**RFP No. 5**  Dated 29.12.2020

 ***PSPC PF Trust***

**PUNJAB STATE POWER CORPORATION PROVIDENT FUND TRUST**

**(PSPC PF TRUST)**

**INVITING REQUEST FOR PORPOSAL**

**FOR APPOINTMENT AS PORTFOLIO/FUND/INVESTMENT ADVISOR**

**FOR**

**PSPC PROVIDENT FUND TRUST**

**Chief Accounts Officer/Head Quarter**

**PSPCL, The Mall, Patiala**

**Punjab – 147001**

**0175-2213046**

**e-mail** [**cao-hq@pspcl.in**](mailto:cao-hq@pspcl.in)

**Punjab State Power Corporation Provident Fund Trust**

**The Mall, Patiala - 147001**

**Request for proposal (RFP) for Appointment of Portfolio / Fund /Investment Advisor for PSPC PF Trust**

Punjab State Power Corporation Limited (PSPCL) is wholly owned by Government of Punjab. Details about the company are available at our website [www.pspcl.in](http://www.pspcl.in) . PSPC PF Trust has been constituted with mandate to manage Provident Fund of employees of PSPCL. The Trust funds have a corpus of around Rs. 1500 crores as on 31.03.2020 and Trust is investing its surplus funds arranging Rs.200 crore to Rs.300 crore every year.

Sealed Proposals are invited by Board of Trustees **PSPC Provident Fund Trust**, The Mall, Patiala, Punjab from SEBI registered Merchant Bankers/Portfolio manager/Investment Advisors who are interested in providing Portfolio/ Fund/Investment Advisory Services to **PSPC Provident Fund Trust.**  The willing firms may send their application along with documentary evidences to be addressed to Joint Chief Accounts Officer/Centralised Payments, Room No. 201, 2nd Floor, Multi Storey Building, Head Office PSPCL, Patiala -147001. The last date & time of submission of proposal is 09.02.2021 upto 12.00 Noon and shall be opened on the same day at 12.30 PM in the presence of representative of intending firms.

Detailed Bid Document can be down-loaded from PSPCL website [www.pspcl.in](http://www.pspcl.in) . The Proposal shall be submitted by the bidder in sealed envelope super scribed as "Proposal for Providing Portfolio/fund/Investment Advisory Services to **PSPC Provident Fund Trust."**

Place: Patiala Joint CAO/Centralized Payments,

Date: 29.12.2020 PSPCL, Patiala

**Appointment of Portfolio / Fund /Investment Advisor forPSPC Provident Fund Trust**

Punjab State Power Corporation Provident Fund Trust invites sealed Request for Proposal (RFP) for appointment as Portfolio / Fund/ Investment Advisor of **PSPC Provident Fund Trust** under the "discretionary Portfolio/ Fund Advisory Services" category by parties who fulfil the Eligibility Criteria as mentioned below :

**ELIGIBILITY CRITERIA FOR BIDDING**

The entities fulfilling the below mentioned criteria are eligible to submit Request for Proposal (RFP):

1. The bidder should be a SEBI registered Merchant Bankers and Portfolio Manager/Investment Advisor. A copy of the Registration Certificate to that effect, must be enclosed.
2. The bidder must have at least 5 (Five) years relevant experience in advising Provident Fund/ Retirement Benefit trusts with Assets under formal fund advisory from such trusts of not less than Rs.6,000/-crores as on March 31, 2020andexperience of working with at least 3 Central/State Government / Public Sector Undertakings for the advisory of their Provident Fund/Retirement Benefit Trust(s).
3. The Bidder should not have been barred or blacklisted by any Central/State Government/ Public Sector Undertaking including power Utility or Power Sector Financial Institution in the last 5 years (A self-declaration should be attached).
4. The Portfolio/ Fund Advisor to be selected must have been working in the Capital Market Industry for at least 7 years as on 31.03.2020.
5. The Directors/Partners and Key personnel of the Portfolio Advisor shall be persons with adequate professional experience in the financial services industry and not be found guilty of moral turpitude or convicted of any economic offence or violation of any financial sector laws.

