating Sub-Contract Exchange for enlistment of units having additional production capacity and for facilitating effective tie-ups between these units and prospective buyer units.

Economic Investigation and statistical services : Preparation of area survey reports indicating Industrial potential in particular area, Preparation of industry prospect sheets, market survey reports, Census of small scale industries, Compilation of index on industrial of production (IIP), Growth pattern through the data collection from MSME units

Point of access for enterprises for various support programmes of Office of DC MSME such as MARKETING AND EXPORT PROMOTION, ISO CERTIFICATION, BAR CODING and also organizes awareness workshop and programmes etc.

Small Enterprise Information and Technology Resource Centre Network: Many of the DIs are also managing an electronic (computer) Information and Resource Center Network to meet the information resource requirements of the small enterprise sector including small industries and industry related service and business activities.

Common Facilities workshops: Many of the DIs have also common facilities workshops in various trades, currently 42 such workshops are attached to DIs

**Organisational Structure:** These are field office networks of DC MSME and are governed by that office located in New Delhi. Each Development institutes are managed by officer of the Director Level. Managerial level Human resource consists of persons with technical and commercial competence. Many of the offices have their own buildings while some operates from rented premises. Branch levels DIs are extension centre of the main DIs and report to them.

## **2. Context:**

Since the time i.e in the decade of 1950 when this structure was set up, there has been enormous change in the overall business and economic environment. On the one hand Indian economy has been liberalized which resulted in de-reservation of almost all items which earlier could be manufactured by small scale industries on the other legal definition of the target group of these institutions has undergone many changes. As per the MSME DI act, now there is categorization of the industry in Micro, Small and Medium from the earlier categorization of small and tiny industries. Need of the industry has also undergone change , as many of the services being provided by these DIs are now offered by private service providers in more efficient manner. Role of govt has also changed from a protector of the industry to facilitator of growth and greater focus on involvement of private sector in service delivery. There is also the problem of duplication of activities by various organization of the ministry without any clear distinction in target group or area of services. Though sporadic efforts have been made to rationalize and revitalize the service portfolio of these MSME DIs but it is felt that there is a need for systemic structural reform of MSME DIs. Even the strategic action plan of Ministry of MSME mentions that “MSME DIs would be converted into autonomous organizations to provide handholding and advisory services to the MSMEs.

### 3. Objective:

Objective of this assignment is to assist Ministry of MSME in strengthening the functioning of MSME DIs and its services to MSMEs with recommendations, strategy and actionable implementation plan. This is to be achieved through a 360 degree structural review (Rationale, role, relevance, responsibilities, current structure, service portfolio, functioning), gap analysis and need assessment of MSME development Institute against the mandate of the Ministry and an actionable plan for improvement, which potentially can include revised management structure, organizational set up, reassignment of service portfolio and or target group and targeted technical support needed which can be provided by outside agencies such as GIZ.

### 4. Scope of Services and Deliverables

Consulting Agency is expected to deliver:

#### 4.1 A well defined methodology to undertake the assigned tasks

While developing the methodology, the agency is expected to

- Establish the relevance of the services provided by MSME DIs against different policy goals ( e.g. Growth, inclusiveness, poverty reduction, etc.) and with reference to the need and demand of key services from MSMEs
- Proof the case for/of
  - ✓ access to what type of services should be provided by public agencies and to which type of clientele
  - ✓ public service delivery (why can't public services not be delivered by private actors?)
  - ✓ quantitative mismatch? (capacity of service providers vs. Demand)
  - ✓ quality mismatch? (MSME/individual don't get what they need)
  - ✓ problem of public service providers crowding out private providers?
  - ✓ BDS market development approach
- In case of need for public involvement and public funds being spent:
  - ✓ What is the best way to spend these funds?
  - ✓ How do we get most units of impact (which impact? How to measure?) per INR?
- Systematically analyze reasons for current performance, barriers to access/greater outreach, their causes and ways to remove them
- Develop a model of the service system that allows the understanding of actors, relationships, flows and decisions. This model should be improved during the consultancy and used as a tool to
  - ✓ make sure all relevant elements and relationships are "on the screen" (also all alternative providers and financiers of the services under study)

- ✓ identify the bottlenecks
- ✓ develop an understanding of cause-impact relationships
- ✓ develop and prioritize interventions / suggestions for improvement
- ✓ develop indicators of system effectiveness and efficiency
- ✓ the distribution of roles within DC MSME and the DI network
- ✓ mechanisms of governance, organization, financing

**Deliverable 1:** Well defined methodology including detailed analytical framework, tools and resource planning to carry out the assignment.

