

कर्मचारी भविष्य निधि संगठन
(श्रम एवं रोजगार मंत्रालय, भारत सरकार)
Employees' Provident Fund Organisation
(Ministry of Labour & Employment, Govt. Of India)



मुख्य कार्यालय/ Head Office
भविष्य निधि भवन, 14- भीकाजी कामा प्लेस, नई दिल्ली -110066
Bhavishya Nidhi Bhawan, 14-Bhikaji Cama Place, New Delhi-110066

फाइल संख्या : मुख्यालय/आई.एम.सी./232/ए.ओ.सी./2017/27284

दिनांक: 01.03.2018

सेवा में,

सेबी के साथ पंजीकृत सभी क्रेडिट रेटिंग एजेंसियां

1. क्रिसिल लिमिटेड
2. इंडिया रेटिंग्स एंड रिसर्च प्रा.लि.
(पूर्व में फिच रेटिंग्स इंडिया प्रा.लि.)
3. आई.सी.आर.ए. लि.
4. क्रेडिट एनालिसिस एंड रिसर्च लि. (सी.ए.आर.ई.)
5. ब्रिकवर्क रेटिंग्स इंडिया प्रा.लि.
6. एस.एम.ई.आर.ए. रेटिंग्स लि.
7. इंफोमेरिक्स वेल्यूएशन एंड रेटिंग प्रा.लि.

विषय: सलाहकार की नियुक्ति के प्रस्ताव हेतु आवेदन आमंत्रित करने के लिए नोटिस।

महोदय,

क.भ.नि.सं. को पोर्टफोलियो प्रबंधकों, बाहरी समवर्ती लेखा परीक्षक और कस्टोडियन के चयन में सहायता करने के लिए एक सलाहकार नियुक्त करने का निर्णय लिया गया है। उक्त सलाहकार द्वारा, चुने गए पोर्टफोलियो प्रबंधकों एवं कस्टोडियन के निष्पादन की मॉनीटरिंग करना तथा आंतरिक निवेश मॉनीटरिंग प्रकोष्ठ (आईएमसी) को मजबूत बनाना तथा आर.एफ.पी. दस्तावेजों में उल्लिखित अन्य उद्देश्यों में क.भ.नि.सं. की सहायता करना अपेक्षित होगा।

2. आपसे अनुरोध है कि संलग्न आर.एफ.पी. में दिए गए विवरण के अनुसार आवश्यक अनुलग्नकों सहित निर्धारित प्रोफार्मा में अपनी बोली (बोलियां) 24 अप्रैल, 2018 को 11:00 बजे तक जमा करें। पूर्व-बोली सम्मेलन 20 मार्च, 2018 को निर्धारित किया गया है। बोलियां खोलने की प्रक्रिया 24 अप्रैल, 2018 को दोपहर 12:00 बजे सम्मेलन कक्ष, तृतीय तल, भविष्य निधि भवन, 14-भीकाजी कामा प्लेस, नई दिल्ली -110066 में आयोजित की जाएगी, जिसके दौरान आपके प्रतिनिधि उपस्थित हो सकते हैं।

3. आर.एफ.पी. वेबसाइट www.epfindia.gov.in पर उपलब्ध है

अनुलग्नक: - यथोपरि

भवदीय,

(सुनील यादव)

क्षेत्रीय भ.नि. आयुक्त-I (आईएमसी)



कर्मचारी भविष्य निधि संगठन
(श्रम एवं रोजगार मंत्रालय, भारत सरकार)
Employees' Provident Fund Organisation
(Ministry of Labour & Employment, Govt. Of India)



मुख्य कार्यालय/ Head Office

भविष्य निधि भवन, 14- भीकाजी कामा प्लेस, नई दिल्ली - ११००६६
Bhavishya Nidhi Bhawan, 14-Bhikaji Cama Place, New Delhi-110066

File no. HO/IMC/232/AOC/2017

date

To

27284

01 MAR 2018

All Credit Rating Agencies registered with SEBI

1. CRISIL Limited
2. India Ratings and Research Pvt. Ltd.
(formerly Fitch Ratings India Pvt. Ltd.)
3. ICRA Limited
4. Credit Analysis & Research Ltd. (CARE)
5. Brickwork Ratings India Pvt. Ltd
6. SMERA Ratings Limited
7. Infomerics Valuation and Rating Pvt. Ltd.

Subject: - Notice inviting Request for Proposal for appointing a Consultant.

Sir,

It has been decided to appoint a Consultant who would assist EPFO in selection of Portfolio Managers, External Concurrent Auditor & Custodian. The Consultant will also be required to assist EPFO in monitoring the performance of the selected Portfolio Managers & Custodian and in strengthening the in-house Investment Monitoring Cell (IMC) and other purposes as mentioned in the RFP documents.

2. It is requested to submit your bid(s) in the prescribed proforma alongwith the necessary enclosures as detailed in the enclosed RFP latest by 24th April, 2018 at 11:00. a.m. The Pre-Bid Conference is scheduled on 20th March, 2018. The process of opening of the bids will be held on 24th April, 2018 at 12:00 Noon at Conference Hall, 3rd Floor, Bhavishaya Nidhi Bawan, 14-Bhikaji Cama Place, New Delhi-110 066, during which your representative(s) may be present.

3. RFP is available on the website www.epfindia.gov.in

Enclosure: - As above

Yours faithfully,

(Sunil Yadav)

Regional P.F. Commissioner-I (IMC)

REQUEST FOR PROPOSALS (RFP)

for

Appointment of Consultant

For

**“Selection of Portfolio Managers, Custodian and External
Concurrent Auditor of Employees’ Provident Fund
Organization
&
Performance Evaluation of Portfolio Managers & Custodian”**

Date of issue:

01st March, 2018

Deadline for submission of Proposal:

24th April, 2018 by 11:00 AM

Proposal should be superscribed as

**“Confidential - Proposal for Appointment of Consultant for Selection of Portfolio
Managers, Custodian & External Concurrent Auditor & Performance Evaluation
of Portfolio Managers & Custodian”**

To be submitted in a sealed envelope and addressed to:

**Financial Advisor & Chief Accounts Officer,
Employees’ Provident Fund Organization (EPFO),
Bhavishya Nidhi Bhavan,
14, Bhikaiji Cama Place,
New Delhi - 110066**

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Glossary

SEBI : Securities and Exchange Board of India

CRA : Credit Rating Agency

AUM : Assets under Management

CBT : Central Board of Trustees

ECA : External Concurrent Auditor

EDLI : Employees' Deposit Linked Insurance Scheme, 1976

EPF : Employees' Provident Fund Scheme, 1952

EPFO : Employees' Provident Fund Organization

EPS : Employees' Pension Scheme, 1995

FA & CAO: Financial Advisor and Chief Accounts Officer

GOI: Government of India

MoL&E : Ministry of Labour and Employment

N.A. : Not Applicable

RBI : Reserve Bank of India

RFP : Request for Proposal

LOA : Letter of Award

PDD : Proposal Due Date

1. Disclaimer

- 1.1. This document is being published in connection with the proposed appointment of Consultant who in turn will assist EPFO in selection of Portfolio Managers, Custodian and External Concurrent Auditor & performance evaluation of Portfolio Managers & Custodian.
- 1.2. This document does not constitute nor should it be interpreted as an offer or invitation for the appointment of Consultant described herein.
- 1.3. This document is meant to provide information only and upon the express understanding that recipients will use it only for the purpose of furnishing a Proposal for being appointed as a Consultant for the purpose of “selection of Portfolio Managers, Custodian and External Concurrent Auditor & performance evaluation of Portfolio Managers”. It does not purport to be all inclusive or contain all the information regarding the appointment of Consultant or be the basis of any contract. No representation or warranty, expressed or implied, will be made as to the reliability, accuracy or the completeness of any of the information contained herein.
- 1.4. While this document has been prepared in good faith, neither the EPFO, nor any of its officers make any representation or warranty or shall have any responsibility or liability whatsoever in respect of any statements or omissions here from. Any liability is accordingly and expressly disclaimed by the EPFO and any of its officers, even if any loss or damage is caused by any act or omission on the part of the EPFO or any of its officers, or employee or Consultant, whether negligent or otherwise.
- 1.5. By acceptance of this document, the recipient agrees that any information herewith will be superseded by any subsequent written information on the same subject made available to the recipient by or on behalf of the EPFO. The EPFO or any of its respective officers undertake no obligation, among others, to provide the recipient with access to any additional information or to update this document or to correct any inaccuracies therein which may become apparent.
- 1.6. EPFO reserves the right, at any time and without advance notice, to change the procedure for the selection of Consultant or any part of the interest or terminate negotiations or the due diligence process prior to the signing of any binding agreement.
- 1.7. The EPFO reserves the right to reject any or all proposals or cancel/withdraw the Request for Proposal (RFP) without assigning any reason whatsoever and in such case no intending Applicant shall have any claim arising out of such action. At any time prior to the deadline for

submission of proposals, the EPFO may modify, for any reason deemed necessary, the RFP by amendment notified on EFFO's website and such amendment shall be binding on intending Applicants.

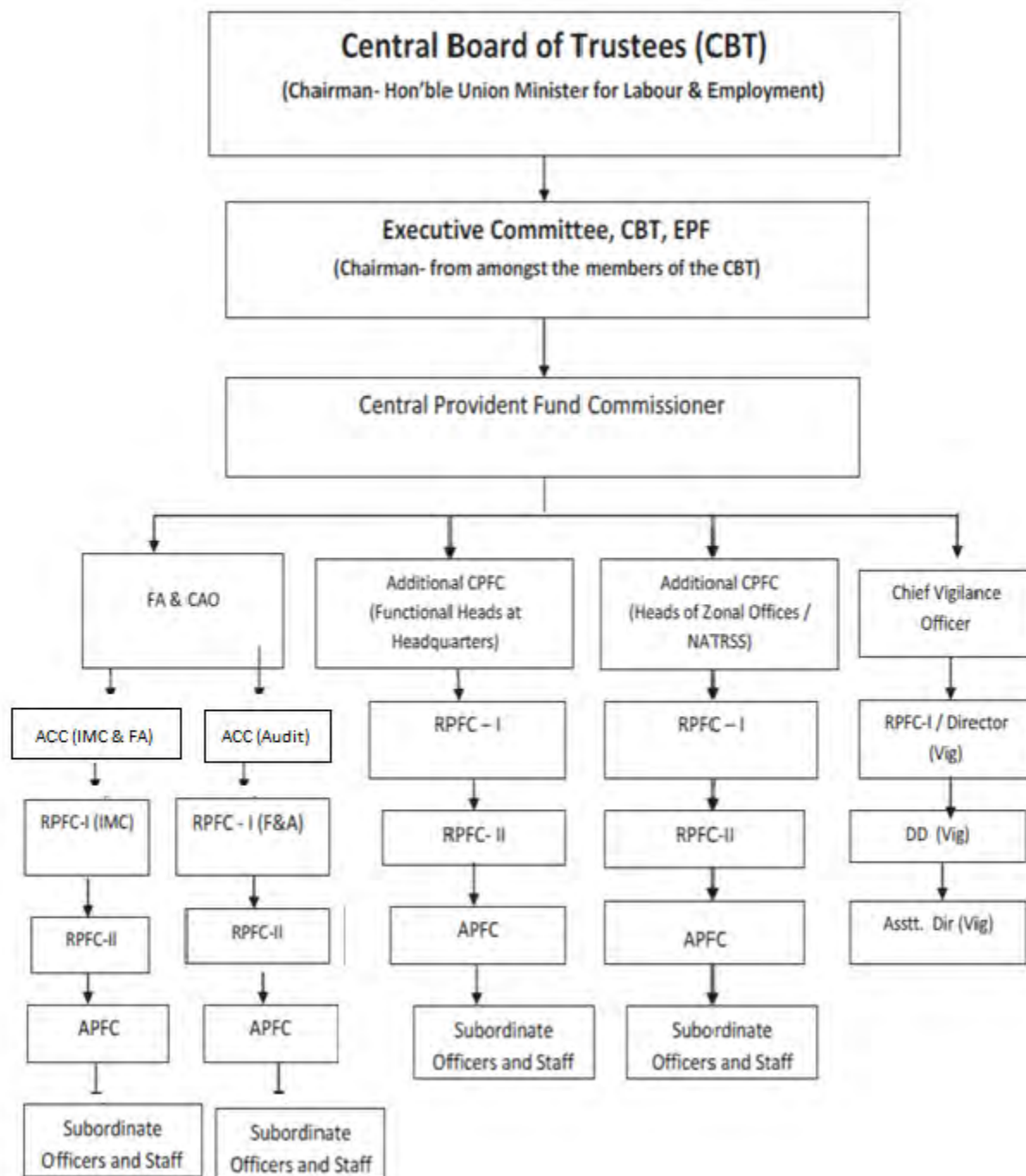
- 1.8. The recipients of the RFP should carry out an independent assessment and analysis of the requirements for appointment as Consultant and of the information, facts and observations contained herein.
- 1.9. This document has not been filed, registered or approved in any jurisdiction. Recipients of this document should inform themselves of any applicable legal requirements and conform to the same.
- 1.10. This document constitutes no form of commitment on the part of the EPFO. Furthermore, this document confers neither the right nor an expectation on any party to participate in the proposed Consultant's appointment process.
- 1.11. This document confers neither a right nor an expectation on any party to offer for appointment as Consultant.
- 1.12. The EPFO reserves the right to, not consider for the purpose of qualification, a proposal which is found to be incomplete in content and/or attachments and/or authentication etc. or which is received after the specified date and time, or not delivered as per the specified procedure.
- 1.13. When any proposal is submitted pursuant to this RFP, it shall be presumed by the EPFO that the Applicant has fully ascertained and ensured about its eligibility to act as Consultant, in the event of it being selected ultimately to act as Consultant, under the respective governing laws and regulatory regimen, and that there is no statutory or regulatory prohibition or impediment to acting as Consultant to assist EPFO in selection of Portfolio Managers, Custodian and External Concurrent Auditor & performance evaluation of Portfolio Managers & Custodian and it has the necessary approvals and permission to act as Consultant and further suffers no disability in law or otherwise to act as such.
- 1.14. Without prejudice to any other rights or remedies available to the EPFO, Consultant may be disqualified and their proposals rejected for any reason whatsoever including those listed below:
 - 1.14.1. Material misrepresentation by the Applicant in the Proposal.
 - 1.14.2. Failure by the Applicant to provide the information required to be provided in the proposal pursuant to relevant sections of this document.