**Terms of Reference**

Please note that the term "**PSPC Provident Fund Trust"** as is used in this document shall refer to trust formed for the management of General Provident Fund of PSPCL employees.

The Portfolio / Fund /Investment Advisor shall ensure that the investment of the funds are made in a prudent manner in compliance with the Statutory guidelines applicable from time to time and to maximize the annualized returns on the fund through a judicious deployment in capital securities/money market instruments etc. based on a professional, detailed assessment and evaluation of all relevant macro and micro factors pertaining to the economy and industry by following the basic principles of investment i.e. Safety, Liquidity and Returns.

The investment of PSPC Provident Fund Trust is to be made in line with the various statutory requirements (Govt. of India notifications as amended from time to time, Income Tax Act, Companies Act, Indian Trusts Act and Govt. of Punjab Guidelines).

The Portfolio / Fund /Investment Advisor shall observe a high standard of integrity and fair dealing in all transactions involving the Trust's account.

The Portfolio / Fund /Investment Advisor shall undertake to comply with all the extant PSPCL/ PF Trust guidelines/directions in addition to SEBI (Portfolio Managers) Regulations, 1993 as amended from time to time.

**The following are strict pre-conditions to the appointment of the Portfolio / Fund** /**Investment Advisor for PSPC Provident Fund Trust:**

1. All Investments by PSPC Provident Fund Trust in securities/Debentures/Bonds/Equity Stocks/Mutual Fund Units, etc. shall be held in the name of the Trust only and in PHYSICAL/DEMAT form or any other format as is applicable for that investment avenue.
2. The availability of funds as and when available for investment shall be intimated to the Portfolio / Fund /Investment Advisor and shall be credited to a bank account with a commercial bank in the name of the Trust fund. However, at no point of time, the funds shall be transferred to the Portfolio / Fund / Investment Advisor for further investments in the market.
3. An undertaking must be enclosed by the bidder that upon selection of Portfolio/Fund / Investment Advisor, that the Bidder will not participate in distribution (arranger) activities with the Trust neither at individual level nor at group level (directly or indirectly).

**Scope of services to be performed by Portfolio / Fund Advisor:**

1. **To provide advisory services to the PSPC PF Trust with the main goal of maximizing the return without compromising on safety.**
2. **Undertaking of Asset Liability Management (ALM) study to identify range of years, as buckets, investments in which will help the Trust in aligning its maturity profile to future liabilities and thus establish steady cash flows.**
3. **Articulating an Investment Policy Document (IPD) in complete consultation with the Trust, in order to establish a roadmap for future investments. The IPD would cover the policy may cover the risk exposure limits for different issuer clauses, in consonance with the investment pattern mandatory for gratuity and pension/ provident funds.**
4. **To monitor the rating of Securities/debt papers on and on-going basis and to advise the Trusts on early warning signals based on ratings.**
5. **Tracking the Trust's cash flow schedules and to advice on the timing of investment.**
6. **Maintenance of investment data in the form of sheets, MIS reports.**
7. **Periodic reconciliation of investment data and cash inflows for the Trust (through coupons, maturities and put/call options) in generated MIS reports to be delivered quarterly.**
8. **To advise the Trust on changes/modifications, if any, in regulatory investment pattern.**
9. **To make available their in house capability to the trusts through daily/ fortnightly newsletters.**
10. **Information on the performance of various Mutual Funds, across investible categories, will also be provided periodically.**
11. **To designate a suitable senior level executive as nodal person to make periodic interactions with the Trustees to make the investment management/ advisory role meaningful and shall have to visit, the Trust atleast once in quarter or as and when is called by the Trust.**