#### **4.2 An institutional and organizational development study of the MSME development institutes focusing on the followings**

- A **functional analysis** of the MSME DIs operations (including roles from a historical perspective to changed reality, administrative procedures with DC MSME office, transactions, information flows, target segments, covering all divisions and any external agencies involved in the key functional areas), specifically addressing:
  - ✓ Relevance of the existing service provisioning and functions in today's environment
  - ✓ Impact of existing service portfolio
  - ✓ Efficiency of the current management/Organisational structure
  - ✓ Strength, deficiencies, weaknesses in the existing systems , departure from good practices and distance from the current need of the target segment
- An **organisational structural review** of the MSME DIs and its divisions, addressing:
  - ✓ its organisational structure , governance mechanism and autonomy
  - ✓ available human resources, vacancies and recruitment procedures;
  - ✓ gaps in technical expertise (which may be filled through consultants on a short term basis and through continuous capacity building on long term basis);
  - ✓ training and capacity development opportunities for staff;
  - ✓ performance appraisal and incentive structures;
  - ✓ Potential for outsourcing of non-core functions and procedures.
- Detailed analysis of performance of sub contract exchanges operated by MSME DI and its relevance
- A **functional analysis** of common facility centre workshops attached to MSME DIs/Branch MSME DIs specifically addressing
  - ✓ Current status of the installed machinery , their utilisation by MSEs , availability of manpower etc



- ✓ Examining the relevance of the service provisioning and its functions in today's environment while taking into account Tool Room services and various schemes related with setting up of common facility centre from office of DC MSME
- Role of MSME DIs vis a vis Public Procurement /PSU linkages (in view of the proposed 20 % public procurement policies under consideration and their current involvement in organising Vendor Development Programme)
- Overall **needs assessment** taking into consideration the mandate of the Ministry and the guidance given by its leadership. As part of the assessment the main challenges and opportunities related to the formulation, implementation and oversight of policies and schemes/programmes would need to be assessed.

**Deliverable 2:** High Level strategic analytical rationale and approach report on MSME DIs corresponding with points mentioned above in functional analysis, organisational structural review ,overall need assessment and best options to achieve the goal

**Deliverable 3:** Separate Report on Sub Contract exchange

**Deliverable 4:** Separate Report on Common Facility Centre

**Deliverable 5:** Separate Report on MSME DI's role vis a vis public procurement/PSU linkages

#### 4.3 Recommendations and Action Plan

- **Recommendations** against all items mentioned above, responding to the challenges and needs identified, specifically:
  - Shift in strategic approach required
  - recommend changes to organizational and management structure, business processes, service portfolio, target groups (e.g Micro/small/Medium or all )
  - Future roadmap of common facility workshops – exploring all options such as continuation, closure , outsourcing and recommending one with rationale and cost-benefit analysis
  - Role of MSME DI in public procurement from MSMEs
  - amendments to regulations of the DC MSME/Ministry in order to delimit functions of formulation, implementation and oversight of polices and schemes/programmes;
  - Identified areas in which targeted technical support is required and could be provided by outside agencies (i.e. affiliate government institutions, GIZ, etc.) initially as well as a long term plan for building such capacities in house.

**Deliverable 6: Strategic Recommendation report for Ministry of MSME**

- A **strategic & organisational restructuring plan of MSME DIs in line with the vision of Ministry of MSME** “to convert it into autonomous organizations to provide handholding

and advisory services to the MSMEs.” Action Plan should be actionable and implementable and should include

- ✓ Proposed new/revised organisational strategy and structure detailing out legal , organisational setup , degree of autonomy etc
- ✓ Cost benefit analysis of the proposed strategy and structural change
- ✓ A step by step process with short-, medium and long-term milestones, cost estimation and identified change agents within the organisation.
- ✓ A rational **organizational model** including the descriptions of functions and authorities at different levels, effective horizontal and vertical interactions.