- 1.14.3. If information becomes known, after the Applicant has been appointed, which would have entitled the EPFO to reject or disqualify the relevant Consultant, the EPFO reserves the right to reject the applicant at the time, or at any time after, such information becomes known to the EPFO and no compensation, whatsoever, shall be payable to the ECA so rejected.
- 1.14.4. Any conviction by a Court of Law or indictment/adverse order by a regulatory authority that casts a doubt on the ability of the applicant to conduct audit.
- 1.15. All proposals and accompanying documents received within the stipulated time will become the property of the EPFO and will not be returned. The hardcopy version will be considered as the official proposal.
- 1.16. Reference to any laws/regulations/guidelines in this RFP document is applicable to laws/regulations/guidelines in India.

2. Introduction

- 2.1 The Employees' Provident Fund Organization (EPFO), India is a statutory body under the aegis of the Ministry of Labour and Employment (MoL&E), Government of India. The main objective of the organization is to provide old-age social security to the subscribers.
- 2.2 The Constitution of India under "Directive Principles of State Policy" provides that the State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want. The EPFO is one of the largest provident fund institutions in the world in terms of members and volume of financial transactions that it has been carrying on.
- 2.3 The Employees' Provident Funds & Miscellaneous Provisions Act, 1952 was enacted by Parliament and came into force with effect from 14th March, 1952. A series of legislative interventions were made in this direction, including the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. Presently, the following three schemes are in operation under the Act:
 - 2.3.1 Employees' Provident Fund Scheme, 1952 (EPF)
 - 2.3.2 Employees' Deposit Linked Insurance Scheme, 1976 (EDLI)
 - 2.3.3 Employees' Pension Scheme, 1995 (EPS) (replacing the Employees' Family Pension Scheme, 1971)

The organization structure of the EPFO is as follows:



The organization functions under the overall superintendence of the Central Board of Trustees (CBT), a tripartite body, headed by the Honorable Union Minister for Labour and Employment as Chairman.

3. Terms of Reference

- 3.1 Paragraph 52 of the Employees' Provident Fund Scheme, 1952 provides that all monies pertaining to the corpus are to be deposited in the Reserve Bank of India (RBI) or State Bank of India or in such other Scheduled Banks as may be approved by the Central Government and shall be invested subject to such directions as the Central Government may give from time to time.
- 3.2 CBT, EPF appoints Portfolio Managers for EPFO corpus who are required to make all investments as per the investment pattern prescribed by the MoL&E, investment guidelines issued by the EPFO from time to time and the agreement between the Portfolio Manager and the EPFO. The investment pattern has gradually evolved to provide greater flexibility in investment options like investments in Term Deposit Receipts, Public/Private Sector Bonds, and asset backed securities apart from Central and State Government Securities.
- 3.3 CBT, EPF appoints Independent Custodian for receipts and holding of securities and investible funds and maintains the records of the same.
- 3.4 CBT, EPF appoints an External Concurrent Auditor for audit of investments done by EPFO's portfolio managers. The ECA is required to examine, verify and report whether the portfolio managers have followed the investment pattern, investment guidelines and the terms of agreement entered into between EPFO and the portfolio managers and conduct such other audit of investments as may be required by EPFO from time to time.
- 3.5 CBT, EPF appoints a consultant for performance evaluation of the portfolio managers & Custodian of EPFO and prepares research based performance review report.
- 3.6 As on 31 March, 2017, the EPFO had a corpus of ₹ 7,70,208.96 crores at face value.

Schemes	Fund Size as on 31/03/2017 at Face Value*	Net Fresh Accretion on account of contribution (in FY 2016-2017)	Interest Received (in FY 2016-2017)	Maturity Proceeds (in FY 2016-2017)
EPF	₹ 5,29,546.84	₹ 42,806.45	₹ 38,943.43	₹ 17,624.38
EPS	₹ 2,23,022.08	₹ 18,086.05	₹ 16,633.95	₹ 9,284.24

EDLI	₹ 11,829.54	₹ 1,063.82	₹ 887.54	₹ 524.31
SPF	₹ 1,402.81	₹ 25.22	₹ 110.51	₹ 55.70
P&G	₹ 4,407.69	₹ 1,500.21	₹ 259.66	₹ 331.29
Total	₹ 7,70,208.96	₹ 63,481.75	₹ 56,835.09	₹ 27,819.92

(in Rs. crores)

3.7 This document is a Request for Proposal (RFP) for the appointment of Consultants who in turn assist EPFO in “Selection of Portfolio Managers, Custodian & External Concurrent Auditor and Performance Evaluation of Portfolio Managers & Custodian”. The Applicants that may wish to participate in the selection process must submit their proposals as per the process defined in the document.

3.8 Further information is available on website of EPFO i.e. www.epfindia.gov.in / www.epfindia.com

4. Duties & Responsibilities of the Consultant

4.1 The Consultant must:

- 4.1.1 Ensure that the selection of Portfolio Managers, Custodian & External Concurrent Auditor & performance evaluation of Portfolio Managers & Custodian is to be conducted by a team consisting of qualified Financial Analyst with at least five years of work experience in the field of financial analysis he should have an experience in conducting Selection of Portfolio Managers, Custodian & External Concurrent Auditor for other pension fund/provident fund bodies & performance evaluation of portfolio managers & Custodian).
- 4.1.2 Ensure, to the best possible extent that the team leader appointed to select Portfolio Managers, Custodian & External Concurrent Auditor & performance evaluation of Portfolio Managers & Custodian should continue in his role till the completion of the assignment. For any reason, if there is a change in the team leader appointed, the same should be intimated to EPFO immediately. Consultant must submit the CV of new financial expert, which shall be evaluated by EPFO. The new financial expert can only be appointed if CV is of satisfaction of EPFO.

4.2 Scope of work

- 4.2.1 Prepare Request for Proposal for the appointment of Portfolio Managers (five in number, this number is subject to change), a Custodian & an External Concurrent Auditor.
- 4.2.2 Ensure that all the guidelines laid down by Government of India are followed during the process e.g. latest Manual of Procurement of Consultancy and other services, General Financial Rules and other guidelines issued by the statutory bodies like PFRDA, RBI etc.
- 4.2.3 Explore various options of e-tendering platform and advice which platform should be used. The consultant shall ensure that the process must be completed through secure e-tendering platform as prescribed by Government of India.
- 4.2.4 Evaluate Pre-qualification bids, Technical bids and Financial bids received
- 4.2.5 Shortlist and Recommend Portfolio Managers, Custodian & External Concurrent Auditor for final selection
- 4.2.6 Assist in preparation of agreement to be signed by the EPFO with the selected Portfolio Managers/Custodian/External Concurrent Auditor.

4.2.7 Adhere to the following timeline for selection of Portfolio Managers, Custodian and External Concurrent Auditor is as below:

Task	Timeline
Appointment of Portfolio Managers (five in number, subject to change)	Within three months from the date of appointment of Consultant
Appointment of a Custodian	Within six months from the date of appointment of Portfolio Managers
Appointment of an External Concurrent Auditor	By February 2020

4.3 Performance Evaluation of Portfolio Managers

- 4.3.1 Conduct performance evaluation of the portfolio managers of EPFO and prepare review report on monthly basis. Also prepare consolidated cumulative performance reports of quarterly/half yearly/yearly and other period as required and suggest measures for improvement, if any.
- 4.3.2 Analyze investments done by Portfolio Managers in various financial instruments and verify that such investments comply with the extant Investment pattern and guidelines
- 4.3.3 Create relevant benchmark for assessing performance and provide for periodical review of benchmark.
- 4.3.4 Analyze & evaluate investment categories permitted in investment pattern & investment guidelines of EPFO based on risk and return to help EPFO in their decision making process
- 4.3.5 Evaluate performance of equity portfolio & compare it with benchmark

4.4 Performance evaluation of Custodian

- 4.4.1 Conduct performance evaluation of the Custodian of EPFO and prepare review report on annual basis. Also prepare any other report related to performance evaluation of Custodian as required and suggest measures for improvement, if any.

4.5 Strengthening of Investment Monitoring Cell (IMC)

4.5.1 Develop a Strategy to Strengthen Investment Monitoring Cell (IMC) of EPFO

4.5.2 Provide regular research based inputs on emerging trends in global markets, which can have impact on EPFO portfolio. Review of other financial instruments, which could be used by EPFO to improve risk and return profile.

4.5.3 Provide regular inputs on emerging regulatory/policy issues in India and around the world, which may impact risk and return profile of EPFO.

4.5.4 Regular inputs will normally will provide on quarterly basis and whenever any major event in financial market and policy environment occurs.

4.6 Training Officials of EPFO

4.6.1 Train approximately 20 officials per batch on investment procedure and best practices from time to time (Appendix 'I'). The trainers must have minimum five years of experience of training in the relevant field. The trainers must have minimum educational qualification of Masters in Finance/Economics. Consultant can outsource training part to other professional agencies in consultation with EPFO.

4.7 Provide research based assistance to EPFO as and when required on assignments other than those related to evaluation of portfolio managers.

4.8 The Consultant will require to make presentation of report submitted in each of the deliverable mentioned above before the concerned officer of EPFO and if need before any Committee of Central Board, EPF.