**Guidelines for Prospective Bidders**

1. The bids completed in all aspects, must reach the office of Joint Chief Accounts Officer/Centralised Payments, Room No. 201, 2nd Floor, Multi Storey Building, Head Office PSPCL, Patiala -147001 by 09.02.2021, 12.00 Noon. Bids that are found incomplete in any aspect shall be disqualified without prior notice.
2. The Earnest Money shall be submitted as per EMD clause. Proof regarding payment of EMD shall be enclosed in a separate envelope super scribed as "Part-I Earnest Money."
3. The Technical Bid shall be enclosed in a separate sealed envelope subscribed as "Technical Bid for offering Portfolio / Fund /Investment Advisory Services to PSPC Provident fund Trust."
4. The Financial Bid shall be enclosed in a separate sealed envelope subscribed as "Financial Bid for offering Portfolio / Fund /Investment Advisory Services to **PSPC Provident Fund Trust."**
5. The tenders shall be submitted in three parts i.e. Part-I, Part-II & Part-III. Each part will be enclosed in a separate envelope duly super scribed on the envelope. All the envelopes will be further enclosed in a larger envelop. The following procedure will be adopted for the opening of the tenders:-
6. Part-I – Earnest Money
7. Part-II – Technical Bid
8. Part-III –Financial Bid

Firstly the main envelope containing the bids will be opened in the presence of the bidder’s representatives who choose to be present at the time, date and the address mentioned earlier. After opening the main envelope, the envelope marked part-I Earnest money shall be opened first and if Earnest money is found to be as per the requirement, only then, Part-II Technical Bid will be opened on the same day and will be evaluated as mentioned in the EVALUATION METHODOLOGY.

1. Successful bidder shall have to deposit security deposit of Rs.1,00,000/-(Rs. One lakh Only) for faithful execution of the advisory assignment to be allotted. No interest shall be paid by the Trust on the amount of this security deposit.
2. The validity of bids should be for a minimum period of 120 days from the date of opening of Bids.
3. For any clarifications, the parties are informed to contact Joint Chief Accounts Officer/Centralized Payments, Punjab State Power Corporation Limited, The Mall, Patiala – 147001(Punjab) between 10.00 AM and 4.00 PM on any working day (Mobile No. 96461-39276). The clarifications, if any can also be sought through e-mail address [npsgpfpspcl@gmail.com](mailto:npsgpfpspcl@gmail.com).
4. PSPC PF Trust reserves right to appoint more than one fund advisor(s) as it deems fit.
5. The Trust 'PSPC PF Trust" holds the right to amend, cancel, postpone the entire process for the appointment of Portfolio Advisor/Fund / Investment Advisor at any time without assigning the reasons thereof.

**EARNEST MONEY DEPOSIT**

1. The Earnest Money shall be 2% of tender value subject to minimum of Rs.10,000/- (Rs. Ten Thousand Only). The earnest money shall be paid through RTGS/NEFT as per below detail:

Name: Punjab State Power Corporation Provident Fund Trust

Account: 65169474919

Account Type: Saving

Bank Name: State Bank of India

Branch: SBI, The Mall, Patiala

IFSC Code: SBIN0050012

Proof regarding payment of EMD shall be enclosed in a separate envelope super scribed as "Part-I Earnest Money."

1. The amount submitted as Earnest Money shall be refunded to the unsuccessful bidders within 30 days from the award of order / contract to successful bidder(s).No interest shall be paid by the Trust on the amount of EMD.
2. In case of successful bidder(s), the Earnest Money received with the tender shall be adjusted in security deposit. If the amount of the earnest money received with tender falls short, the bidder(s) shall be required to deposit the additional amount.
3. The earnest money shall be forfeited in case of withdrawal / modification of an offer within validity period as required in the tender specification after the opening of tenders.

**EVALUATION METHODOLOGY**

* The Board of Trustees may appoint such Committee(s) / Consultant(s) as they consider necessary to assist the process of evaluation of the RFP package submitted by interested parties.
* Based on the RFP submitted by the interested parties, the PSPC PF Trust will carry out an evaluation of the qualification of such applicants.
* The evaluation committee shall evaluate the Technical Proposals on the basis of their responsiveness to applicable evaluation criteria, sub-criteria, and point system specified in the Bid document.
* Each responsive Proposal will be given a technical score (St.). A Proposal shall be rejected at this stage if it does not respond to important aspects of the Bid Documents, and particularly if it fails to achieve the minimum technical score of 60 points out of maximum 100 points.
* After the technical evaluation is completed, the PSPC PF Trust shall inform the Bidder(s) who have submitted proposals the technical scores obtained by their Technical Proposals, and shall notify those Bidders whose Proposals did not meet the minimum qualifying mark or were considered non responsive, that their Financial Proposals will be returned unopened after completing the selection process.
* The Trust shall simultaneously notify in writing Bidder(s) that have secured the minimum qualifying mark, the date, time and location for opening the Financial Proposals. The opening date shall allow Eligible Bidder(s) sufficient time to make arrangements for attending the opening. The attendance at the opening of financial Proposals to all eligible Bidder(s) is optional.
* The lowest evaluated Financial Proposal (Fm) (Fee quoted upto Rs 1000/- shall be taken as Rs 1000/- for calculation of financial bid score only) will be given the maximum financial score(sf) of 100 points. The financial scores (sf) of the other Financial Proposals will be computed as below :