#### **Deliverable 7 : Organizational restructuring action plan**

- The **design of a technical secretariat** at office of DC MSME addressing key functional requirements in areas such as programme facilitation monitoring and evaluation, capacity development, MIS and data analysis, ICT etc with specific reference to MSME DI functioning.

#### **Deliverable 8 : Design of a technical secretariat**

### **5. Outline of Tasks**

Scope of this assignment is divided into following tasks

#### **5.1 Preparatory Phase:**

- Secondary Research and data analysis
- Meeting with senior officers of Ministry of MSME including Secretary, Additional Secretary & Development Commissioner, ADC and other officers identified and GIZ representative to clearly understand the broad requirement of the assignment and to design and plan the whole process
- Development of methodology, information gathering tool , analytical framework , resource planning and work plan and share with the Secretary , AS & DC MSME and other identified officers of (MoMSME) and GIZ team to invite their comments
- Finalise the scope, methodology , work plan after incorporating the comments and obtain approval of MoMSME

#### **5.2 Review & Analysis:**

- Review of the planning, administration , financial adequacy , monitoring mechanism and other related systems at office of DC MSME related with MSME DIs involving key staffs of DC MSME

- Undertake the institutional /organizational development study by involving sufficient number of these centre’s as sample. There are 30 MSME DIs and 28 branch offices and it is proposed that following 6 MSME DIs and 1 branch offices will be part of the sample DIs which should be studied in detail (on site assessment ) to draw out the final conclusion and develop the strategic recommendation and action plan.

Category	North	South	East	West	North East
MSME DI	New Delhi	Chennai	Cuttak	Ahmadabad, Mumbai	Guwahati
Branch DIs		Vizag			-

Data from other centre has to be collected through online and same has to be also analysed

As outlined above in detail as part of deliverables, analysis should focus on functional, structural and need assessment. In addition to involvement of large sample of staffs of DIs, stakeholders (enterprise, local associations) feedback on relevance and usage of the current services and future need should be included. This should also include what services currently being provided by DIs are/can be successfully provided by private sector.

- With reference to stakeholder’s feedback as mentioned above , consultant will be expected to interact with
  - ✓ Local Associations (Minimum 5)
  - ✓ Other MSME promotion agency with similar services and mandate (e.g NSIC , DIC , State industrial promotion bodies ) in that region /locality
  - ✓ MSME ( Minimum 5 focus group discussion of 8-10 stakeholders – which should be a judicious mix of users of MSME DI services , non users , Micro and small enterprises)

\*Number mentioned is per MSME DI locations
- Analysis of the findings and draft report writing
- Presentation and validation of the findings in a 1 day stakeholder workshop with heads of MSME DIs and subsequently to the senior officers of MoMSME and office of DC MSME including secretary and Additional Secretary and GIZ.
- Final organizational analysis report writing incorporating the feedback of MoMSME and GIZ

### 5.3 Recommendation and Action Plan

- **Development of draft recommendation and action plan** - incorporating all above mentioned aspects outlining actionable plan for improvement, which potentially can include revised strategic approach (including goal structure), , reassignment of service portfolio and or target group, revised management structure, organizational set up and targeted technical support needed which can be provided by outside agencies such as GIZ. It should be accompanied by a time bound and cost estimated plan along with potential impact that it would results into.
- Consultation and Validation meeting with DC MSME , MoMSME, GIZ
- Finalisation of Recommendation and action plan

### 6. Deliverables and Time schedule (September 2011-January 2012)

The overall time period for this assignment is expected to be 5 calendar months; however consultants are free to propose shorter timeline. All deliverables shall be submitted in hard copy with 1 copy in colour print and 3 copies in black and white. An electronic copy of each deliverable shall also be provided on a CD. The table below shows expected timelines for each deliverable.