5. RFP Process

5.1 Steps in RFP Process

- 5.1.1 Submission of Pre-Qualification, Technical and Financial bids by Applicants.
- 5.1.2 The Applicants may respond to the RFP by submitting the required Pre-Qualification, Technical and Financial bids to the EPFO as detailed in Section 7 of this document.
- 5.1.3 The authorized representative of the Applicants may be present at the time of opening of the Pre-Qualification, Technical and Financial bids.
- 5.1.4 The bids must be submitted in a sealed envelope consisting of two (2) copies of all the bid documents (i.e., two copies each of Pre-Qualification Bid, Technical Bid and Financial Bid) including softcopies of Pre-Qualification Bid and Technical Bid in two (2) CDs. In case of discrepancy/inconsistency physical copy will be taken into consideration.
- 5.1.5 The bids must be submitted in a sealed envelope consisting of three bids i.e. Pre-Qualification Bid, Technical Bid and Financial Bid.
- 5.1.6 Pre-Qualification, Technical and Financial bids should be submitted in separate sealed envelopes with each envelope super-scribed in **bold** as “Pre-Qualification bid”, “Technical bid” and “Financial bid” respectively.
- 5.1.7 The Applicant’s name and address shall be mentioned on the right hand side of all envelopes.
- 5.1.8 All the three envelopes should be placed in an envelope, duly sealed and super-scribed as “**Confidential - Proposal for Appointment of Consultant**”, along with the Applicant’s name and address, and the name of the primary and secondary contact person must be provided on the right hand side of the sealed envelope.
- 5.1.9 There must be an index at the beginning of the proposal detailing the summary of all information contained in the proposal.
- 5.1.10 All pages of the proposal must be serially numbered. The currency of the proposal and payments shall be in Indian National Rupees only.
- 5.1.11 The proposals shall, only be received in physical form, either hand delivered or sent through speed post or courier.

5.1.12 EPFO will not accept delivery of proposals by any other mode except those mentioned above in Clause 5.1.11. Proposals received in such manner will be treated as invalid and rejected.

5.1.13 Only those proposals received before the deadline shall be considered. The applicant must ensure that the bids reach EPFO in time and no delay in post or otherwise will be acceptable.

5.1.14 EPFO at any point of time may not award any task mentioned in clause 4.2 and no payment shall be made for such task.

5.2 Completeness of bid documents

5.2.1 A Committee constituted by EPFO for the purpose will open and evaluate the contents of the documents received to ascertain that all documents/information requirements are provided in the format and the manner specified.

5.2.2 Only in case of technical bids EPFO may, where necessary, seek further clarifications from any/ all applicants in respect of any information provided in the RFP.

5.2.3 The Applicant must furnish clarifications within the stipulated time frame failing which the RFP submitted by the Applicant concerned will be treated as incomplete.

5.3 Evaluation of Technical and Financial bids

5.3.1 All Applicants, who qualify on the Pre-Qualifications bid criteria as laid down in Section 6.1 would only be further evaluated on technical and financial bids.

5.3.2 The Technical bids of all the Applicants will be evaluated as per the criteria specified in Section 6.2 as per numerical rating system of the RFP.

5.3.3 Applicant eligible for technical bid evaluation will be required to give a write-up on Methodology to be followed for execution of assignment and approach for training. The applicants may be required to give a presentation on the same, if asked by EPFO.

5.3.4 The final evaluation would be based on both technical and financial bids as explained in Section 6.3.

5.3.5 The proposals shall be valid for a period of Six (6) months from the date of opening of the Financial Bid.

5.4 Finalization of the Consultant

5.4.1 The successful Consultant will be finalized based on the evaluation criteria as prescribed above and the successful Consultant will be informed accordingly.

5.4.2 EPFO reserves the right to cancel the appointment process, call for a re-bid without assigning any reason thereof at any point of time during the process.

5.5 Key Activities and Dates

The expected schedule of key activities for the purpose of this RFP is outlined below:

Sr.No.	Key Activities	Due Date*
1.	Issue of Request For Proposal (RFP) on website of EPFO	01 March, 2018 (Thursday)
2.	Last date for submission of queries via e-mail only (query.imc@epfindia.gov.in) on RFP	16 March, 2018 (Friday)
3.	Pre-bid Conference	20 March, 2018 (Tuesday)
4.	Issuance of revised RFP (If required) on website of EPFO	03 April, 2018 (Tuesday)
5.	Last date for receipt of bid	11:00 AM, 24 April, 2018 (Tuesday)
6.	Opening of Pre-Qualification bids	12:00 Noon, 24 April, 2018 (Tuesday)
7.	Opening of Technical bids for eligible Applicants	04:00 PM, 24 April, 2018 (Tuesday)
8.	Presentation on technical bid by eligible bidders, if required	11:00 AM, 27 April, 2018 (Friday)
9.	Opening of Financial bids for the eligible Applicants	03:00 PM, 27 April, 2018 (Friday)
10.	Issuance of letters to selected Consultant	After approval of Competent Authority
11.	Selected Consultant to be ready in all respects	Within 15 days of issue of letter intimating appointment

** The EPFO reserves the right to change any date/time mentioned in the schedule above.*

5.6 Pre-Bid Conference

The date, time and venue of the Pre-Bid Conference shall be:

Date: 20 March, 2018 (Tuesday)

Time: 1100 hrs

Venue: 3rd Floor, Conference Room, Bhavishyanidhi Bhawan, 14-Bhikaji Cama Place, New Delhi-110 066

6. Bid Evaluation Criteria

6.1 The Pre-Qualification criteria for selection of Consultant to assist EPFO in selection of Portfolio Managers, Custodian & External Concurrent Auditor & Performance evaluation of Portfolio Managers & Custodian is as follows:

S. No	Criteria	Supporting Document
1.	The bidder should be a Credit Rating Agency and should be duly registered with SEBI.	Section 7.2.1
2.	The bidder should have minimum 10 years of experience in India as Credit Rating Agency.	Section 7.2.2
3.	The Bidder should have never been disqualified by SEBI or any other Financial Sector Regulatory Authority notified by Government of India.	Section 7.2.3
4.	(a) The bidder should be experienced in selection of Portfolio Managers, Custodian & External Concurrent Auditor for pension/provident funds OR (b) The bidder should be experienced in evaluating performance of portfolio of pension/provident fund bodies & Custodian	Section 7.2.4
5.	The bidder should have minimum on-roll staff of 20 people working in the area of funds research, valuations and indices. Out of these, at least 10 should be financial analysts.	Section 7.2.5
6.	The bidder should have in-house expertise in rating of financial instruments or valuation of financial instruments or designing and creation of benchmark indices	Section 7.2.6
7.	The bidder should have valid Income tax Permanent Account Number (PAN), GST and other Statutory registration mandatory as on date of application.	Section 7.2.7
8.	The Firm / CEO/Managing Director/Chairman or equivalent should not have been convicted by a court of law or indictment / adverse order passed against the firm / CEO/Managing Director/Chairman or equivalent till the date of application.	Section 7.2.7

6.2 Technical evaluation parameters

The following tables outline the broad parameters based on which evaluation of technical proposals of the applicants shall be carried out by the EPFO:

Measure	Measurement Criteria	Supporting Document	Maximum Score	Evaluation Criteria
Experience in selection of Portfolio Managers, Custodian & External Concurrent Auditor	No. Of assignments completed or ongoing assignments in last 10 years	Section 7.3.1	5	Table 1
Experience in evaluation of performance of Portfolio Managers & Custodian	(a) Number of years of experience in the relevant field	Section 7.3.2 (a)	5	Table 2(a)
	(b) Number of clients served till date	Section 7.3.2 (b)	5	Table 2(b)
	(c) size of assets managed by clients as on date	Section 7.3.2 (c)	5	Table 2(c)
Experience in designing and creation of benchmarking indices for evaluation of performance of investments in Govt. Securities and Corporate Bonds and/or Equities	Number of years of experience in designing benchmarks	Section 7.3.3 (a)	3	Table 3(a)
	Number of Indices create by bidder	Section 7.3.3 (b)	3	Table 3(b)
	Number of Asset Manager using benchmarks created by bidder as on date	Section 7.3.3 (c)	3	Table 3(c)
Experience with financial sector regulator	Number of assignments/projects in the current Financial years and previous Financial years (Fy 2014-15, 2015-16 & 2016-17) for Financial Sector regulators – in India	Section 7.3.4 (a)	3	Table 4(a)
	Experience as Member on the Committees set up by Financial Sector Regulators (SEBI/RBI/IRDA/PFRDA etc.) and Industry Bodies (e.g. FICCI, CII etc.) (Number of committees served)	Section 7.3.4 (b)	2	Table 4(b)

Measure	Measurement Criteria	Supporting Document	Maximum Score	Evaluation Criteria
Profile of Team Leader	(a) No. Of Assignments completed which involved selection of Portfolio Managers, Custodian, External Concurrent Auditor & performance evaluation of registered Provident Fund, Mutual Fund, SEBI registered Portfolio Managers with a minimum size of 300 cr. & Custodian	Section 7.3.5 (a)	3	Table 5 (a)
	(b) Years of Experience in the relevant field	Section 7.3.5 (b)	3	Table 5 (b)
Profile of the team	Average No. Of Assignments completed which involved selection of Portfolio Managers, Custodian, External Concurrent Auditor & performance evaluation of Portfolio Managers with a minimum size of 300 cr & Custodian	Section 7.3.6 (a)	10 (2 marks for each team members)	Table 6 (a)
	Average experience of the team in the relevant field	Section 7.3.6 (b)	5	Table 6 (b)
Experience in training	No. of years of experience as on date	Section 7.3.7	5	Table 7
Write-up/Presentation	Methodology to be followed for execution of assignment and approach for training	Section 7.3.5	10	Score will be assigned by Committee on quality of write-up/presentation
Total			70	

6.2.1 Evaluation and scoring process

Table 1 - Experience in selection of Portfolio Managers, Custodian & External Concurrent Auditor

No. Of assignments completed or ongoing assignments in last 10 years	Score
0	0
1	1

2	2
3	3
4	4
5 or more	5

Table 2 (a) - Experience in evaluation of performance of Portfolio Managers & Custodian

Number of years of experience in the field (year)	Score
Less than 1 year	0
[1-3)	1
[3-5)	2
[5-7)	3
[7-9)	4
9 or more	5

Table 2 (b) - Experience in evaluation of performance of Portfolio Managers & Custodian

Number of clients served till date	Score
0	0
1-3	1
4-6	2
7-9	3
10-12	4
13 or more	5

Table 2 (c) - Experience in evaluation of performance of Portfolio Managers & Custodian

Total Size of assets managed by all clients (in lakh Crore) as on date	Score
Less than 1 lakh crore	1
[1 lakh crore -4 lakh crore)	2
[4 lakh crore- 8 lakh crore)	3
[8 lakh crore - 12 lakh crore)	4
12 lakh crore or more	5

Table 3 (a) Experience in designing and creation of benchmarking indices for evaluation of performance of investments in Govt. Securities and Corporate Bonds and/or Equities

Number of years of experience in designing benchmarks	Score
Less than 5 year	1
[5 years – 10 years)	2

[10 years and above	3
---------------------	---

Table 3 (b) Experience in designing and creation of benchmarking indices for evaluation of performance of investments in Govt. Securities and Corporate Bonds and/or Equities

Number of Indices created by bidder	Score
0-5	0
6-20	1
21-40	2
41 and above	3

Table 3 (c) Experience in designing and creation of benchmarking indices for evaluation of performance of investments in Govt. Securities and Corporate Bonds and/or Equities

Number of Asset Manager using benchmarks created by bidder as on date	Score
0-5	0
6-20	1
21-40	2
41 and above	3

Table 4 (a) - Experience with financial sector regulator

Number of assignments/projects in the current Financial years and previous Financial years (Fy 2014-15,2015-16 & 2016-17) for Financial Sector regulators – in India	Score
0	0
1	1
2	2
3 or more	3

Table 4 (b) - Experience with financial sector regulator

Experience as Member on the Committees set up by Financial Sector Regulators (SEBI/RBI/IRDA/PFRDA etc.) and Industry Bodies (e.g. FICCI, CII etc.) (Number of committees served)	Score
0	0
1-5	1
6 and above	2

Table 5 (a) - Profile of Team Leader

No. Of Assignments completed which involved selection of Portfolio Managers, Custodian, External Concurrent Auditor & performance evaluation of registered Provident Fund, Mutual Fund, SEBI registered Portfolio Managers with a minimum size of 300 cr. & Custodian	Score
0	0
1-3	1
4 or more	2

