



## Standardization of IT Industry



# Terms of Reference/ Scope of Work for the International Research Study on “Potential of IT/ ITeS Industry of Pakistan”

### Introduction

Pakistan Software Export Board (PSEB), Ministry of Information Technology is the apex body of the Ministry of Information Technology, Government of Pakistan, to provide an enabling environment and take measures for growth of IT exports and thus support IT industry. In this respect, PSEB is providing support to the local technology companies in reaching out to their potential clients abroad, attracting and facilitating foreign technology firms to establish their development facilities in Pakistan. PSEB also arranges the participation of Pakistani IT Industry in domestic and international IT events, provides protocol, hosting and match-making facilities for foreign delegates and investors with a purpose to accelerate the growth of IT exports.

PSEB now desires to assess the size and potential of IT/ ITeS Industry in Pakistan, how IT exports can be diversified in offerings and markets to align itself with the emerging global future and assess the level of human capital and skillsets available to do it. For this purpose, PSEB intends to engage a registered local firm partnered with a reputable international consulting organization, to conduct a study to estimate the size for various segments comprising the IT industry, assess the growth pattern of these segments, specially in the context of emerging technologies for next decade, and identify new markets, avenues and technologies for diversifying IT exports, as well as assess the government investment/ funding in IT projects through the public sector development plans, especially that could have a bearing on growth of IT industry and specifically on IT exports. The study should include regional and global market figures, subdivided by sub segments/sectors for comparative and export diversification purposes. The study should indicate socio economic factors having an impact on the development of the IT industry in Pakistan. The study should augment its findings with recommendations on improving the quality of human resources, training facilities, linkages with international training opportunities and appropriateness and sizing of public sector development funding. An Action Plan recommended as a result of this study could spur accelerated growth of IT exports of Pakistan-based companies both in the short, medium and long-term duration.



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### Key Objectives & Scope of Work as per PC-1:

The key objectives of this assignments are mentioned as follows:

S. No	Key Objectives & Scope of Work
1	To determine the size/potential of IT/ ITeS Industry (i.e. type of technology workers in formal & informal sectors, number of technology development companies, average staff strength, average wages, average local and export revenues.) based on software development, BPO, IT infrastructure facilities (i.e analyze the cloud infrastructure readiness of the country, access to broadband internet for IT workers, work from anywhere readiness, average cloud and internet usage cost and cost of establishment of physical work space in 10 biggest cities) digital equipment manufacturing, etc. and future growth trends/ forecast (i.e. determine the existing average cost of direct & indirect taxation, custom duties, cost of access to finance & banking facilities. Cost comparison and feasibility analysis of Pakistan with India, Phillipines, Bangladesh & Vietnam as a technology hub & outsourcing destination – and predict future growth based on these parameters).
2	Identify investment opportunities for Pakistan IT/ ITeS Industry in the context of IT exports.
3	Identify potential of IT Exports Diversification in terms of new markets/ domains.
4	Review and assess the Quality of IT Graduates & IT Professionals.
5	Identify existing training opportunities for IT HR and future requirements.
6	Review the government's (both federal and provincial govt.) development funding for IT projects to assess appropriateness, sizing and priority setting currently being carried out by government.
7	Prepare an Action Plan to take the Pakistani IT/ ITeS to the next level, in light of the findings and recommendations of the study.

S. No	Main activities to be Performed
1	To identify and review, in consultation with PSEB, key segments of the IT industry in Pakistan, vis-à-vis global IT industry. Consultants may have to visit selected IT leaders, companies, government officials and other stakeholders in Pakistan to perform review and get first-hand knowledge/ insight about the IT industry.
2	To identify and review, in consultation with PSEB, key socio economic factors having a bearing on the development of the IT industry in Pakistan.
3	To conduct Situational Analysis of IT industry and assess the size of various horizontal and vertical segments of IT industry, preferably using empirical estimation techniques. Also, develop a comprehensive database of IT companies working in Pakistan, especially those oriented towards IT/ITeS exports.



