

# **Request for Proposal**

**Consulting Services for Human Resource Re-engineering  
In  
Nepal Infrastructure Bank Limited**

Requested by:  
**Nepal Infrastructure Bank Limited**  
Krishna Tower, New Baneshwor, Kathmandu

March 28, 2023

## 1. Background

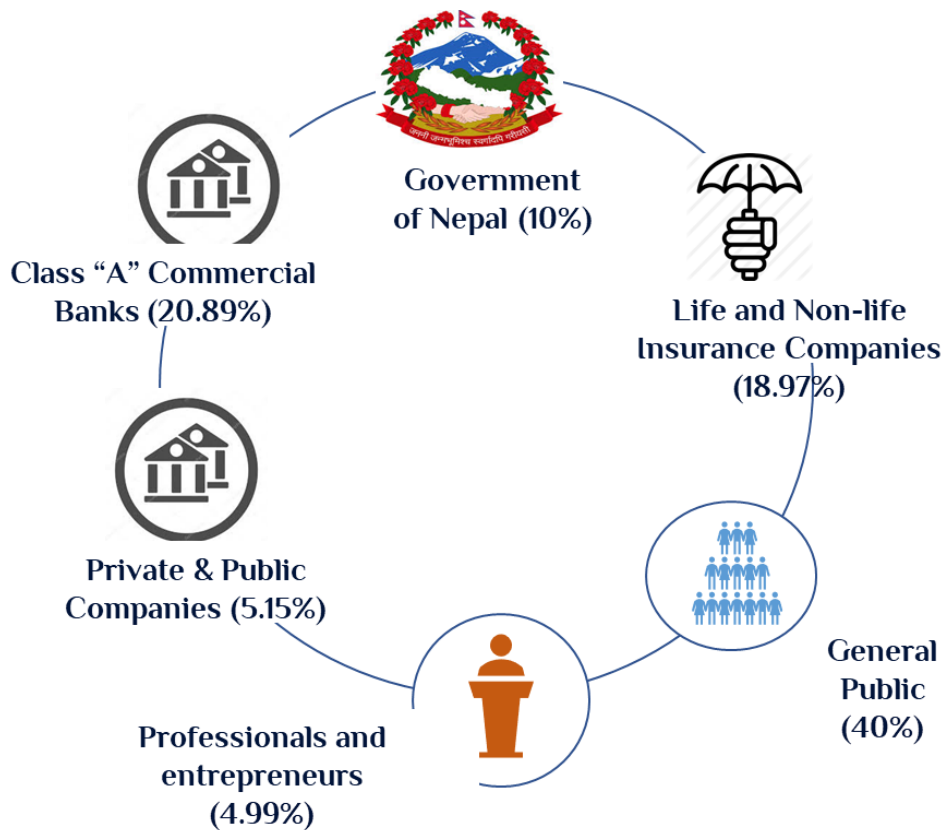
Nepal Infrastructure Bank Limited (NIFRA) is first and only National Level Infrastructure Development Bank of Nepal licensed by central bank, Nepal Rastra Bank under Bank and Financial Institution Act (BAFIA), 2073. The concept of having specialized infrastructure development bank in Nepal was laid down by Government of Nepal (GoN) through the Budget Speech of Financial Year 2015/16. Later on, the Central Bank i.e. Nepal Rastra Bank (NRB) came up with the Monetary Policy for FY 2015/16, which stated that “A special policy provision will be made in order to provide license for the establishment of a national level Infrastructure Bank with paid up capital NPR 20 Billion”.

Considering the need of investment in infrastructure development of the county to support nation’s prosperity, Banks and Financial Institutions (BFIs), Life and Non-Life Insurance companies, Public companies, private sector entities and leading entrepreneurs in joint participation with the GoN incorporated Nepal Infrastructure Bank Limited with a brand name of NIFRA on June 08, 2018. NIFRA obtained operating license from Nepal Rastra Bank on February 11, 2019 and started its commercial operations since March 6, 2019. In FY 2020/21, NIFRA issued public IPO of NPR 8 billion which was fully subscribed.