Table 5 (b) - Profile of Team Leader

Number of years of experience in the field (year)	Score
Less than 5 years	0
[5 years - 10 years)	1
[10 years - 15 years)	2
[15 years and above]	3

Table 6 (a) (1) - Profile of the team member designated for selection of Portfolio Managers, Custodian, External Concurrent Auditor

No. Of Assignments completed which involved selection of Portfolio Managers, Custodian, External Concurrent Auditor	Score
0-1	0
2-3	1
4 and more	2

Table 6 (a) (2) - Profile of the team member designated for performance evaluation of portfolio managers & Custodian

No. Of Assignments completed which involved performance evaluation of portfolio managers/provident fund managers/pension fund with a minimum size of 300 cr. & Custodian	Score
0-2	0
3-5	1
6 and more	2

Table 6 (a) (3) - Profile of the team member designated for training officials of EPFO referred in clause 4.6

No. Of Assignments completed for training senior executives in the field of finance and investmetn	Score
0-2	0
3-5	1
6 and more	2

Table 6 (a) (4) - Profile of the team member designated for strengthening of Investment Monitoring Cell referred in clause 4.5

No. Of Assignments completed related to in-house strengthening of structure and processes for portfolio managers/provident fund managers/pension fund with a minimum size of 300 cr. for	Score
0-2	0
3-5	1
6 and more	2

Table 6 (a) (5) - Profile of the team member designated for providing research base assistance as referred in clause 4.7

No. Of Assignments completed which involved providing research based assistance to portfolio managers/provident fund managers/pension fund with a minimum size of 300 cr.	Score
0-10	0
11-25	1
26 and more	2

Table 6 (b) - Profile of the team

Average Number of years of experience in the field (year) [average experience of above five team members as mentioned in table 6 (a) (1) to 6 (a) (5)]	Score
Less than 1 year	0
[1 years-3 years)	1
[3 years-5 years)	2
[5 years -7 years)	3
[5 years -9 years)	4
[9 years and above]	5

Table 7 Experience in training in the relevant field

No of years of experience as on date in the relevant field	Score
Less than 1 year	0
[1 year – 2 year)	1
[2 year – 3 year)	2
[3 year – 4 year)	3
[4 year – 5 year)	4
[5 year or more	5

6.3 Financial Bid (Score-30) –

Financial bids to be submitted as per the format defined in Clause 7.4

7. Format of Pre-Qualification, Technical and Financial bid

7.1 The proposal submitted by the Applicant shall comprise the following documents:

- 7.1.1 Pre-qualification bid with all the information, as laid down in Section 7.2, duly filled in along with all attachments/schedules duly completed and with a covering letter, as per the format defined in Section 8.1, signed by the authorized representative of the Applicant.
- 7.1.2 Technical bid with all the technical information, as laid down in Section 7.3, duly filled in along with all attachments/schedules duly completed and with a covering letter, as per the format defined in Section 8.2, signed by the authorized representative of the Applicant.
- 7.1.3 The Applicant's financial bid, as per the format defined in Section 7.4, along with a covering letter, as per the format defined in Section 8.3, signed by the authorized representative of the Applicant.
- 7.1.4 Any deviations from the requirements of the RFP must be included as a separate statement, as per the format defined in Section 8.5.
- 7.1.5 Any other information that is to be submitted during the course of the proposal process.
- 7.1.6 There must be an index at the beginning of the proposal detailing the summary of all information contained in the proposal. All pages in the proposal must be serially numbered.

7.2 Pre-qualification bid format

Name of the Firm (full name of the firm):

Address with telephone No., Fax No., E-Mail ID, etc.

7.2.1 The bidder should be a Credit Rating Agency and should be duly registered with SEBI. –
Enclose copy of Registration Certificate

Sr. No	Particulars	Supporting document submitted	Remarks if any	Annexure No.
1	Registration No. And Date of Registration with SEBI			

- 7.2.2 The bidder should have minimum 10 years of experience in India in the field of ratings. – enclose Relevant documents evidencing the period of operation, such as Certificate of Commencement of Business, Certificate of Incorporation, Service tax registration etc.

Sr. No.	Supporting Documents submitted	Remarks in any	Annexure No.

- 7.2.3 The Bidder should have never been disqualified by SEBI or any other Financial Sector Regulatory Authority notified by Government of India - enclose a declaration to that effect

Sr. No.	Supporting Documents submitted	Remarks in any	Annexure No.

- 7.2.4 (a) The bidder should be experienced in selection of Portfolio Managers, Custodian & External Concurrent Auditor for pension/provident funds - enclose documentary proof such as satisfactory completion letter, work order etc

OR

(b) The bidder should be experienced in evaluating performance of portfolio of pension/provident fund bodies & Custodian - enclose documentary proof of experience in evaluating performance of portfolio / portfolio managers & Custodian such as mandate letter / work order / letter of award / appointment letter / copy of agreement / satisfactory completion letter / press release / report

Sr. No.	Name of Assignment	Supporting Documents submitted	Remarks in any	Annexure No.

- 7.2.5 The bidder should have minimum on-roll staff of 20 people working in the area of funds research, valuations and indices. Out of these, at least 10 should be financial analysts - enclose appropriate supporting undertaking / certificate from the Head of HR or Company Secretary specifically certifying that as on the date of RFP, the bidder has a minimum staff of 20 people working in the area of funds research, valuations and indices and out of

these, at least 10 are financial analysts with minimum qualification of MBA/ CA/CFA/post graduate degree in finance.

Sr. No.	Supporting Documents	Remarks in any	Annexure No.

7.2.6 Bidder Should have in-house expertise in rating of financial instruments or valuation of financial instruments or designing and creation of benchmark indices

Sr. No.	Name of assignment	Type of Instrument	Supporting Documents submitted	Remarks if any	Annexure No

7.2.7 Valid income tax PAN as on date of application – enclose copy.

Sr. No.	Supporting Documents	Remarks in any	Annexure No.

7.2.8 The CRA/ CEO/Managing Director or equivalent should not have been convicted by a court of law or indictment / adverse order passed against the firm / CEO/Managing Director/Chairman or equivalent till the date of application.– Undertaking from the CEO/Managing Director or equivalent official of the Consultant firm certifying the same. Refer section 8.6 for the format of Undertaking.

7.3 Technical Proposal Format

The following quantitative information is required to be submitted by the Applicants:

7.3.1 Experience in selection of Portfolio Managers, Custodian & External Concurrent Auditor in last 10 financial years. – Undertaking from the Senior Manager certifying the same. Refer section 8.6 for the format of Undertaking.

No. Of assignments completed or ongoing assignments in last 10 years

Financial Year	Name of client	Nature of Assignment	Start date of assignment	End date of assignment	Average AUM of the fund/funds for which assignment was done

7.3.2 Experience in evaluation of performance of Portfolio Managers

7.3.2.(a) Number of years of experience in the field - Undertaking from Managing Director/Authorised Personnel or equivalent certifying the same. Refer section 8.6 for the format of Undertaking.

Experience (in years)

Financial Year	Name of client	Nature of Assignment	Start date of Assignment	End date of Assignment	AUM of the client

7.3.2.(b) Number of clients served till date - Undertaking from Managing Director/Authorised Personnel or equivalent certifying the same. Refer section 8.6 for the format of Undertaking.

No. Of clients served

7.3.2.(c) size of assets managed by clients as on date - Undertaking from Managing Director/Authorised Personnel or equivalent certifying the same

Size of Asset managed by client

7.3.3 Experience in designing and creation of benchmarking indices for evaluation of performance of investments in Govt. Securities and Corporate Bonds and/or Equities

7.3.3 (a) Number of years of experience in designing benchmarks - Undertaking from Managing Director/Authorised Personnel or equivalent certifying the same. Refer section 8.6 for the format of Undertaking

**Number of years of experience
in designing benchmarks**

Sr. No.	Name of the Index	Year of creation

7.3.3 (b) Number of Indices created by bidder

**Number of Indices created by
bidder**

7.3.3 (c) Number of Asset Manager using benchmarks created by bidder as on date - Undertaking from Managing Director/Authorised Personnel or equivalent certifying the same. Refer section 8.6 for the format of Undertaking

**Number of Asset Manager
using benchmarks created by
bidder as on date**

Sr. No.	Name of the Index	Name of Asset Managers using index

7.3.4 Experience with financial sector regulator or industry bodies - Undertaking from Managing Director/Authorised Personnel or equivalent certifying the same. Refer section 8.6 for the format of Undertaking

7.3.4.(a) Number of assignments/projects in the current Financial years and previous Financial years (FY 2014-15,2015-16 & 2016-17) for Financial Sector regulators – in India – Undertaking from the Managing Director/Authorised Personnel or equivalent certifying the same. Refer section 8.6 for the format of Undertaking.

Number of assignments/projects in the current Financial years and previous Financial years

Financial Year	Name of Financial Sector Regulator	Nature of Assignment	Start date of Assignment	End date of Assignment

7.3.4.(b) Experience as Member on the Committees set up by Financial Sector Regulators (SEBI/RBI/IRDA/PFRDA etc.) and Industry Bodies (e.g. FICCI, CII etc.) (Number of committees served) - Undertaking from the Managing Director/Authorised Personnel or equivalent certifying the same

Number of Committees served as Member (set up by financial sector regulators/industry body

Financial Year	Name of Financial Sector Regulator/Industry body	Nature of Committee	Start date	End date

7.3.5 Profile of the Team leader - CV of the assigned Team leader to be provided in the following format:

Name	
Proposed Position and Role	Partner / team leader/ team members
Age	
Qualification	
Details of experience in field of financial analysis	Details of each work done along with the time period
Experience in handling assignments which involved assisting an organization in selection of Portfolio Managers, Custodian & External Concurrent Auditor & performance evaluation of portfolio managers	
Other areas of experience	
Current Responsibilities	
Total experience (No. of years as on last date of submission of bid)	
Tenure spent with the firm (No. of years as on last date of submission of bid)	
Any other point	

- 7.3.5.(a) No. Of Assignments completed by proposed team leader which involved selection of Portfolio Managers, Custodian, External Concurrent Auditor & performance evaluation of portfolio managers with minimum size of Rs.300 cr. & Custodian.

No. Of Assignments completed by proposed team leader which involved selection of Portfolio Managers, Custodian, External Concurrent Auditor & performance evaluation of portfolio managers with minimum size of Rs.300 cr. & Custodian.

Eligible Assignments of Key Personnel

Sl. No.	Name of team leader:	
1.	Designation of team leader:	
2.	Name of the Project:	
3.	Details of Project	
4.	Name of client and Address	
5.	Start date of the services (month/year):	

6.	Finish date of the services (month/year):	
7.	Estimated cost of the Project	

7.3.5.(b) Years of Experience in the relevant field

Years of Experience in the relevant field				

Sr. No.	Name of the firm	Position	Details of profile and assignments completed	Period

7.3.6 Profile of the team - Provide CVs of following five team members:

- (a) Team member designated for selection of Portfolio Managers, Custodian, External Concurrent Auditor
- (b) Team member designated for performance evaluation of portfolio managers & Custodian
- (c) Team member designated for training officials of EPFO referred in clause 4.6
- (d) Team member designated for strengthening of Investment Monitoring Cell referred in clause 4.5
- (e) The team member designated for providing research base assistance as referred in clause 4.7

the proposed execution team members to be provided in the following format:

Format for profile of proposed execution team

Name of the team members	
Proposed Position and Role	
Age	
Qualification	
Details of experience in relevant field (specified details)	Details of each work done along with the time period
Experience in assisting selection of Portfolio Managers, Custodian & External Concurrent Auditor	
Other areas of experience	
Current Responsibilities	
Total experience (No. of years as on last date of submission of bid)	
Tenure spent with the firm (No. of years as on last date of submission of bid)	
Any other point	
Certificate	In case of (name of the bidder) is selected I undertake to be part of the team for providing necessary services to EPFO under this RFP
Signature	

7.3.6.(a) No. Of relevant assignments completed by proposed team member

No. Of relevant assignments completed by proposed team member

Eligible Assignments of team members

Sl. No.	Name of team members:	
1.	Designation of team members:	
2.	Name of the Project:	
3.	Details of Project	
4.	Name of client and Address	
5.	Start date of the services (month/year):	
6.	Finish date of the services (month/year):	
7.	Estimated cost of the Project	

7.3.6.(b) Average number of Years of Experience in the relevant field of proposed team

No. of years of experience in training as on date

List of training in relevant field undertaken in last 5 years.