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4	To provide a comparative analysis of regional and global practices being carried out for IT sector growth (ease of doing business) and IT exports diversification (sectoral & geographical). Also, recommend, a priority list of best practices that could be best suited for Pakistan to adopt in this context. In this context, the consultants may also cover social, legal, regulatory and other factors that may have a bearing on development of IT/ ITeS industry in Pakistan.
5	To identify promising major IT segments, such as Software Development (projects and products based), IT-enabled Services (Business Process Outsourcing), IT Support Services, E-Services (E-Commerce, eHealth, eLearning, etc), Digital/ IT Equipment Manufacturing, Smart Technologies (i.e. Cloud and emerging technologies) Infrastructure Facilities (Data Centres, Connectivity), that have potential to help rapid growth of IT exports and diversification. In this context, regional and global market figures sub-divided by segments/ sectors may also be provided.
6	To conduct review of PSDP-funded as well as provincial governments funded projects of IT sector to assess the appropriateness and sizing of existing priorities of government development funding in IT-related domains/ sub-sectors. In this context, also provide an independent viewpoint/ recommendations by indicating priority areas where government development fund allocations would increase effectiveness of IT sector and IT exports growth in coming years. Following points may also be covered: <ul style="list-style-type: none"><li>○ Indicate a list/ roadmap of projects, initiatives, areas in the IT sector that could bring accelerated and sustainable growth in short-term, medium , long term for enhancing IT exports.</li><li>○ Indicate/ recommend which areas/ domains in the IT sector in which investment should be made by Private sector only, Public-Private Partnership (PPP) mode, or only Government as strategic investment for boosting the national IT industry and IT exports.</li></ul>
7	To review the annual output of universities in terms of IT graduates, research papers, projects, start-ups and commercialization of research.
8	To assess the quality of IT graduates in terms of employability, skillsets available, participation in trainings, international assignments, etc. and recommend steps/ measures for improvement.
9	To review and assess the gaps and requirements of trainers and training facilities to conduct trainings in various skills with high demand in the market/ IT industry. In this context, also identify international certifications that could help boost the IT exports and diversification.
10	To interact with key players/ stakeholders of IT industry (including both government and private sector) and prepare an Action Plan for implementing the recommendations.
11	To prepare budgetary estimates for implementing the Action Plan to accelerate IT exports and diversification based on findings/ recommendations of the study.
12	To prepare draft PC-I as per the template of Planning Commission of Pakistan for implementation of Action Plan in the form of a multi-year national project.



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S. No	Deliverables
1	IT Industry Data Gathering and Compilation Report.
2	IT Industry Situational Analysis Report.
3	Roadmap and Action Plan to accelerate and diversify IT Exports.
4	Draft PC-I for National Program for Growth of IT Sector and IT Exports.
5	National Seminar on IT Exports Growth Potential and Diversification.

### Duration of Assignment

The expected duration of the assignment is between 180-240 calendar days. However, Applicant firm is encouraged to propose shorter duration for the assignment/ study, without compromising the quality of deliverables.

### Eligibility/ Evaluation Criteria of Consultant

It is mandatory for the domestic applicant company to partner with international consulting organization to conduct this study. The interested international company can only apply by partnering with a domestic IT company as the lead applicant. Bidder must ensure that International Key Consultant(s) visit Pakistan to conduct the various activities of the study. However, it is not necessary for International Key Consultants to remain in Pakistan for the whole duration of the assignment/ project.

PSEB shall evaluate the technical proposals in line with the following evaluation criteria, however Project Committee, PSEB can modify/ refine at its discretion, the criteria mentioned in this RFP to ensure participation of reputable companies.

The technical evaluation will be conducted in two stages; Stage-1 will comprise of checking the technical bids as per information tabulated under the "Stage-1: List of Mandatory Documents". In Stage-2, detailed technical evaluation will be performed as per the scoring criteria described under "Stage-2: Detailed Technical Evaluation Scoring Criteria". It may be noted that Stage 2 detailed technical evaluation of only those firms will be performed which would qualify the mandatory technical evaluation criteria of Stage 1.



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### Stage-1: List of Mandatory Documents for Eligibility.