The present investment proportion and capital structure of the bank is as follows:

**Authorized Capital: NPR 40 Billion**

**Paid Up Capital: NPR 21.6 Billion**



The primary objective of the bank is to raise long term funds from Domestic and Global market to invest into various sectors of Infrastructure development by providing debts, mezzanine debts or equity to the projects. The purpose of the bank is to act as **Nodal bank** for unlocking the infrastructure development opportunities of Nepal. The functions and activities of the Bank are guided primarily by provisions of Bank and Financial Institution Act (BAFIA), 2073 and Central Bank's Unified Directive for Infrastructure Development Banks.

## 2. Objectives of consulting

NIFRA is the first and only infrastructure development bank in Nepal. Unlike majority of infrastructure development banks operating in the world which are mainly promoted/owned by the respective country's government, NIFRA is unique in that regard as Nepal Government has 10% ownership in the Bank and remaining 90% ownership lies with private sector. As such, there is a need of distinction in business scope, investing, lending and resource raising functions, products, operating guidelines, risk management practices etc. as compared to those of financial institutions already existing in the country. This warrants requirement of unique HR structure and HR Management systems best suited to the nature of this institution.

NIFRA has been operating in line with the set of existing HR related policies like Staff Service Bylaws (approved by NRB), Corporate Governance Policy, Code of Conduct, Whistle Blowing Guidelines, Delegation of Authority etc. However, as the volume of business is growing steadily and the policy advocacy done so far has begun gradually yielding results with favourable policy changes, a need is felt to revisit our overall HR Management systems so as to be equipped to stir the Bank in desired strategic direction and to ensure optimum productivity of Human Resource at all levels.

As such, areas for review consist of NIFRA's current Organization Structure, human resources procedures, documentation and systems to identify needs for improvement and enhancement of the HR functions:

Sections of review include:

1. Organization structure
2. Human Resources Planning
3. Recruitment and Selection
4. Job Description / setting of KPIs/KRAs
5. Compensation and Benefits
6. Training and Development
7. Performance Management and Evaluation
8. Employee Retention
9. Succession Planning

Consulting Firms with demonstrated experience in these areas, and with an interest in making their services available to NIFRA, are invited to respond to this RFP. There is no expressed or implied obligation for NIFRA to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. The selected Respondent(s) (hereinafter "Consultant") awarded a Professional Services Contract shall perform all tasks and functions associated with the Services as

required in this RFP. It is the intent of NIFRA to engage the consultant based on their qualifications and specialized experience in HR because of this RFP.

The work contemplated is professional in nature. It is understood that the Respondent acting as an individual, partnership, corporation or other legal entity, is of professional status, and will be governed by professional ethics in its relationship to NIFRA. It is also understood that all reports, information, or data prepared or assembled by the Respondent under this RFP are confidential in nature and will not be made available to any individual or organization, except NIFRA, without prior written approval from NIFRA.

### **3. Definitions**

“NIFRA” means Nepal Infrastructure Bank Limited.

“Contract” or “Agreement” means a binding written agreement for the solicited Work and/or Services required by the NIFRA, including purchase orders, containing terms and obligations governing the relationship between the NIFRA and the Contractor.

“Consultant” means the successful respondent to RFP awarded with the Job and engaged through an Agreement to deliver the ‘Scope of Works’ of the RFP.

“Proposal” means the documents timely submitted by Proposer or Respondent, in response to this Solicitation.

“Proposer” or “Respondent” means the Consulting Firms/Companies submitting a response to this RFP.

“Scope of Services” or “Scope of Work” means the services/works as per the details in section 5 of this RFP.

“Solicitation” means this Request for Proposal (RFP) document, and all associated addenda and attachments.

“Work” or “Professional Services” means the Consulting Review of Human Resources Review Management of NIFRA inline with SoW, general information, guidelines of terms and conditions of RFP.