Sr. No.	Name of the client	Content of the Training	Level of Officers/officials trained	Period of training

7.3.7 Applicant are required to submit a write-up on Methodology to be followed for execution of assignment and approach for training and may also be required to give a presentation on the methodology & approach for training before the Committee mentioned at clause 5.2.

7.3.8 Organization chart – with names and responsibilities

7.4 Financial bid Format

7.4.1 The Financial bid shall be submitted in the following format

Sl. No.	Charges for Activity to be carried out	Unit	Consultancy Fee (In Rs.)	In words
1.	Preparation of Request for Proposal (RFP) and in evaluating the Technical and Financial Bids for appointment of Portfolio Manager	Lump sum		
2.	Preparation of Request for Proposal (RFP) and in evaluating the Technical and Financial Bids for appointment of Custodian	Lump sum		
3.	Preparation of Request for Proposal (RFP) and in evaluating the Technical and Financial Bids for appointment of External Concurrent Auditor	Lump sum		

4.	Performance Evaluation of Portfolio Managers as referred in Clause 4.3	Rate per quarter		
5.	Performance Evaluation of Custodian as referred in Clause 4.4	Rate per Annum		
6.	Training Officials of EPFO as referred in Clause 4.6	Rate per training program		
7.	Strengthening of Investment Monitoring Cell (IMC) as referred in Clause 4.5	Lump sum		
8.	Provide research based assistance to EPFO as and when required as referred in Clause 4.7	Lump sum rate per assignment		
	Total = [1] + [2] + [3] + 12x[4] + 3x[5] + 6x[6] + [7] + 10x[8]		#	

this figure will be considered for calculating Financial bid score.

Note:-

1. The Financial Bid shall be inclusive of all expenses including local conveyance. Out of station, travelling, Boarding and Lodging expenses shall be as per the rules applicable in EPFO for officers drawing the salary at Level-11 in Pay Matrix or actuals, whichever is less.

2. Financial bids should be exclusive of Taxes

7.5 Bid Evaluation Process

7.5.1 Sealed proposals comprising of three separate bids that include Pre-Qualification bid, Technical bid and financial bid from the Bidders will be evaluated as under:

- The pre-qualification bid shall be evaluated by the Committee to shortlist the bidders eligible for evaluation of their technical bids.
- The technical bids of only those eligible/shortlisted bidders, who fulfil all the eligibility conditions for pre-qualification, will be opened and thereafter evaluated.

- c) The selection shall be on the basis of a combined score of Technical and Financial bids. The Technical Bid shall have a weight of 70% and the Financial Bid a weight of 30%.
- d) Maximum score for each criterion for evaluating technical bids is as per clause 6.2.1. Financial bid will have a maximum score of 30.
- e) Standard Format for submission of information with documents to be submitted for technical bid and the format for financial bid are placed as 7.3 and 7.4 above.
- f) Only entities with a score of at least 60% i.e. 42 marks out of 70 in Technical Bid will qualify for evaluation of their Financial Bid.

(ILLUSTRATION)

Sr No	Bidder	Technical Score	Qualified for opening of final bid
1	A	45	Yes
2	B	56	Yes
3	C	62	Yes
4	D	40	No

- g) The financial bid with the lowest cost will be given a financial score of 30 and other proposals will be given financial scores that are inversely proportional to their prices. This will be treated as 'final financial score' for evaluation purpose.

(ILLUSTRATION)

Sr No	Bidder	Financial Bid (in Lakhs) (EC)	Financial Score out of 30 (LEC/EC*30)
1	A	3	$2/3 \times 30 = 20$
2	B	2 (LEC)	$2/2 \times 30 = 30$
3	C	4	$2/4 \times 30 = 15$

* EC – Evaluated Cost, LEC – Lowest Evaluated Cost

- h) The total score of technical and financial bids (i.e. Score obtained out of 30) shall be obtained by adding up the technical (i.e. score obtained out of 70) and final financial score.

Sl. No.	Bidder	Technical Score	Final Financial Score	Total Combined Score
1.	A	45	20	45+20=65
2.	B	56	30	58+30=88
3.	C	62	15	62+15=77

- I) Highest Points basis: On the basis of the combined weightage score for technical and financial bids, the Applicant shall be ranked in terms of the total score obtained. The proposal obtaining the highest total combined score in evaluation of technical and financial bids will be ranked as H-1 followed by the proposals securing lesser marks as H-2, H-3, etc. The bid with highest score will be selected.

ILLUSTRATION

Sl. No.	Bidder	Total Combined Score	Qualified for opening of Financial Bid and Evaluation thereof
1.	A	65	H3
2.	B	88	H1
3.	C	77	H2

7.6 Combined Scores - Generally the successful applicant shall be the applicant having the highest combined score. In the event two or more proposals have the same scores in the final ranking, the proposal with the highest technical score should be ranked first

7.7 Conflict of Interest

7.7.1 An Applicant shall not have a conflict of interest that may affect the Selection Process or the Consultancy (the Conflict of Interest"). Any Applicant found to have a Conflict of Interest shall be disqualified.

7.7.2 EPFO requires that the Consultant provides professional, objective, and impartial advice and at all times hold EPFO's interests paramount, avoid conflicts with other assignments or its own interests, and act without any consideration for future work. The Consultant shall not accept or engage in any assignment that would be in conflict with its prior or current obligations to other clients, or that may place it in a position of not being able to carry out the assignment in the best interests of EPFO.

7.7.3 Without limiting the generality of the above, an Applicant shall be deemed to have a Conflict of Interest affecting the Selection Process, if:

- a. the Applicant, its consortium member (the "Member") or Associates (or any constituent thereof) and any other Applicant, its consortium member or Associate (or any constituent thereof) have common controlling shareholders or other interest; provided that this disqualification shall not apply in cases where the direct or indirect shareholding or ownership interest of an Applicant, its Member or Associate (or any shareholder thereof having a shareholding of more than 5 per cent of the paid up and subscribed share capital of such Applicant, Member or Associate, as the case may be) in the other Applicant, its consortium member or Associate is less than 5% (five per cent) of the subscribed and paid up equity share capital thereof. For the purposes of this sub-clause, indirect shareholding held through one or more intermediate persons shall be computed as follows: (aa) where any intermediary is controlled by a person through management control or otherwise, the entire shareholding held by such controlled intermediary in any other person (the "Subject Person") shall be taken into account for computing the shareholding of such controlling person in the Subject Person; and (bb) subject always to Sub-clause (aa) above, where a person does not exercise control over an intermediary, which has shareholding in the Subject Person, the computation of indirect shareholding of such person in the Subject Person shall be undertaken on a proportionate basis; provided, however, that no such shareholding shall be reckoned under this Sub-clause (bb) if the shareholding of such person in the intermediary is less than 26% (twenty six per cent) of the subscribed and paid up equity shareholding of such intermediary; or

- b. a constituent of such Applicant is also a constituent of another Applicant; or
- c. such Applicant or its Associate receives or has received any direct or indirect subsidy or grant from any other Applicant or its Associate; or
- d. such Applicant has the same legal representative for purposes of this Application as any other Applicant; or
- e. such Applicant has a relationship with another Applicant, directly or through common third parties, that puts them in a position to have access to each other's information about, or to influence the Application of either or each of the other Applicant; or
- f. there is a conflict among this and other consulting assignments of the Applicant (including its personnel and other members, if any) and any subsidiaries or entities controlled by such Applicant or having common controlling shareholders. The duties of the Consultant will depend on the circumstances of each case. While providing consultancy services to the Authority for this particular assignment, the Consultant shall not take up any assignment that by its nature will result in conflict with the present assignment; or
- g. the Applicant, its Member or Associate (or any constituent thereof), and the bidder or Concessionaire, if any, for the Project, its contractor(s) or sub-contractor(s) (or any constituent thereof) have common controlling shareholders or other ownership interest; provided that this disqualification shall not apply in cases where the direct or indirect shareholding or ownership interest of an Applicant, its Member or Associate (or any shareholder thereof having a shareholding of more than 5% (five per cent) of the paid up and subscribed share capital of such Applicant, Member or Associate, as the case may be,) in the bidder or Concessionaire, if any, or its contractor(s) or sub-contractor(s) is less than 5% (five per cent) of the paid up and subscribed share capital of such Concessionaire or its contractor(s) or sub-contractor(s); provided further that this disqualification shall not apply to ownership by a bank, insurance company, pension fund or a Public Financial Institution referred to in sub-section (72)

of section 2 of the Companies Act, 2013. For the purposes of this Sub-clause (h), indirect shareholding shall be computed in accordance with the provisions of Sub-clause (a) above.

For purposes of this RFP, Associate means, in relation to the Applicant, a such Applicant, or is deemed or published as an “Associate Office”; or has a formal arrangement such as tie up for client referral or technology sharing, joint venture with the Applicant (the “Associate”); provided, however, that if the Applicant has any formal arrangement such as consortium membership in a consortium of advisers/ Consultant for a particular assignment/ project, not being this project, with any other person, then such other person shall not be treated to be an Associate of the Applicant solely due to the reason of forming such consortium. As used in this definition, the expression “control” mean, with respect to a person which is a company or corporation, the ownership, directly or indirectly, of more than 50% (fifty per cent) of the voting shares of such person, and with respect to a person which is not a company or corporation, the power to direct the management and policies of such person by operation of law or by contract.

7.7.4 In the event that the Consultant, its Associates or affiliates are auditors or financial advisers to any of the bidders for the Project, they shall make a disclosure to the Authority as soon as any potential conflict comes to their notice but in no case later than 7 (seven) days from the opening of the RFQ applications for the Project and any breach of this obligation of disclosure shall be construed as Conflict of Interest. The Authority shall, upon being notified by the Consultant under this Clause decide whether it wishes to terminate this Consultancy or otherwise, and convey its decision to the Consultant within an appropriate period.

7.7.5 The Selected Consultant and its associates/partner/subsidiary companies shall not be allowed to bid in selection of Portfolio Manages/Custodian/External Concurrent Auditor of EPFO.

7.8 **Number of Proposals** - No Applicant or its Associate shall submit more than one Application for the Consultancy. An Applicant applying individually or as an Associate shall not be entitled to submit another application either individually or as a member of any consortium, as the case may be.

7.9 Cost of Proposal - The Applicants shall be responsible for all of the costs associated with the preparation of their Proposals and their participation in the Selection Process including subsequent negotiation, visits to the Authority, Project site etc. The Authority will not be responsible or in any way liable for such costs, regardless of the conduct or outcome of the Selection Process.

7.10 Acknowledgement by Applicant

The Bidder shall submit an undertaking that it has:

- a) Made a complete and careful examination of the RFP;
- b) Received all relevant information requested from the EPFO;
- c) Accepted the risk of inadequacy, error or mistake in the information provided in the RFP or furnished by or on behalf of the EPFO.
- d) Satisfied itself about all matters, things and information necessary and required for submitting an informed Application and performance of all of its obligations thereunder;

7.11 Right to reject any or all Proposals -The issue of this RFP does not imply that the EPFO is bound to select a Bidder or to appoint the Selected Bidder. EPFO reserves the right to reject all or any of the Proposals without assigning any reasons whatsoever.

7.12 Substitution of Key Personnel -The EPFO will not normally consider any request of the Selected Consultant for substitution of the Financial Expert as the ranking of the Consultant is based on the evaluation of the Financial Expert and any change therein may upset the ranking. Substitution can only be permitted in exceptional circumstances if the Financial Expert is not available for reasons of any incapacity or ill health, subject to equally or better qualified and experienced personnel being provided to the satisfaction of the EPFO. Consultant must submit the CV of new financial expert, which shall be evaluated by EPFO. The new financial expert can only be appointed if CV is of satisfaction of EPFO.

7.13 Amendment of RFP - At any time prior to the deadline for submission of Proposal, EPFO may, for any reason, whether on its own initiative or in response to clarifications requested by an

Applicant, modify the RFP document by the issuance of Addendum/ Amendment and by conveying the same to the prospective Applicants by publishing on website of EPFO.