No	Deliverable	Time*
D1	Methodology and Analytical framework	Week 3 M1
D2	Strategic Approach and Organizational analysis Reports	M3
D3 – D5	Report on Sub contract exchange Report on Common Facility Centre Report on Public procurement	M4
D6- D8	Strategic Recommendation report Organisational Restructuring Plan Design of a technical Secretariat	M5

\* Calendar-months elapsed from date of signing contract

Consultant will submit monthly status reports in an agreed format to the designated contact at GTZ and give a presentation of project progress at the end of each month to members of the DC MSME and GIZ.

## 7. Payment Schedule

The table below shows the sequence of payments against project milestones.

No	Project Milestone	Payment*	Months
P1	Contract signing	20%	M1
P2	Organisational analysis Report acceptance (D2- D 5)	40%	M4
P3	Recommendation and action plan report (acceptance of all deliverables)	40%	M6

\* % of total contract value

Feedback will be communicated to the consultant on submission of each deliverable. Where necessary, consultant shall make appropriate changes to improve the deliverables and address this feedback. On acceptance of a deliverable by the Project Management division at DC-MSME, written confirmation shall be provided to the consultant which will trigger the relevant milestone payment. No payment will be processed without the acceptance of the deliverables.

## 8. Eligibility criteria and Expertise /skill sets required:

- It is envisaged that the required consulting services are carried out by a consortium of Indian and international consultant firm experienced in the field of private sector development specifically in MSME development approaches (such as BDS market development), organizational study, structural and functional review and change management approach, with Indian consultant firm being the lead partner.
- At least one of the consortia partners should have carried out similar assignment i.e organizational structural review of public institutional network system in the last 5 years
- We assume that the assignment will be carried out by:
  - ✓ 1 qualified international or Indian expert as team leader – who will be required to lead the onsite assessment of MSME DIs and all key discussion with partners (MoMSME , DC MSME , GIZ)
  - ✓ 3-4 Pool of international and Indian experts with specific technical expertise in the relevant field.
- Team of experts should composed of International Expert/s and Local Expert (ideally at least 30% of proposed senior mandays should be of international expert) and all consulting team members should have minimum 8 years of consulting experience and

hold a post graduate in the relevant field of public administration, management, economics and or sector related areas

- Team leader should have minimum 15 years of overall consulting experience with specific Indian experience and experience in moderation and leading difficult negotiation processes, competent in provision of advisory services,
- Documented experience of team members and expertise in similar projects/assignments in the fields of change management as well as structural , organizational and functional review
- Sound understanding of MSME sectors and support mechanism in India
- Strong Analytical skills Excellent report writing and communications skills
- Past experience of the team members in working for Govt of India on similar assignments are an added advantage

### 9. Main Deliverables with estimated timeframes

The following table shows the main activities, deliverables and the estimated time frame

Deliverables	Time Frame*	Team Leader (National/ International) Mandays		Senior Experts & support staff (National and International) Mandays	
		Home	Field	Home	Field
D 1	3 week	3	1	4	2
D 2- D5	8 week	10	15	10	40
D6 –D8	3 week	10	3	15	5
Total Mandays		23	19	29	47

*\*from start of the contract*

Time frame given is estimated and meant o be indicative. Consultants are free to propose shorter /longer mandays as deemed fit by them.

### 10. Other terms & condition

The Final report should be approved by the secretary, MoMSME as conditions for release of final payment. The report produced under this assignment is the property of the Ministry of MSME and cannot be published, copied or otherwise disseminated without prior written approval.

### Section 4: Technical Proposal – Standard Formats

With reference to brief guideline provided in section 2 of this RFP, consultants are expected to use the following recommended formats and number of pages for their technical proposals.

**1. Executive Summary :**

Executive summary should capture important parts of your technical proposal including approach, timeline, milestones and staffing. Executive summary must be confined to maximum 5 pages.

**2. Profile**

2 page description of background, organisation and competencies of the consulting firms and each associate for this assignment

**3. Relevant Experience**

This section should contain project credentials of the bidder. This section should mention 5 most relevant experiences and must not exceed 10 pages.