**Sf = 100 X Fm / F, in which Fm is the lowest price and F the price of the proposal under consideration**.

* Proposals will be ranked according to their combined technical (St) and financial (Sf) scores using the weights (T = the weight given to the Technical Proposal; P = the weight given to the Financial Proposal; T + P = 1) indicated in the Bid Document: S = St x T% + Sf x P%. the firm achieving the highest combined technical and financial score can be invited for negotiations. In the case of a tie in the combined scoring, the entity with the highest technical score shall be considered for appointment.
* If at any time during the evaluation process, the PSPC PF Trust requires any clarification in order to carry out the evaluation, it reserves the right to request such information from any of all of the bidders who will be obliged to respond to any reasonable request for such information and to supply the same to the PSPC PF Trust within such reasonable time frame as the PSPC PF Trust may require, if the RFP is to be processed further.
* The Portfolio Advisor/Fund / Investment Advisor shall forthwith inform the PSPC PF Trust authorities of any material change in the information or particulars previously furnished, which have a bearing on the appointment granted.

**TENURE OF APPOINTMENT**

The appointment of the Portfolio Advisor/Fund / Investment Advisor shall be for a period of 2(two) years. This may be extended by mutual consent of the Portfolio advisor concerned and PSPC PF Trust by depending on the performance of the former. The performance of Portfolio Advisor/Fund / Investment Advisor shall be reviewed on a regular basis and the PSPC PF Trust reserves the right to terminate the appointment of any of the Portfolio Advisor/Fund / Investment Advisor if their performance is not up to the mark by giving 3 months notice.

**DISQUALIFICATION**

1. The PSPC PF Trust shall not consider for the purpose of qualification, RFP which is found to be incomplete in contents 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 or is not accompanied by the proof of payment for EMD.
2. The PSPC PF Trust reserves the right to withdraw from the process or any part there of or vary any terms at any time without assigning any reason. The PSPC PF Trust reserves the right to accept or reject any/all offer(s) without assigning any reasons. Without prejudice to any other rights or remedies available to the PSPC PF Trust, Portfolio Advisor/Fund / Investment Advisor(s) may be disqualified and their RFPs rejected for any reasons whatsoever including those listed below :
   1. Material misrepresentation by the applicant whether in the RFP or otherwise, or
   2. Failure by the applicant to provide the information required to be provided in the RFP Pursuant to relevant sections of this document.
3. If information becomes known, after the applicant has been qualified to the next stage of appointment, which would have entitled the PSPC PF Trust to reject or disqualify the relevant Portfolio / Fund Advisor(s), the PSPC PF Trust reserves the right to reject the applicant at the time, or at any time after, such information becomes known to the PSPC PF Trust.
4. In regard to matters other than the security and integrity of the country, 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 advise employee general provident fund, or which relates a grave offence would constitute disqualification Grave offence is defined to be of such a nature that it outrages the moral sense or the Grave offence is defined to be of such a nature that it outrages the moral sense of the community. The decision in regard to the nature of the offence would be taken on a case-to-case basis after considering the facts of the case and relevant legal principles by the PSPC PF Trust.
5. The interested parties shall be required to provide with their RFP an undertaking to the effect that no investigation by a regulatory authority is pending against them. In case any investigation is pending against the concern or its sister concern(s) or against its CEO or any of its Directors/ Managers/ employees, full details of such investigation including the name of the investigating agency, the charge / offence for which the investigation has been launched, name and designation of persons against whom the investigation has been launched and other relevant information should be disclosed, to the satisfaction of the PSPC PF Trust.
6. The Portfolio Advisor/Fund / Investment Advisor not satisfying the eligibility and requisite qualification criteria specified in the above sections are not eligible to have their applications considered.
7. An undertaking must be enclosed by the bidder that upon selection of Portfolio/Fund Advisor, the Bidder will not participate in distribution (arranger) activities with the trust neither at individual level nor at group level (directly or indirectly).