7.14 Fraud and corrupt practices –

7.14.1 The Bidders and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the Bidding Process and subsequent to the issue of the LOA and during the subsistence of the Concession Agreement. Notwithstanding anything to the contrary contained herein, or in the LOA or the Concession Agreement, the Authority may reject a Bid, withdraw the LOA, or terminate the Concession Agreement, as the case may be, without being liable in any manner whatsoever to the Bidder or Concessionaire, as the case may be, if it determines that the Bidder or Concessionaire, as the case may be, has, directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice in the Bidding Process. In such an event, the Authority shall be entitled to forfeit and appropriate the Bid Security or Performance Security, as the case may be, as Damages, without prejudice to any other right or remedy that may be available to the Authority under the Bidding Documents and/ or the Concession Agreement, or otherwise.

7.15 Without prejudice to the rights of the Authority under Clause 7.14.1 hereinabove and the rights and remedies which the Authority may have under the LOA or the Concession Agreement, or otherwise if a Bidder or Concessionaire, as the case may be, is found by the Authority to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice during the Bidding Process, or after the issue of the LOA or the execution of the Concession Agreement, such Bidder or Concessionaire shall not be eligible to participate in any tender or RFP issued by the Authority during a period of 3 (three) years from the date such Bidder or Concessionaire, as the case may be, is found by the Authority to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practices, as the case may be.

7.16 For the purposes of this Clause, the following terms shall have the meaning hereinafter respectively assigned to them:

- (a) “corrupt practice” means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of any person connected with the Selection Process (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official of the Authority who is or has been associated in any manner, directly or indirectly with the Selection Process or the LOA or has dealt with matters concerning the Agreement or arising therefrom, before or after the execution thereof, at any time prior to the expiry of one year from the date such official resigns or retires from or otherwise ceases to be in the service of the Authority, shall be deemed to constitute influencing the actions of a person connected with the Selection Process; or (ii) save as provided herein, engaging in any manner whatsoever, whether during the Selection Process or after the issue of the LOA or after the execution of the Agreement, as the case may be, any person in respect of any matter relating to the Project or the LOA or the Agreement, who at any time has been or is a legal, financial or technical consultant/adviser of the Authority in relation to any matter concerning the Project;
- (b) “fraudulent practice” means a misrepresentation or omission of facts or suppression of facts or disclosure of incomplete facts, in order to influence the Bidding Process;
- (c) “coercive practice” means impairing or harming, or threatening to impair or harm, directly or indirectly, any person or property to influence any person’s participation or action in the Bidding Process;
- (d) “undesirable practice” means (i) establishing contact with any person connected with or employed or engaged by the Authority with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the Bidding Process; or (ii) having a Conflict of Interest; and
- (e) “restrictive practice” means forming a cartel or arriving at any understanding or arrangement among Bidders with the objective of restricting or manipulating a full and fair competition in the Bidding Process.

7.17 Proposal Due Date

7.15.1 Proposal should be submitted at or before 1100 hrs on the Proposal Due Date (PDD) specified in Clause 5.5 at the address provided in Section 8.1 in the manner and form as

detailed in this RFP. A receipt thereof should be obtained from the person specified therein.

7.15.2 The Authority may, in its sole discretion, extend the PDD by issuing an Addendum in accordance with Clause 7.15 uniformly for all Applicants

7.18 Late Proposals- Proposals received by the Authority after the specified time on PDD shall not be eligible for consideration and shall be summarily rejected.

7.19 Modification/ substitution/ withdrawal of Proposals

7.19.1 The Applicant may modify, substitute, or withdraw its Proposal after submission, provided that written notice of the modification, substitution, or withdrawal is received by the Authority prior to PDD. No Proposal shall be modified, substituted, or withdrawn by the Applicant on or after the PDD.

7.19.2 The modification, substitution, or withdrawal notice shall be prepared, sealed, marked, and delivered in accordance with Clause 7, with the envelopes being additionally marked "MODIFICATION", "SUBSTITUTION" or "WITHDRAWAL", as appropriate.

7.19.3 Any alteration / modification in the Proposal or additional information or material supplied subsequent to the PDD, unless the same has been expressly sought for by the Authority, shall be disregarded

8. Formats for Covering Letter and Clarifications, Deviations and Undertaking

8.1 Format for Pre-qualification Covering letter

(To be submitted on the official letterhead of the interested party submitting the RFP)

Ref : _____

Date/Place : _____

Financial Advisor & Chief Accounts Officer,
Employees' Provident Fund Organization (EPFO),
Bhavishya Nidhi Bhavan,
14, Bhikaiji Cama Place,
New Delhi - 110066

Sir,

Ref: Pre-qualification for appointment as Consultant to assist EPFO in selection of Portfolio Managers, Custodian and Concurrent Auditor & Performance Evaluation of Portfolio Managers & Custodian.

I/We refer to the communication inviting Request for Proposal (RFP) for Appointment as Consultant to assist EPFO in selection of Portfolio Managers, Custodian and Concurrent Auditor & Performance Evaluation of Portfolio Managers & Custodian. I/We have read and understood the contents of the document and wish to participate in the appointment process. I/We are pleased to submit our Pre-qualification bid along with all the necessary documents, as mentioned in the RFP, for appointment as Consultant to assist EPFO in selection of Portfolio Managers, Custodian and Concurrent Auditor & Performance Evaluation of Portfolio Managers & Custodian. I/We confirm that we satisfy the Pre-qualification criteria set out in the relevant sections of the RFP.

I/We agree to unconditional acceptance of all the terms and conditions set out in the RFP documents. I/We confirm that the information contained in this proposal or any part thereof, including its exhibits, schedules, and other documents delivered to the EPFO is true, accurate, and complete. This

proposal includes all information necessary to ensure that the statements therein do not, in whole or in part, mislead the EPFO as to any material fact.

I/We have agreed that (*insert individual authorised representative's name*) will act as our representative on our behalf and has been duly authorized to submit the proposal.

Further, the authorized signatory is vested with requisite powers to furnish such letter and authenticate the same.

Yours faithfully,

For and on behalf of _____(Insert company name)

Authorised Signatory

8.2 Technical Proposal Covering Letter

(To be forwarded on the letterhead of the Applicant submitting the proposal).

Ref: _____
Date: _____

Financial Advisor & Chief Accounts Officer,
Employees' Provident Fund Organization (EPFO),
Bhavishya Nidhi Bhavan,
14, Bhikaiji Cama Place,
New Delhi - 110066

Sir,

Ref: Request for Proposal (RFP): Appointment of Consultant for Selection of Portfolio Managers, Custodian & External Concurrent Auditor & Performance Evaluation of Portfolio Managers & Custodian.

Dear Sir,

With reference to your RFP Document dated, I/We, having examined all relevant documents and understood their contents, hereby submit our Proposal for Appointment as Consultant for Selection of Portfolio Managers, Custodian & External Concurrent Auditor & Performance Evaluation of Portfolio Managers & Custodian. The proposal is unconditional and unqualified.

4. I/We acknowledge that the EPFO will be relying on the information provided in the Proposal and the documents accompanying the Proposal for selection of the Consultant, and I/We certify that all information provided in the Proposal is true and correct, nothing has been omitted which renders such information misleading; and all documents accompanying such Proposal are true copies of their respective originals..
5. This statement is made for the express purpose of appointment as the Consultant for the aforesaid Project
6. I/We shall make available to the EPFO any additional information it may deem necessary or require for supplementing or authenticating the Proposal.
7. I/We acknowledge the right of the EPFO to reject our application without assigning any reason or otherwise and hereby waive our right to challenge the same on any account whatsoever.
8. I/We certify that in the last three years, I/We or any of our Associates have neither failed to perform on any contract, as evidenced by imposition of a penalty by an arbitral or judicial

authority or a judicial pronouncement or arbitration award against the Applicant, nor been expelled from any project or contract by any public authority nor have had any contract terminated by any public authority for breach on our part.

9. I/ We declare that:

(a) I/ We have examined and have no reservations to the Bidding Documents, including any Addendum issued by the Authority; and

(b) I/ We do not have any conflict of interest in accordance with Clauses 7.7 of the RFP document; and

(c) I/ We have not directly or indirectly or through an agent engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, as defined in Clause 7.14 of the RFP document, in respect of any tender or request for proposals issued by or any agreement entered into with the Authority or any other public sector enterprise or any government, Central or State; and

(d) I/ We hereby certify that we have taken steps to ensure that in conformity with the provisions of Clause 7.14.3 of the RFP, no person acting for us or on our behalf has engaged or will engage in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice; and

(e) the undertakings given by us along with the Application in response to the RFP for the Project were true and correct as on the date of making the Application and are also true and correct as on the Bid Due Date and I/we shall continue to abide by them.

10. I/ We understand that you may cancel the Bidding Process at any time and that you are neither bound to accept any Bid that you may receive nor to invite the Bidders to Bid for the Project, without incurring any liability to the Bidders, in accordance with Clause 1.7 of the RFP document.

11. I/ We declare that we/ any Member of the Consortium, or our/ its Associates are not a Member of a/ any other Consortium submitting a Bid for the Project.

12. I/ We certify that in regard to matters other than security and integrity of the country, we/ any Member of the Consortium or any of our/ their Associates have not been convicted by a Court of Law or indicted or adverse orders passed by a regulatory authority which could cast a doubt on our ability to undertake the Project or which relates to a grave offence that outrages the moral sense of the community.

13. I/ We further certify that in regard to matters relating to security and integrity of the country, we/ any Member of the Consortium or any of our/ their Associates have not been charge-sheeted by

any agency of the Government or convicted by a Court of Law for any offence committed by us or by any of our Associates.

14. I/We further certify that no investigation by a regulatory authority is pending either against us or against our Associates or against our CEO or any of our Directors/Managers/employees.
15. I/ We hereby irrevocably waive any right or remedy which we may have at any stage at law or howsoever otherwise arising to challenge or question any decision taken by the Authority in connection with the selection of the Bidder, or in connection with the Bidding Process itself, in respect of the above mentioned Project.
16. I/ We agree and understand that the Bid is subject to the provisions of the Bidding Documents. In no case, I/we shall have any claim or right of whatsoever nature if the Project / Concession is not awarded to me/us or our Bid is not opened or rejected.
17. We agree to keep this offer valid for 6 months from the PDD specified in the RFP.
18. In the event of my/our firm being selected as the Consultant, I/we agree and undertake to provide the services of the Consultant in accordance with the provisions of the RFP and that the Consultant shall be responsible for providing the agreed services itself and not through any other firm, person or associate.
19. I/We have studied RFP and all other documents carefully. We understand that except to the extent as expressly set forth in the Agreement, we shall have no claim, right or title arising out of any documents or information provided to us by the EPFO or in respect of any matter arising out of or concerning or relating to the Selection Process including the award of Consultancy.
20. The Financial Proposal is being submitted in a separate cover. This Technical Proposal read with the Financial Proposal shall constitute the Application which shall be binding on us.
21. I/We agree and undertake to abide by all the terms and conditions of the RFP Document.

In witness thereof, I/we submit this Proposal under and in accordance with the terms of the RFP Document.

Yours faithfully,
(Signature, name and designation of the authorised signatory)
(Name and seal of the Applicant/ Lead Member)

8.3 Financial Proposal Covering Letter

(To be forwarded on the letterhead of the Applicant submitting the proposal)

Ref: _____

Date: _____

Financial Advisor & Chief Accounts Officer,
Employees' Provident Fund Organization (EPFO),
Bhavishya Nidhi Bhavan,
14, Bhikaiji Cama Place,
New Delhi - 110066

Dear Sir,

Ref: Request for Proposal (RFP): Appointment of Consultant to assist EPFO in selection of Portfolio Managers, Custodian and Concurrent Auditor & Performance Evaluation of Portfolio Managers & Custodian.

Having examined the RFP document, the receipt of which is hereby duly acknowledged, I/We, the undersigned, offer to provide the services as required and outlined in the Request for Proposal (RFP) for Appointment of Consultant to assist EPFO in selection of Portfolio Managers, Custodian and Concurrent Auditor & Performance Evaluation of Portfolio Managers & Custodian.