### **4. Information to the Respondents**

- i. This section of this RFP sets out NIFRA’s contracting requirements and the general conditions relating to this procurement process.
- ii. The documents and information exchanged/provided to the Respondent during procurement process shall be the supplied in good faith. The information contained in this RFP and the supporting documents and in any written or oral communication is believed to be correct at the time of issue but NIFRA will not accept any liability for its accuracy, adequacy or completeness

and no warranty is given as such. This exclusion does not extend to any fraudulent misrepresentation made by or on behalf of NIFRA.

- iii. The respondent is responsible for analyzing and reviewing all information provided by NIFRA during the RFP Process and to form their opinions and seeking advice as required.
- iv. The respondent should notify NIFRA promptly of any perceived ambiguity, inconsistency or omission in the information provided as part of the RFP Process.
- v. At any time prior to the response deadline, NIFRA may amend this RFP. Any such amendment shall be issued to all respondents, and if appropriate to ensure respondents have reasonable time in which to take such amendment into account, the Response Deadline shall, at the discretion of NIFRA, can be extended.
- vi. Each respondent is responsible for obtaining all information necessary for preparation of a response to RFP and for all costs and expenses incurred in preparation of the RFP response. The respondent will not be entitled to claim from NIFRA any costs, expenses or liabilities that is incurred in this RFP process irrespective of whether or not the respondent is selected for this procurement.
- vii. The NIFRA reserves the right to disclose all documents relating to the RFP Process, including without limitation respondent's response to RFP, to any provider of management services to NIFRA, advisers or other third parties involved in the RFP or support of the Services.
- viii. The language of the RFP shall be in English.
- ix. Alternative RFP responses are not permitted. In case one respondent submitted more than one RFP responses, all the responses shall be rejected.
- x. Response submission in Joint Venture (JV) shall be rejected.
- xi. The PDF copies/physical copies of required forms and documents mentioned below shall be minimum required documents for RFP responses completeness. The incomplete RFP responses shall not be considered for further stage of evaluation.

S. N.	Document
1.	The RFP issued by the NIFRA signed and stamped in each page
2.	The Letter of RFP Submission
3.	The Letter confirming that Firm/Company is not Blacklisted in the past
4.	Power of Attorney of RFP signatory
5.	Completed Technical Proposal covering the methodology, approach, details of consulting team, Generic and Specific Experiences related to SoW as detailed in Section 7 of the RFP
6.	Completed Financial Proposal as per the format provided in the Section 8 of the RFP

- xii. The RFP responses must be valid for a period of Sixty (60) days from the last submission date.

- xiii. The RFP responses must be submitted to the Registered office of NIFRA and/or must be received in email: **hrm.consulting@nifrabank.com** during office hour (9:30 A.M. to 5:30 P.M., Nepalese Time) within 30 days from the date of RFP notice published in National Daily.
- xiv. The clarification queries/questions on RFP can be sent in email provided in Section 12 within 10 days from the date of RFP issue. NIFRA's response to clarification queries/questions shall be circulated to all respondents within 20 days from the date of RFP notice.
- xv. The evaluation and selection of respondents shall be subject to the respondents fulfilling the documents completeness, selection and evaluation criteria as follows:
- a. Stage 1: Completeness of RFP Response
  - b. Stage 2: Technical and Financial Evaluation
  - c. Stage 3: Selection of respondent having highest score as per evaluation criteria.
  - d. Stage 4: Engagement through Contract as Consultant
- The bid evaluation and selection are sequential process, meaning respondents qualified in stage 1 shall be considered for stage 2 and so on.
- xvi. NIFRA may reject all and/or any RFP responses without assigning any reason.
- xvii. NIFRA reserves the right to procure the full / partial scope of work OR not to procure any.
- xviii. The financial proposal must be a genuine reflection of the cost you anticipate of delivering the Consulting Services. The respondents are requested to propose their terms and conditions on payment of fees on milestone basis as mentioned in section 8 of this RFP.
- xix. The respondents are encouraged to propose the best suited methodology/approach to deliver this consulting assignment. However, the onsite visit/interaction shall be encouraged and evaluated with higher weightage.
- xx. The respondents can propose the additional scope of work than the scopes of engagement mentioned in section 5, if the addition scope/work has to be integral process and/or will provide the value addition in resulting better HR Management practices in NIFRA through this re-engineering exercise. The rationale of additional scope/work and cost for same, if any, has to be presented separately by respondents. NIFRA reserves the right to include/exclude the additional scope/work in the engagement through this RFP.