**FORMAT FOR RELEVANT EXPERIENCE**

Name of Assignment	Client (Including Contact Detail of person in charge)	Start/End dates	Value (INR/Euro)	Role of the firm/short description
<b>Selected Relevant projects-National</b>				
<b>Selected Relevant projects-Global</b>				

**4. Qualification to Terms of reference :**

This section is intended to record understanding of the assignment and interpretation of the TOR and any observations/suggestions the bidder may have on the terms of reference. Facilities

and support required/expected from counterpart should also be mentioned. Maximum number of pages to be used is 3.

**5. Technical response :**

This section should define the approach, methodology, work plan including sub activities and deliverables and how the bidder intends to organise the project team to execute the engagement. Technical response must confine to 30 pages and in following 3 sub sections.

1) Approach and methodology

Detailing out planned approach and methodology for carrying out the assignment to achieve the expected output

2) Work Plan including sub activities and Deliverables

Detailing out Main activities, sub activities, duration, their interrelations, Milestones and linked deliverables. Work plan should be consistence with approach and methodology and should break out the TOR in feasible working plan.

3) Project Organisation

This should contain the project team organogram and brief profiles of project team personnel. Details of which tasks your home office will be undertaking within the scope of the project (backstopping) and the designation of a contact person at the Head Office who is responsible for the project, with his or her CV included. Earliest possible date for commencing the work, with alternatives where appropriate

**6. Description of the proposed team**

1) Staffing

This section should contain the staffing table which indicates the name, firm, area of expertise, designation and task assigned to the professional staff as per the following format.

**FORMAT FOR STAFF TASK ASSIGNMENTS**

Name of Staff	Firm	Area of Expertise	Position Assigned	Task Assigned

2) Schedule

Staffing schedule (giving alternatives if necessary) with details of the personnel to be engaged in the home/field work with their person-days of involvement in the assignment as per the following format.



**FORMAT FOR STAFFING SCHEDULE**

No.	Name of Staff	Description	Staff input (In number of Days)					Total Staff input (days)		
			Month 1	Month 2	Month 3	Month 4	Month n	Home	Field	Total
		Home (days)								
		Field (days)								

Staffing schedule should be specifically broken into Professional staff (International and Indian) and Support Staff.

**3) Curricula vitae (CVs)**

The CVs of the experts designated for the project are to be in tabular form and should cover the points given in the format. Each CV must confine to maximum 3 pages in the following format.

**FORMAT FOR CVs FOR PROPOSED PROFESSIONAL STAFF**

<b>Name:</b>	
<b>Nationality:</b>	
<b>Designation:</b>	
<b>Proposed Position:</b>	
<b>Whether Employee of the Firm:</b>	
<b>Years with the Firm:</b>	
<b>Key Qualifications:</b>	
<b>Education:</b>	
<b>Recent Relevant Experience:</b>	<Project Title> <Designation in Project Team> <Description of Role>

Record of Employment:		
From	To	Designation & Name of Firm

Languages Known:			
	Read	Write	Speak

4) Personnel Inputs and work plan

This section should contain a GANNT chart mapping project phases, activities and sub activities, milestones and deliverables and person-days involvement of each project team member. There should be no price information in this table, only estimates of person-days of each consulting team member.

S. No.	Work-plan Activities	Team Member	Showing the completion of activities and involvement (maydays) of team member in respective cells				Remarks , if any
			Wk 1	Wk 2	Wk 3	Wk n	

**7. Matters not appropriate in any other section**

## Section 5: Financial Proposal: Standard Formats

Financial Proposal should be submitted with a covering letter clearly mentioning the validity of the quote for minimum 60 days and as per the following format.

**FORM 1: TOTAL COST SUMMARY**

Description	Cost in INR
Professional Fee	
Reimbursable Fee	
Applicable Tax	
<b>Total Cost</b>	

**FORM 2: FORMAT FOR STAFF INPUTS AND FEE RATES**

Name	Description	No. Of Days	Daily Fee Rate in INR	Total Fee (No. Days x Fee)
<b>Sub Total</b>				
<b>Tax</b>				
<b>Total</b>				

**FORM 3: FORMAT FOR PROJECTED REIMBURSABLE COST**

Description	Number	Rate	Cost(INR)
Vehicle hire			

<b>Airfare</b>			
<b>Accommodation</b>			
<b>Per diem for staff</b>			
<b>Others(please specify)</b>			
<b>Total</b>			