**Enclosures**:

Section 1) Format for providing Specific/Technical information

Section 2) Format for providing Financial Bid

Section 3) BID Evaluation Criteria/ Scoring Methodology

**SECTION 1**

**FORMAT FOR PROVIDING SPECIFIC / TECHNICAL INFORMATION**

|  |  |  |
| --- | --- | --- |
| Sr.No. | Particulars |  |
|  | Name of the Bidder |  |
|  | Nature of Bidder | Registered Company / Partnership firm/Proprietorship firm etc. |
|  | Year of coming into existence of the Bidder |  |
|  | Nature of business of the Bidder |  |
|  | Whether Registered with NSE or BSE or with both NSE & BSE | Yes/No |
|  | Whether Registered as Merchant Bankers with SEBI | Yes/No |
|  | Whether Registered as Portfolio Manager/Investment Advisor with SEBI | Yes/No |
|  | Organization set up | Yes/No |
|  | Whether the bidder was blacklisted/barred by any central or state government / public sector undertaking/ board in last 5 years till the time of submitting the bid? If yes, give details of clients/ Organizations by who blacklisted/barred. | Yes/No |
|  | Does the bidder have Assets under formal advisory from Retirement Benefits and/or Provident Fund Trusts of not less than Rs.6,000 crores as on 31stMarch2020. | Yes/No |
|  | Does the bidder have Assets under formal advisory from Defined Benefit Scheme and/or Provident Fund Trust of any 3 central/State Government/Public sector undertakings March 31, 2020for at least 3 years. | Yes/No |
|  | No. of years in capital market Industry as on March 31, 2020 |  |
|  | Name of team leader and his stay in the organization in no. of years. |  |
|  | Persons proposed to be dedicated for the assignment (Fund Advisory/team), their qualification & experience |  |
|  | Research Team and their qualification &Experience. |  |
|  | Assets under Advisory of Provident Fund and/or Defined Benefit Scheme of Companies/undertakings(excluding assets of the applicant & its Group Companies) during last three financial years ending March 31,2020 (duly certified by CA, separately for each year): | |  |  |  | | --- | --- | --- | | FY | Name of PF or Pension Fund Trust | Assets in (Rs. Crores) | | 2017-18 |  |  | | 2018-19 |  |  | | 2019-20 |  |  | |
|  | Enclosures | All the documents in support of the above information/data and as given in the list of enclosures must be submitted. |

1. **Enclosures to be submitted with the Technical Bids :**

|  |  |
| --- | --- |
|  | Registration Certificate as Merchant Bankers/Portfolio manager with SEBI |
|  | Membership Certificate of any Stock Exchange |
|  | Incorporation Certificate of the Company with the Registrar of Companies/Other appropriate authority |
|  | Audited Accounts for the last 3 financial years ending 31st March2020along with audit report. |
|  | Proof showing for how many years the bidder is in capital market. In absence of the proof, the bidder shall furnish a self-attested certificate indicating the number of years in capital market |
|  | **For Point no.11 of Section 1:** Documentary evidence showing No. of Trusts of Central/State Government(s)/Public Sector Undertaking being offered retirement fund/Provident Fund advisory services upto March 31,2020 for at least 3 years(Please do not enclose more than 7) |
|  | **For Point no.16 of Section 1:** A certificate from the Chartered Accountant in practice in support of the Total Assets under Advisory for Defined Benefit Scheme and/or Provident fund (excluding assets of the applicant & its Group Companies) during last three financial years (duly certified by CA, separately for each year) ending March 31, 2020 (Rs in Crores):   |  |  |  | | --- | --- | --- | | FY | Name of PF or Pension Fund Trust | Assets in (Rs. Crores) | |  |  |  |   Note: i) Please provide details for each financial year separately.  ii) Total for FY 2019-20 should be matched with figure of total asset under investment management/advisory service managed by bidder shown under Sr. No. 16 of section 1. |
|  | A certificate from Chartered Accountant in practice in support of the Total No. of Trusts being offered retirement fund/Provident Fund advisory services upto March 31,2020 (please enclose only list of Trusts duly certified by the Chartered Accountant). |
|  | Power of Attorney in favour of the person submitting and signing the bid/offer |
|  | Power of Attorney in favour of the person who will finally negotiate (if required) the contract with the owner |
|  | Resolution of the Board of Directors of the Company |
|  | Detailed particulars of the Directors and other top management including their stay with the bidder as on March 31,2020 |
|  | Certificate that the bidder is not in any litigation with any of its clients |
|  | A self declaration that Directors and any other personnel of the Portfolio/Investment Advisor have not be found guilty of moral turpitude or convicted of any economic offence or violation of any financial sector laws. |