## **5. Scope of Work**

The firm /company has to conduct an in-depth review of NIFRA's Strategic Statements (Directive, Mandate, VMO and Strategic/Business Plan), Organization Structure, Human Resource Management System/Cycle (as detailed below) by taking the reference of International Infrastructure Development Banks and Financial Institutions as a 'Bench Mark of Study' to identify key gaps in NIFRA's existing system, processes and practices of Human Resource Management and to provide the recommendations to re-engineer NIFRA's Human Resource Management system, practices and processes. The Scope of Work under this RFP includes:

## 5.1. Recommendation of Organization Structure and Staffing Standard

The consultant has to recommend the most suited two alternatives on Organizational Structure and Staffing Standard (Job level/Position and Number) along with merits and demerits of each alternative by considering the findings of review the existing organization structure, NIFRA Strategic Statements (Directive, Mandate, VMO and Strategic/Business Plan) and international best practices of similar Banks and Financial institutions.

Further, the Job descriptions and KRAs of new and modified Job roles identified by review of structure have to be developed.

## 5.2. Recommendation on framework for following functions of Human Resource Management:

- i. Recruitment and Selection;
- ii. Performance Management covering Succession planning and Development;
- iii. Compensation and Benefits Management and Techniques of ensuring better HR Culture.

The recommended framework has to reflect the best practices in above mentioned areas to result the 'High Performance Culture'. NIFRA understands the consultant will be having better domain expertise/understanding on micro-level details on above mentioned areas of HRM system/functions. However, to elaborate our expectations from this engagement, the recommended framework on each area stated above must ensure:

### a. Recruitment and Selection

The consultant has to review the existing recruitment and selection processes and procedures to measure the effectiveness of these processes, actions and to confirm compliance with the Labor Act and the NIFRA's Staff Service Bylaws. The review will consist of, but not limited to, the following:

- ✓ Job Postings;
- ✓ Time to fill and the time between the recruitment stages;
- ✓ Number of competent candidates, including their previous work experience / required qualifications;
- ✓ Screening processes;
- ✓ Job Descriptions/Position Descriptions/Duty Lists;
- ✓ Hiring and Orientation; and
- ✓ Documentation and adequate checks (background, medical, KYE etc.) with regards to new recruitment.

Upon review of above, the consultant in their proposed framework has to present the components, processes and approaches to be included/followed for recruitment and selection process including methods of recruitment (External, Internal, Talent Hunt), nature of employment (Permanent, Contract, Outsourced, Consulting arrangement, etc.) for unique and regular job roles and process to be followed during selection of candidates (Written Test, Interview, Business Plan, Aptitude Test, etc.) for Strategic, Tactical, Operational and Domain Specific job roles. All recommendations in the framework have to be referenced with best practices of Infrastructure Development Banks & Financial Institutions and market availability.

### b. Performance Management covering Succession Planning and Development

The Bank has implemented different tools/techniques and appraisal system to uphold the better performance culture at all roles and ensure the successors are developed for all responsibilities.



Further, the bank has been adequately investing in development of competent human capital at the Bank. However, the consultant is expected to review the existing practices/systems/tools as detailed below to present the framework on better performance management, succession planning and human resource development at the Bank in line with the best practices.