To meet such requirements and to provide services as set out in the RFP document I/We attach hereto our response as required by the RFP document, which constitutes our proposal.

I/We undertake, if our proposal is accepted, to adhere to the stipulations put forward in the RFP or such adjusted plan as may subsequently be mutually agreed between us and the EPFO or its appointed representatives.

I/We unconditionally accept all the terms and conditions set out in the RFP document.

I/We confirm that the information contained in this proposal or any part thereof, including its schedules, and other documents delivered to the EPFO is true, accurate, and complete. This proposal includes all information necessary to ensure that the statements therein do not, in whole or in part, mislead the EPFO as to any material fact.

I/We have agreed that *(insert individual authorised representative's name)* will act as our representative on our behalf and has been duly authorized to submit the proposal.

Further, the authorized signatory is vested with the requisite powers to furnish such letter and authenticate the same.

Yours faithfully,

For and on behalf of _____ (Insert company name)

Authorized Signatory

8.4 Request for clarifications

Applicant's Request For Clarification			
Name of Organization submitting request		Name & position of person submitting request	Address of organization including phone, fax, email, points of contact
			Tel: Fax: E-mail:
Sr.No.	Reference (Clause No. /Page No.)	Content of RFP requiring clarification	Points of Clarification required
1			
2			
3			

8.5 Format for providing explanations for deviations if any

Applicant's explanation for deviations			
Name of Organization submitting explanation		Name & position of person submitting explanation	Address of organization including phone, fax, email, points of contact
			Tel: Fax: E-mail:
Sr.No.	Reference (Clause No. & Page No.)	Deviation in proposal	Reason
1			
2			
3			

8.6 Format for undertaking

UNDERTAKING

(To be given on company letter head)

I, _____, am the _____ of
_____ <company name> ("Credit Rating Agency") having its registered office at
_____.

I am authorized to sign and execute this undertaking on behalf of the Credit Rating Agency for submitting a proposal pursuant to the request for proposal issued by the Employees' Provident Fund Organization ("EPFO") for appointment of Consultant to assist EPFO in selection of Portfolio Managers, Custodian and Concurrent Auditor & Performance Evaluation of Portfolio Managers & Custodian.

I, on behalf of the Credit Rating Agency, solemnly affirm and declare that as on the date of application:

- a. The Credit Rating Agency (CRA) has experience in selection of Portfolio Managers/Custodian/External Concurrent Auditor. The Credit Rating Agency has completed _____ relevant assignments in previous 10 years.
- b. The Credit Rating Agency (CRA) has experience in Performance Evaluation of Portfolio Managers & Custodian. The Credit Rating Agency has completed _____ relevant assignments in previous 10 years.
- c. The Credit Rating Agency has experience of _____ years in evaluation of performance of Portfolio Managers & Custodian. The CRA has served _____ number of clients in past 10 years and our client have _____ (Rs Crore) worth of Asset Under Management.
- d. The Credit Rating Agency has completed _____ (Number of assignments) with financial Sector Regulator.
- e. The Credit Rating Agency has been part of _____ (Number of Committees) setup by financial sector Regulators.

- f. The total experience of team leader assigned for this task is _____ years in the relevant field. He has successfully handled _____ (no.of assignment) in the past.
- g. The average experience of team members assigned for this task is _____ years in the relevant field.
- h. The credit rating agency has _____(no. Of years) of experience in designing and creation of benchmark indices for evaluation of performance of investments in Govt. Securities and Corporate Bonds and/or Equities. The credit rating agency has created _____indices and _____ asset managers are using benchmarks created by bidder.
- i. The Credit Rating Agency/ CEO/Managing Director/Chairman or equivalent have not been convicted by a court of law or indictment / adverse order passed against the firm / CEO/Managing Director/Chairman or equivalent till the date of submission of proposal.

Solemnly affirmed and undertaken on the day and year herein below written, by:

Signature

Name

Date

9. Terms and Conditions for Remuneration & Tenure

9.1 The remuneration for carrying out the above assignments shall be paid after each task is completed i.e. Apportionment of Portfolio Managers, Custodian & External Concurrent Auditor. The remuneration for performance evaluation of portfolio managers & Custodian will be paid quarterly. However, if Consultants are required to travel as required by EPFO, TA/ DA will be paid at the rates applicable to Central Government officers drawing a Pay equivalent to Level 11 of the pay matrix in respect of the Team Leader & team members.

9.2 The bids shall be quoted in the manner as specified below:

Sl. No.	Charges for Activity to be carried out	Ma nner in which quote must be given
1.	Preparation of Request for Proposal (RFP) and in evaluating the Technical and Financial Bids for appointment of Portfolio Manager	This is a onetime task. Payment shall be made after completion of the task
2.	Preparation of Request for Proposal (RFP) and in evaluating the Technical and Financial Bids for appointment of Custodian	This is a onetime task. Payment shall be made after completion of the task
3.	Preparation of Request for Proposal (RFP) and in evaluating the Technical and Financial Bids for appointment of External Concurrent Auditor	This is a onetime task. Payment shall be made after completion of the task
4.	Performance Evaluation of Portfolio Managers as referred in Clause 4.3	Please quote quarterly rate. Payment will made on quarterly basis.
5.	Performance Evaluation of Custodian as referred in Clause 4.4	Please quote Annual rate. Payment will made on annual basis.
6.	Training Officials of EPFO as referred in Clause 4.6 (Consolidated cost for three years exclusive of taxes)	Please quote the cost of one session i.e. five days training. Payment shall be made on completion of each training.

7.	Strengthening of Investment Monitoring Cell (IMC) as referred in Clause 4.5	Please quote lump sum cost.
8.	Provide research based assistance to EPFO as and when required on assignments other than related to evaluation of portfolio managers as referred in Clause 4.7	Please quote an average amount for each task/assignment. Payment shall be made on completion of task.
	Total	#

9.3 All the amounts must be quoted exclusive of taxes. Taxes as applicable on the services rendered by Consultant will be borne by EPFO.

9.4 The tenure of Consultant will be for the period up to the selection of all three agencies I.e. Portfolio Managers, Custodian & Concurrent Auditor. Period of engagement of consultant for performance evaluation of portfolio managers & Custodian will be 3 years. Tenure will be extendable further on mutually agreed terms subject to approval from competent authority. EPFO may terminate the contract with the Consultant in case its services are not found satisfactory.

9.5 All research/assistance related to assessment/evaluation of Portfolio Managers shall be provided free

10. Investment Guidelines for Investments by Fund Managers

Pattern of investment, as notified by Ministry of Labour & Employment vide notification No. S.O. 1071 (E). dated 23 April, 2015:

10.1 Investment Pattern

Category	INVESTMENT PATTERN	Percentage amount to be invested
(i)	<p>Government Securities and Related Investments</p> <p>(a) Government Securities,</p> <p>(b) Other Securities {'Securities' as defined in section 2(h) of the Securities Contracts (Regulation) Act, 1956} the principal whereof and interest whereon is fully and unconditionally guaranteed by the Central Government or any State Government.</p> <p>The portfolio invested under this sub-category of securities shall not be in excess of 10% of the total portfolio of the fund.</p> <p>(c) Units of Mutual Funds set up as dedicated funds for investment in Govt. securities and regulated by the Securities and Exchange Board of India:</p> <p>Provided that the portfolio invested in such mutual funds shall not be more than 5% of the total portfolio at any point of time and fresh investments made in them shall not exceed 5% of the fresh accretions in the year.</p>	<p>*</p> <p>Minimum 45% and upto 65%</p>
(ii)	<p>Debt Instruments and Related Investments</p> <p>(a) Listed (or proposed to be listed in case of fresh issue) debt securities issued by bodies corporate, including banks and public financial institutions ('Public Financial Institutions' as defined under Section 2 of the Companies Act, 2013), which have a minimum residual maturity period of three years from the date of investment.</p> <p>(b) Basel III Tier-I bonds issued by scheduled commercial banks under RBI</p>	<p>Minimum 35% and upto 45%</p>

Category	INVESTMENT PATTERN	Percentage amount to be invested
	<p>Guidelines:</p> <p>Provided that in case of initial offering of the bonds the investment shall be made only in such Tier-I bonds which are proposed to be listed.</p> <p>Provided further that investment shall be made in such bonds of a scheduled commercial bank from the secondary market only if such Tier I bonds are listed and regularly traded.</p> <p>Total portfolio invested in this sub-category, at any time, shall not be more than 2% of the total portfolio of the fund.</p> <p>No investment in this sub-category in initial offerings shall exceed 20% of the initial offering. Further, at any point of time, the aggregate value of Tier I bonds of any particular bank held by the fund shall not exceed 20% of such bonds issued by that Bank.</p> <p>(c) Rupee Bonds having an outstanding maturity of at least 3 years issued by institutions of the International Bank for Reconstruction and Development, International Finance Corporation and Asian Development Bank.</p> <p>(d) Term Deposit receipts of not less than one year duration issued by scheduled commercial banks, which satisfy the following conditions on the basis of published annual report(s) for the most recent years, as required to have been published by them under law:</p> <p>(i) having declared profit in the immediately preceding three financial years;</p> <p>(ii) maintaining a minimum Capital to Risk Weighted Assets Ratio of 9%, or mandated by prevailing RBI norms, whichever is higher;</p> <p>(iii) having net non-performing assets of not more than 4% of the net advances;</p>	

Category	INVESTMENT PATTERN	Percentage amount to be invested
	<p>(iv) having a minimum net worth of not less than Rs.200 crores.</p> <p>(e) Units of Debt Mutual Funds as regulated by Securities and Exchange Board of India:</p> <p>Provided that fresh investment in Debt Mutual Funds shall not be more than 5% of the fresh accretions invested in the year and the portfolio invested in them shall not exceed 5% of the total portfolio of the fund at any point in time.</p> <p>(f) The following infrastructure related debt instruments:</p> <p>(i) Listed (or proposed to be listed in case of fresh issue) debt securities issued by body corporates engaged mainly in the business of development or operation and maintenance of infrastructure, or development, construction or finance of low cost housing.</p> <p>Further, this category shall also include securities issued by Indian Railways or any of the body corporates in which it has majority shareholding.</p> <p>This category shall also include securities issued by any Authority of the Government which is not a body corporate and has been formed mainly with the purpose of promoting development of infrastructure.</p> <p>It is further clarified that any structural obligation undertaken or letter of comfort issued by the Central Government, Indian Railways or any Authority of the Central Government, for any security issued by a body corporate engaged in the business of infrastructure, which notwithstanding the terms in the letter of comfort or the obligation undertaken, fails to enable its inclusion as security covered under category (i) (b) above, shall be treated as an eligible security under this sub-category.</p> <p>(ii) Infrastructure and affordable housing Bonds issued by any scheduled commercial bank, which meets the conditions specified in (ii)(d) above.</p>	

Category	INVESTMENT PATTERN	Percentage amount to be invested
	<p>(iii) Listed (or proposed to be listed in case of fresh issue) securities issued by Infrastructure debt funds operating as a Non-Banking Financial Company and regulated by Reserve Bank of India.</p> <p>(iv) Listed (or proposed to be listed in case of fresh issue) units issued by Infrastructure Debt Funds operating as a Mutual Fund and regulated by Securities and Exchange Board of India.</p> <p>It is clarified that, barring exceptions mentioned above, for the purpose of this sub-category (f), a sector shall be treated as part of infrastructure as per Government of India's harmonized master-list of infrastructure sub-sectors.</p> <p>Provided that the investment under sub-categories (a), (b) and (f) (i) to (iv) of this category No. (ii) shall be made only in such securities which have minimum AA rating or equivalent in the applicable rating scale from at least two credit rating agencies registered with Securities and Exchange Board of India under Securities and Exchange Board of India (Credit Rating Agency) Regulation, 1999. Provided further that in case of the sub-category (f) (iii) the ratings shall relate to the Non-Banking Financial Company and for the sub-category (f) (iv) the ratings shall relate to the investment in eligible securities rated above investment grade of the scheme of the fund.</p> <p>Provided further that if the securities / entities have been rated by more than two rating agencies, the two lowest of all the ratings shall be considered.</p> <p>Provided further that investments under this category requiring a minimum AA rating, as specified above, shall be permissible in securities having investment grade rating below AA in case the risk of default for such securities is fully covered with Credit Default Swaps (CDSs) issued under Guidelines of the Reserve Bank of India and purchased along with the underlying securities. Purchase amount of such Swaps shall be considered to be investment made under this category.</p>	