**SECTION 2**

FORMAT FOR SUBMITTING FINANCIAL BID

|  |  |
| --- | --- |
| PARTICULAR | CHARGES |
| Portfolio/ Fund Advisory Fees (Per Annum) | In Rs. |

NOTE:

1. GST or any other Tax if applicable shall be clearly mentioned whether included in fees or payable extra.
2. Fee quoted should be firm.
3. Performance base fee will not be considered in any case.

SECTION -3

Bid Evaluation Criterion

For Evaluating Bids received from interested parties for appointment as Fund/ Portfolio Advisor to PSPC Provident Fund Trust.

1. Technical Evaluation Criterion for evaluating the Technical offers received from interested parties for appointment as Fund Portfolio Advisor to PSPC Provident Fund Trust

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Sr.  No. | Criteria | | | Maximum Score |
| 1 | No. of years in Capital Markets as on March 31,2020 | | | |
| 1. if > or = to 15 years | : | 15 | 15 |
| 1. if > or = 10 and <15 years | : | 12 |
| 1. if > or = 7 and <10years | : | 9 |
| 2 | Total Assets under Formal Investment Advisory/management services as on March 31, 2020 from various retirement Benefit trusts (Provident Fund/Gratuity/ Pension Trusts): | | | |
| 1. if > or = to Rs.15000 Cr | : | 55 | 55 |
| 1. if > or = Rs.10000 Cr < Rs.15000 Cr | : | 50 |
| 1. if > or = Rs.6000 Cr < Rs.10000 Cr. | : | 45 |
| 3 | Number Central/State/Public Sector Undertaking to whose Retirement Benefit trusts (Pension/Provident Fund/Gratuity Funds) such formal Advisory/management services are being provided as on March 31, 2020 | | | |
| 1. if > or = to 5 | : | 20 | 20 |
| 1. if > = 3<5 | : | 14 |
| 4 | Fund/Portfolio Advisory/management Team, Qualification and Experience | | | |
| 1. Three MBA (F)/CA/CWA with three years' experience: 10 |  |  | 10 |
| 1. Two MBA (F)/CA/CWA with three years' experience : 8 | | |
| 1. Two MBA (F)/CA/CWA with two years' experience: 8 |  |  |
|  | Total |  |  | 100 |

1. Financial Bid Evaluation Criterion for evaluating the Financial Bids received from interested parties for appointment as Fund/Portfolio Advisor to PSPC PF Trust.

|  |  |  |
| --- | --- | --- |
| Sr.  No. | Particulars | Score |
| 1 | Lowest Investment Advisory fee Per Annum**(Fee quoted upto Rs.1,000/- shall be taken as Rs.1,000/- for calculation of financial bid score only)** | Maximum 100 |
| 2 | Others | Percentile of the highest scores |

1. Combined Bid Evaluation Criterion for evaluating the offers received from interest parties for appointment as Fund / Portfolio Advisor to PSPC PF Trust

|  |  |  |
| --- | --- | --- |
| Sr.  No. | Particulars | Score |
|  | Technical Evaluation | Points Scored |
|  | Financial Bid Evaluation Score | Points Scored |
|  | Combined Bid Evaluation | Technical Score x 80% + Financial bid score x 20% |
|  | Ranking | Highest Scorer and so on |