- ✓ Verification of procedure and format of performance appraisal reviews/reports, assigned competency, job functionality etc.;
- ✓ Verify the policy and practices adopted for performance monitoring, promotions, development, mentoring, etc.
- ✓ Process for assessing NIFRA's immediate and future training needs and individual development needs;
- ✓ Procedures for identification and nomination of staff for the training and development programs;

**c. Compensation and Benefits Management and Techniques of ensuring better HR Culture**

The current practices of compensation and benefits management at the Bank is largely aligned with market practices of Bank and Financial Sectors of Nepal. The compensation of staff includes Basic Salary, Allowances, Housing and Vehicle facilities/loans, Statutory Bonus, Health and Accidental Insurance Facilities, etc. Similarly, regular staff engagement programs, mentoring from supervisors, open discussion on ideas/problems are the practices to support team culture at the Bank.

However, the consultant has to provide the comprehensive framework on compensation and benefits management system (compliant to governing local laws/regulatory provisions) including best practices to attract and retain the best brains of the industry.

Additionally, the recommended framework shall include the soft components on promoting strong HR Performance and Team culture at Bank especially on:

- Leadership practices to aspired and fostering better HR Culture;
- Hard and Soft tools to enrich the sense of ownership and maintaining accountability & high performance throughout all levels; and
- Practices of managing employer and employee relationship.

## **6. Deliverables**

The consultant should submit report on gaps and final ready-to-implement recommendations on above given areas at the end of the review, as per the Scope stipulated above. The key deliverables for the assignment include:

- Inception report;
- Stakeholders meeting/exit meeting to discuss and confirm the analytical and review findings;
- Preliminary and Final report including findings of review, observations, and ready-to-implement recommendations on each deliverable under Scope of Work detailed in section 5 of RFP.

## **7. The details of Technical Proposal**

The technical proposal from respondents must be comprehensive, self-explanatory including minimum coverage of:

- Business Profile of Respondents;



- Details of Generic and Specific Experience with SOW for Infrastructure Development and Financial Institutions, Date of Engagement, Major Deliverables, etc.
- Understanding of Scope of Work/Terms of Reference
- Details of similar experiences in Nepal, if any
- Details of proposed team, including Resume, preferably in mentioned format below:

S.N.	Name	Position	Person Days	Responsibilities	Qualification	Previous Experience in Related filed (HRM Consulting in Infrastructure Development Banks and Financial Institutions)
1						
2						
3						
4						
5						
6						

Note:

*NIFRA aspires to engage domain consultants/team with proven competency in the related field/assignment through this RFP. To ensure the same, respondents are encouraged to propose the consulting team with sufficient competency and capacity. In the general condition no change in team proposed during RFP process is desired. However, on justifiable reason, if some member of the team needs to be changed, the role has to be replaced with better or similar competency by the approval of NIFRA. The engagement of experts in major roles like: Team Lead/Main Partner/HR Experts is desired till completion of the assignment.*

- Approaches/Methodology of Study
- Timeline of completion for assignment, preferably in format below:

Activity	Preferable Timeline	Respondents proposed timeline
1. Desktop review	Within 15 days from the date of Contract	
2. Inception Report	Within 20 days from the date of Contract	
3. Stakeholders meeting/on-site review/study	Within 40 Days from the date of Contract	
4. Draft Report	Within 60 days from the date of Contract	

5. Final Report	Within 80 days from the date of Contract	
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- Other relevant information

## 8. The Financial Proposal

The professional fees from the respondents has to be on costing units as man-days for each scope of work and administrative cost in lump-sum to cover total administrative expenses. The proposed cost shall be in Nepalese Rupee and has to be exclusive of all applicable taxes in Nepal. The NIFRA shall gross the applicable taxes in the cost proposed by respondents to arrive at total cost. The breakdown of professional and administrative cost shall be desired as per the format below:

S.N.	Particulars	Units (Man-Days)	Rate (NPR)	Amount (NPR)
<b>A</b>	<b>Fees of Professionals</b>			
<b>1</b>	Recommendation of Organization Structure and ‘Staffing Standard’			
a.	Team Leader			
b.	HR Expert/Partner			
c.				
<b>2</b>	Recommendation on framework for following functions of Human Resource Management			
<b>2.1</b>	Recruitment and Selection			
a.				
b.				
c.				
<b>2.2</b>	Performance Management covering Succession planning and Development			
a.				
b.				
c.				
<b>2.3</b>	Compensation and Benefits Management and Techniques of ensuring better HR Culture			
a.				
b.				
c.				
			<b>Sub Total (A)</b>	
<b>B</b>	<b>Administrative Cost</b>	<b>Lump-sum</b>		
			<b>Total</b>	

In Words (Exclusive of VAT/Taxes in Nepal): NPR.....Only/-

Note:

1. The respondents have to provide the cost for each scope of work, the incomplete/partial cost proposed will result the financial proposal as non-responsive in discretion of NIFRA.
2. Respondents have to present their terms and conditions on schedule of payments, preferably the milestone based as below:
  - Acceptance of Inception Report – 15% of Contract Amount
  - Presentation of Draft Report – 30% of Contract Amount
  - Acceptance of Final Report – 55% of Contract Amount
3. The Financial proposals from the respondents will be assessed to determine the most economically advantageous financial proposal considering the schedule of payments. The respondents are encouraged to propose the majority of professional fees towards the end of engagement (successful completion of the assignment) and required recurring administrative cost spread over the period of engagement to arrive the most economical financial proposal.
4. NIFRA shall make the milestone payments in NPR or equivalent INR. The payment of local VAT/Taxes shall be NIFRA’s responsibility.

## 9. Proposal Evaluation and Selection Criteria

The received RFP responses shall be evaluated and selected based on **Quality Cost Based System (QCBS)**. NIFRA shall evaluate the received proposals based on information provided in Technical section (Generic Experience of the Firm/Company, Specific experience of the Firm/Company, Understanding of Terms of Reference, Competency of the Team and Proposed timeline) and Financial. The weight of **Technical Proposal shall be 70% and Financial Proposal shall be 30%**.

The major evaluation criteria for technical proposal includes:

S.N.	Particulars	Score
1	<b>General Experience</b>	<b>10</b>
2	<ul style="list-style-type: none"><li>• <b>Specific experience – HR related consulting in Infrastructure Development Banks and/or similar institutions</b></li><li>• <b>HR consulting experiences in Nepal</b></li></ul>	<b>25</b>
3	<b>Understanding of ToR – Adequacy and Alignment of the proposed methodology and timeline in responding to Terms of reference/Scope of Work and project context</b>	<b>30</b>
4	<b>Key Personnel - Qualification and technical competence of the proposed key staffs for assignment and their relevance to Infrastructure Development Banks and Financial Institution like NIFRA</b>	<b>40</b>
5	<b>Timeline</b>	<b>5</b>
	<b>TOTAL</b>	<b>100</b>

Notes:

- The minimum technical score required to be eligible for Financial Evaluation stage is 70 in an aggregate.
- Calculation of Final Score  
The conversion of Technical Score (TS) = Obtained Score \*0.7  
The Financial Score (FS): (Lowest Cost / Respondent Cost) \*30  
The Final Score = TS+FS
- The contract will be made with respondent having highest Final Score after evaluation and negotiation.

## 10. Physical Submission

The respondent invited for contract has to submit the original copies of RFP response and all other communication made during RFP process (if the RFP submission and communications are made vide email) to NIFRA for Procurement and Audit Compliance before and/or Contract Date.

## 11. Timeline for Consulting

The respondents have to propose the timeline for delivery of outputs under deliverables in milestone basis. However, the total duration of assignment is expected to be completed within three months from the date of contract.

## 12. Communication and Correspondence Details

The communication/correspondence/queries and RFP submission has to be made in following email with subject captioned below:

Email: [hrm.consulting@nifrabank.com](mailto:hrm.consulting@nifrabank.com)

Subject: RFP-Consulting Services for HR Re-engineering

*Request for Proposal – Consulting Services for Human Resource Re-engineering in NIFRA*