Category	INVESTMENT PATTERN	Percentage amount to be invested
	<p>For sub-category (c), a single rating of AA or above by a domestic or international rating agency will be acceptable.</p> <p>It is clarified that debt securities covered under category (i) (b) above are excluded from this category (ii).</p>	
(iii)	<p>Short-term Debt Instruments and Related Investments</p> <p>Money market instruments:</p> <p>Provided that investment in commercial paper issued by body corporates shall be made only in such instruments which have minimum rating of A1+ by at least two credit rating agencies registered with the Securities and Exchange Board of India.</p> <p>Provided further that if commercial paper has been rated by more than two rating agencies, the two lowest of the ratings shall be considered.</p> <p>Provided further that investment in this sub-category in Certificates of Deposit of up to one year duration issued by scheduled commercial banks, will require the bank to satisfy all conditions mentioned in category (ii) (d) above.</p> <p>(b) Units of liquid mutual funds regulated by the Securities and Exchange Board of India.</p> <p>(c) Term Deposit Receipts of up to one year duration issued by such scheduled commercial banks which satisfy all conditions mentioned in category (ii) (d) above.</p>	Upto 5%
(iv)	<p>Equities and Related Investments</p> <p>Shares of body corporates listed on Bombay Stock Exchange (BSE) or</p>	Minimum 5% and upto 15%

Category	INVESTMENT PATTERN	Percentage amount to be invested
	<p>National Stock Exchange (NSE), which have:</p> <p>(i) Market capitalization of not less than Rs. 5000 crore as on the date of investment; and</p> <p>(ii) Derivatives with the shares as underlying, traded in either of the two stock exchanges.</p> <p>(b) Units of mutual funds regulated by the Securities and Exchange Board of India, which have minimum 65% of their investment in shares of body corporates listed on BSE or NSE.</p> <p>Provided that the aggregate portfolio invested in such mutual funds shall not be in excess of 5% of the total portfolio of the fund at any point in time and the fresh investment in such mutual funds shall not be in excess of 5% of the fresh accretions invested in the year.</p> <p>(c) Exchange Traded Funds (ETFs) / Index Funds regulated by the Securities and Exchange Board of India that replicate the portfolio of either BSE Sensex Index or NSE Nifty 50 Index.</p> <p>(d) ETFs issued by SEBI regulated Mutual Funds constructed specifically for disinvestment of shareholding of the Government of India in body corporates.</p> <p>(e) Exchange traded derivatives regulated by the Securities and Exchange Board of India having the underlying of any permissible listed stock or any of the permissible indices, with the sole purpose of hedging.</p> <p>Provided that the portfolio invested in derivatives in terms of contract value shall not be in excess of 5% of the total portfolio invested in sub-categories (a) to (d) above.</p>	

Category	INVESTMENT PATTERN	Percentage amount to be invested
(v)	<p>Asset Backed, Trust Structured and Miscellaneous Investments</p> <p>(a) Commercial mortgage based Securities or Residential mortgage based securities.</p> <p>(b) Units issued by Real Estate Investment Trusts regulated by the Securities and Exchange Board of India.</p> <p>(c) Asset Backed Securities regulated by the Securities and Exchange Board of India.</p> <p>(d) Units of Infrastructure Investment Trusts regulated by the Securities and Exchange Board of India.</p> <p>Provided that investment under this category No. (v) shall only be in listed instruments or fresh issues that are proposed to be listed.</p> <p>Provided further that investment under this category shall be made only in such securities which have minimum AA or equivalent rating in the applicable rating scale from at least two credit rating agencies registered by the Securities and Exchange Board of India under Securities and Exchange Board of India (Credit Rating Agency) Regulations, 1999. Provided further that in case of the sub-categories (b) and (d) the ratings shall relate to the rating of the sponsor entity floating the trust.</p> <p>Provided further that if the securities / entities have been rated by more than two rating agencies, the two lowest of the ratings shall be considered.</p>	Upto 5%

10.2 Fresh accretions to the fund will be invested in the permissible categories specified in this investment pattern in a manner consistent with the above specified maximum permissible percentage amounts to be invested in each such investment category, while also complying with

such other restrictions as made applicable for various sub-categories of the permissible investments.

- 10.3 Fresh accretions to the funds shall be the sum of un-invested funds from the past and receipts like contributions to the funds, dividend/interest/commission, maturity amounts of earlier investments etc., as reduced by obligatory outgo during the financial year.
- 10.4 Proceeds arising out of exercise of put option, tenure or asset switch or trade of any asset before maturity can be invested in any of the permissible categories described above in such a manner that at any given point of time the percentage of assets under that category should not exceed the maximum limit prescribed for that category and also should not exceed the maximum limit prescribed for the sub-categories, if any. However, asset switch because of any RBI mandated Government debt switch would not be covered under this restriction.
- 10.5 Turnover ratio (the value of securities traded in the year/average value of the portfolio at the beginning of the year and at the end of the year) should not exceed two.
- 10.6 If for any of the instruments mentioned above the rating falls below the minimum permissible investment grade prescribed for investment in that instrument when it was purchased, as confirmed by one credit rating agency, the option of exit shall be considered and exercised, as appropriate, in a manner that is in the best interest of the subscribers.
- 10.7 On these guidelines coming into effect, the above prescribed investment pattern shall be achieved separately for such successive financial year through finely and appropriate planning.
- 10.8 The investment of funds should be at arms length, keeping solely the benefit of the beneficiaries in mind. For instance, investment (aggregated across such companies / organizations described herein) beyond 5% of the fresh accretions in a financial year will not be made in the securities of a company / organization or in the securities of a company/organization in which such a company / organization holds over 10% of the securities issued, by a fund created for the benefit of the employees of the first company / organization, and the total volume of such investments will not exceed 5% of the total portfolio of the fund at any time. The prescribed process of due diligence must be strictly followed in such cases and the securities in question must be permissible investments under these guidelines.

- 10.9 i. The prudent investment of the Funds of a trust/fund within the prescribed pattern is the fiduciary responsibility of the Trustees and needs to be exercised with appropriate due diligence. The Trustees would accordingly be responsible for investment decisions taken to invest the funds.
- ii. The trustees will take suitable steps to control and optimize the cost of management of the fund.
- iii. The trust will ensure that the process of investment is accountable and transparent.
- iv. It will be ensured that due diligence is carried out to assess risks associated with any particular asset before investment is made by the fund in that particular asset and also during the period over which it is held by the fund. The requirement of ratings as mandated in this notification merely intends to limit the risk associated with investments at a broad and general level. Accordingly, it should not be construed in any manner as an endorsement for investment in any asset satisfying the minimum prescribed rating or a substitute for the due diligence prescribed for being carried out by the fund/trust.
- v. The trust/fund should adopt and implement prudent guidelines to prevent concentration of investment in any one company, corporate group or sector.

If the fund has engaged services of professional fund/asset managers for management of its assets, payment to whom is being made on the basis of the value of each transaction, the value of funds invested by them in any mutual funds mentioned in any of the categories or ETFs or Index Funds shall be reduced before computing the payment due to them in order to avoid double incidents of costs. Due caution will be exercised to ensure that the same investment are not churned with a view to enhancing the fee payable. In this regard, commissions for investments in Category (iii) instruments will be carefully regulated, in particular.

** Government of India vide notification no. S.O. 3034 (E), dated 22nd September, 2016 amended the percentage amount to be investment in Government Securities and Related Investments from Minimum 45% and upto 50% to **“Minimum 45 per cent and up to 65 per cent”***

Note: The existing investment pattern as above is subject to change based on the notifications issued by the Government of India from time to time.

10.10 Investment Restrictions

- 10.10.1 Investment decisions should be taken by Portfolio Manager with maximum emphasis on safety, prudence, optimum return, sound commercial judgment and avoiding funds to remain idle.
- 10.10.2 Any moneys received on the maturity of earlier investments reduced by obligatory outgoings shall be invested in accordance with the investment pattern. The investment pattern may be achieved by the end of a financial year.
- 10.10.3 In case of any instruments mentioned above being rated and their rating falling below prescribed minimum rating, then the option of exit can be exercised with the prior approval of CBT, EPF.

The investment should be made by the Portfolio Manager through a Stock Exchange, or directly with other counterparties in respect of Government Securities and other debt instruments at the best possible rate available on the day of transactions. Portfolio managers shall not purchase or sell securities exceeding 5 per cent or more, through any broker, of the aggregate purchases and sales of securities made by the Fund, unless the Portfolio Manager has recorded in writing the justification for exceeding the aforesaid limit and reports all such investments to the EPFO on a quarterly basis. The aforesaid limits of 5 per cent shall apply for a block of three calendar months on a monthly rolling basis. The Portfolio Manager shall not utilize the services of the sponsor or any of its associates, employees or their relatives, for the purpose of any securities transaction and distribution and sale of securities. Provided that a Portfolio Manager may utilize such services with the prior approval of CBT, EPF if the prescribed limit as per the CBT investment guidelines is to be exceeded. However, investments can be made in primary market issuances in which the sponsor or any of its associates or its associate brokers is one of the Lead Managers, provided there is consensus with all other selected portfolio managers to invest in that issuance and the Portfolio Manager (whose sponsor or any of its associates or its associate brokers is one of the Lead Managers) does not subscribe to more than 50% of the issue size.

- 10.10.4 CBT, EPF Funds shall not be used to buy securities/bonds held by the Portfolio Manager or its subsidiary in their own investment portfolio or any other portfolio held by them.
- 10.10.5 The Portfolio Manager shall buy and sell securities on the basis of deliveries and shall in all cases of purchase, take delivery of relative securities and in all cases of sale, deliver the securities and shall in no case put itself in a position whereby it has to make short sales or carry forward transactions.
- 10.10.6 The Portfolio Manager shall enter into transactions relating to Securities only in dematerialized form. The Portfolio Manager shall, for securities purchased in the non-depository mode get the securities transferred in the name of the CBT, EPF on account of the Scheme.
- 10.10.7 Pending deployment as per investment objective, the moneys under the respective Schemes may be invested in short-term deposits of Public Sector Banks acceptable to the CBT, EPF.

Appendix 'I'

Training the officials of EPFO on investment procedure and practices

The Consultant shall provide two weeks (five day each) training programme every six months (i.e. 10 days training programme in a year) for 20 officials of EPFO at EPFO's Office or any other place suggested by EPFO. The logistics for the place of training will be taken care by EPFO and the resource person and training material will be provided by Consultant.

Objective – The objective of training programme is to train the officers of EPFO on debt and equity investments and portfolio management so that they can make the right investment decisions and monitor the performance of the investments on an ongoing basis. To strengthen in house Investment and monitoring cell and facilitate to the personnel to effectively manage day to day operations

Trainer – The trainers must have minimum five years of experience of training in the relevant field. The trainers must have minimum educational qualification of Masters in Finance/Economics

Scope of Training:

The trainer must strive to transfer practical knowledge about topics indicated below such that the knowledge acquired can be used in day to day functioning of IMC, EPFO:

- Basics of fixed income instruments
- Theory of Interest Rates, Time Value of Money, etc,
- Basic bond mathematics
- Key trends of Corporate bond market
- Primary Market and Secondary Market in India.
- Comparison of investment options under active and passive investment strategies
- Valuation of Bonds
- Managing a Bond Portfolio
- Overview of Indian debt market
- Business Statistics
- Risk and Returns Analysis
- Risk associated with fixed income instruments
- Valuation of Equity Stocks

- Global practice/experience of ETF.
- Behavioural Finance and Investment Management
- Functioning of Financial Markets
- HTM and MTM evaluation.

** the above topics are indicative only subject to change as per the requirement of EPFO.*

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