

# TERMS OF REFERENCE FOR HIRING PROFESSIONAL SERVICES OF CONSULTING FIRM

## 1. ABOUT KCBL

The Karakoram Cooperative Bank Limited (KCBL) is a corporate body established in 1956 under the Cooperative Societies Act, 1925 with its principal objective to promote and influence the economic development of Gilgit-Baltistan. KCBL is mobilizing deposit and providing credit facilities to their customers. The Bank's principal place of business and registered office is located at KCBL Complex Shakra e Quaid e Azam Jutial Gilgit. The bank has applied to SBP for banking License and likely to transform as Micro, Small and Medium Enterprise Bank.

## 2. SCOPE OF WORK FOR CONSULTANTS

The Bank is seeking services of highly skilled and reputable Consulting Firm to carry out a study of the organizational structure of the bank with the view to propose restructuring and reorganization for ensuring Improving operational efficiency and internal controls. The consulting firm has to prepare policy manuals for various functions of the bank, identify skill gaps, and conduct a training needs assessment of KCBL staff keeping in mind their enhanced role under the regulatory framework of SBP. Design and implementation of a training program for capacity building of the existing HR and honorable exit strategy for officers & staff, unable to keep pace with organizational changes and requirements despite having sufficient training opportunities is also a part of the assignment. Selected firm is to update policies, rules and regulations, performance appraisal system, and policy Manuals, besides assisting the bank during the implementation of the approved recommendations at least for Six months.

The objectives, detailed scope, timelines and other terms for the assignment is outlined in the sections below.

## 3. OBJECTIVES OF THE ASSIGNMENT

The main objective of this assignment is to review the organizational structure of the bank, existing policies, and procedures of each function at Head office level, i.e., Risk Management, Compliance, Internal Audit, Business Development, Operations, Finance, Treasury, Asset Management, Monitoring & Evaluation and Human Resource. The Consulting Firm has to find out gaps in policies and prepare improved policies and manuals, assess training needs, design training modules, implement training programs, review and revise the current personnel policies, practices, and

regulations, including the performance appraisal system to meet the needs of the organization.

## 4. Description of Tasks and Deliverables

The consultant is to undertake the following tasks:

1. Discuss with Top Management on the needs and concerns to reorganize the organizational structure, policies, and practices, in line with the vision of the transformation of the bank.
2. Desk review the current policies, forms, templates, and procedures.
3. Prepare policy manuals for the functions of Risk Management, Compliance, Internal Audit, Business Development, Operations, Finance, Treasury, Asset Management, Monitoring & Evaluation and Human Resource.
4. To carry out skill gap analysis and training need assessment of the staff.
5. To design and implement a training program for officers and staff to enable them to take responsibilities under the regulatory framework of SBP.
6. To suggest honorable exit strategy for those staff who are unable to keep pace with changes and requirements despite availing training opportunities.
7. To assess international and national labour laws and standards and their relationship with the Personnel policies.
8. To review and revise the Performance Appraisal Review system to include (a) KPI measurement against annual work plans, and (b) behavioral competencies measurement using 360 Degree assessment.
9. Assist the management in the analysis of the inputs and requirements regarding the draft version of the revised policies and Manuals.
10. To assist the management team at least for six months on new Manuals and its forms, templates, processes and procedures to ensure that these are fully functional and operational.

## 5. OTHER ASPECTS

The bank shall make available office working space and all internal office Policies, circulars, etc to the consultant necessary to review and for timely completion of the assignment.

## 6. TIME FRAME

The Bank requires that this assignment is to be completed within six (6) months from the date of execution of the contract. Six months additional on retainer basis for consultation and implementation on need basis.

## 7. ELIGIBILITY CRITERIA FOR CONSULTANTS

The interested consultants shall be a consultancy firm incorporated for at least ten (10) years for offering similar services and have completed Three (3) similar projects of related scale and complexity in comparable organizations. The consultant should possess good knowledge of all concepts, principles, and approaches required for the assignment. The firm should provide details (documentary evidence, e.g., contract award or reference letter from the clients stating scope of services and deliverables) of all such projects for the last five years or more during which they were completed. In case of joint venture, the details of such projects will be provided separately as a primary or associated consultant. The Firm shall have adequately staffed and equipped offices. The Firm shall also have the competence of existing and proposed personnel. The Firm shall have sufficient professionals on the strength of the firm. Experience in working with Banks/Financial institutions would be an advantage. A minimum qualifying technical score shall be 60%. Single stage two envelope procedure shall be adopted and the following would be the Evaluation criteria:

Factor	Weightage
Relevant Experience Upto 5 Year= 15 5 to 7 Years= 20 7 to 10 Years=30	30%
Number of Similar and Comparable Projects Upto 3 projects=10 More than 3= 20	20%
Professional Capacity Number of staff with required expertise and resources dedicated for the project 1 to 3= 5 3 to 5=15 More than 5=20	20%
Financial Lowest= 30 2nd Lowest=20 3rd Lowest=10	30%

## **8. CONFIDENTIALITY**

All deliberations relating to preparations of the Manuals including all information collected from various meetings/documents, primary & secondary data etc. shall be kept confidential and shall not be divulged to any third party either verbally or in writing or any other form.

## **9. PRICE BASIS**

Lump sum price inclusive of service tax and other applicable taxes, duties and levies etc. (if any) is to be quoted for the assignment.

## **10. PAYMENT TERMS**

1. 20% Advance fee of the contracted sum within a week of execution of the agreement.
2. 30% of the fee within fifteen days of submission of draft policies and manuals.
3. 20% fee on submission and approval of final policy manuals.
4. 30% fee on completion of six month implementation after approval.

## **11. PROPOSAL DEADLINE**

**APRIL 30<sup>TH</sup>, 2019 (12.30 P.M.)**