**FORM 4: COST BREAK UP ACCORDING TO THE MAJOR DELIVERABLE**

<b>Deliverables (As Outlined In TOR)</b>	<b>Consulting Fee</b>	<b>Reimbursable Fee</b>	<b>Total Amount in INR</b>

## Annex I: Technical Evaluation Grid

## Technical Assessment Grid of Offers (AURA)

Section	MSME Support Policies and Programme	Project Short Title	MSME Umbrella Programme						Date	28/07/11			
AV	Manfred Haebig	Assessor	Amit Kumar /Stefanie Bauer						PN	PN:09.2459.7-003.00			
Version	Individual assessment/Overall assessment		VN	VN									
			Company 1		Company 2		Company 3		Company 4		Company 5		
(1) Criteria	(2) Weighting in %	(3) points (max.10)	(4) assessment (2)x(3)	(3) points (max.10)	(4) assessment (2)x(3)	(3) points (max.10)	(4) assessment (2)x(3)	(3) points (max.10)	(4) assessment (2)x(3)	(3) points (max.10)	(4) assessment (2)x(3)		
<b>1. Experience of the Company</b>													
1.1 Technical Experience (state relevant sectors Organisational study of public institutions in private sector development field Structural review and business process re engineering Private sector (MSME) support policy framework analysis	4 2 2												
1.2 Regional Experience (state country/region) EU /German - MSME promotion systems	4												
<b>Total 1</b>	<b>12</b>												
<b>2. Appropriateness of suggested concept and work plan ( Will be evaluated after technical presentation)</b>													
2.1 Concept (technical approach/methodical procedure) - interpretation of objectives - terms of reference - implementation methodolgies	3 4 10												
2.2 Work schedule and time schedule	2												
2.3 Alternative concepts	3												
2.4 Monitoring and evaluation concept	3												

<b>Total 2</b>	<b>25</b>									
<b>3. Technical backstopping / Knowledge Management</b>										
3.1 Staff and backstopping conception	4									
3.2 Knowledge and information management	4									
<b>Total 3</b>	<b>8</b>									
<b>4. Consideration of local resources</b>										
<b>5. Qualification of proposed staff</b>										
5.1 Expert 1: Team Leader										
5.1.1 General qualification										
Business Advisory, Moderation and stakeholder consultation experience	5									
Project management , more than 15 yrs of exp	2									
5.1.2 Specific qualification										
- special field										
Business Process Re engineering , Organisational and structural Review	8									
- management experience	2									
- ability to work in a team										
5.1.3 Regional experience / Knowledge of country										
E U specifically German	2									
5.1.4 Language skills										
Subtotal 5.1	<b>19</b>									
5.2 Expert 2: private sector development analyst										
5.2.1 General qualification										
Public policy and Management	2									
- professional experience of 8 years	2									
5.2.2 Specific qualification										
- special field										
Systemic Analysis of public institutional systems and structure	8									
MSME promotion policies and system										
- management experience										
- ability to work in a team										
5.2.3 Regional experience / Knowledge of country										
India	1									
5.2.4 Language skills										

Subtotal 5.2	13								
5.3 expert 3: Functional and Structural Analyst									
5.3.1 General qualification									
Change Management approach	2								
- professional experience of 8 years	2								
5.3.2 Specific qualification									
- special field									
Functional analysis of Relevance and impact	4								
Organisational structural review and change	4								
- ability to work in a team									
5.3.3 Regional experience / Knowledge of country									
India	1								
5.3.4 Language skills									
Subtotal 5.3	13								
5.4 Pool of experts 2:									
5.4.1 General qualification									
5.4.2 Specific qualification									
- special field									
-									
-									
- ability to work in a team									
5.4.3 Regional experience / Knowledge of country									
state country / region									
5.4.4 Language skills									
state language									
Subtotal 5.4									
5.5 Composition of the team	10								
<b>Total 5.</b>	<b>55</b>								
<b>Grand Total</b>	<b>100</b>	<b>100</b>							
Assessment in %									
place									
<b>6. Special advantages / risks (see extra page)</b>									

place