Technical Bids must have the following documents attached to be considered as eligible for further technical evaluation:

S #.	Item Description	Lead Bidder Firm	International Consulting Company	Documents
1	Bidder Company/Firm must be in operation for at least the last 10 years.	Yes	Yes	<u>For Bidding Firm:</u> Valid certificate from concerned regulator / authority/ NTN with Federal Board of Revenue (FBR). Having Active Tax Payer status.  <u>For International Consulting Company:</u> Valid Incorporation Document/ Certificate from Country of Origin
2	Registration of NTN with Federal Board of Revenue (FBR) and having Active Tax Payer status.	Yes	N/A	
3	Registration of General Sales Tax (GST) with Federal Board of Revenue (FBR) and having Active Tax Payer status.	Yes	N/A	
4	Valid Registration with PSEB (Pakistan Software Export Board)	N/A	N/A	
5	The bidder should have fully operational office/ Head office in Pakistan.	Yes	N/A	
6	Affidavit that Bidding firm is not Blacklisted and involved in any active litigation against Government of Pakistan or provincial governments anywhere.	Yes	Yes	
7	Completed assignments/ consultancies for the last five years in ICT sector	Yes	Yes	



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8	Proof that the average annual turnover for the last 2 years: <u>Bidding Firm</u> = Min. PKR 100 Million / yr <u>International Firm</u> = Min. USD 500 million / yr	Yes	Yes	Financial Report or Bank Statements
9	Authorization Certificate of Bidding Firm that it is authorized to represent its partner International Consulting Company for the services/ work required in this RFP.	Yes	N/A	Authorization Certificate of International Consulting Company.
10	The international team consultants should be able/ willing to travel and work in Pakistan to conduct meetings with the relevant stakeholders.	Yes	Yes	A written commitment by the local bidder and its international partner firm attached in Technical Proposal



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### Stage-2: Detailed Technical evaluation scoring criteria

The Stage-2 detailed technical evaluation would be based on bidder's capability including its partner International Consulting Company. The detailed technical evaluation will be performed by the Procurement Committee and marks given as per following scoring criteria:

#### Detailed Technical Evaluation Scoring Matrix

Sr.#	Scoring Criteria for Bidder including partner International Consulting Company	Maximum Marks
<b>1</b>	<b>Company Profile</b>	<b>10</b>
(i)	<p>The lead bidding local firm must have experience of working in ICT sector on medium to large-scale projects with the Public and Private sectors.</p> <p>The partner International Consulting Firm should have experience of:</p> <ul style="list-style-type: none"><li>- IT Industry studies related to developing and emerging economies.</li><li>- Should have vast experience and knowledge of global IT industry.</li><li>- Should have conducted studies related to IT industry size estimation and growth strategies.</li><li>- Experience of working with universities in terms of graduates assesment, research papers, projects, start-ups and commercialization of research.</li><li>- Work experience in Pakistan for managing projects, studies, symposia/seminars will be given due weightage.</li></ul>	5
(ii)	ISO 9001 or ISO 20000 or CMMI Level 2 certification	5
<b>2</b>	<b>Technical Experience</b>	<b>40</b>
(i)	<p><b>General Experience</b></p> <p><u>Int'l Consulting Firm</u></p> <ul style="list-style-type: none"><li>- Number of years' experience in providing consultancy/research services in different areas including IT Sector for clients in Public/ Private Sector Organizations = (Max. <b>10 marks</b>)<ul style="list-style-type: none"><li>o More than 20 years of experience = <b>10 marks</b></li><li>o 10-19 years of experience = <b>5 marks</b></li><li>o Below 10 years' experience = <b>0 marks</b></li></ul></li></ul> <p><u>Local Bidder Firm</u></p>	15



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	<ul style="list-style-type: none"> <li>- Number of years' experience in providing IT consulting/research services in different areas for clients in Public/ Private Sector Organizations = (Max. <b>5 marks</b>)               <ul style="list-style-type: none"> <li>○ More than 10 years' experience = <b>5 marks</b></li> <li>○ 7-10 years' experience = <b>3 marks</b></li> <li>○ Below 7 years' experience = <b>0 marks</b></li> </ul> </li> </ul>	
(ii)	<p><b>Specific/ Relevant Technical Experience of Developing and Emerging Economies</b></p> <p><u>Int'l Consulting Firm</u></p> <ul style="list-style-type: none"> <li>- Experience in providing Technology/ IT related consultancy services regarding Sector Growth Strategies, Export Diversification, HR Development, Investment Attraction Strategies, Research, Universities, start-ups and commercialization of research etc. <b>10 Marks</b> <i>(Note: List of projects/ works relevant to aforementioned areas should be attached)</i></li> <li>- Experience to develop empirical models for estimating sector size, long-term forecast related to industry growth in terms of revenue, employability, export potential, research etc. - <b>10 Marks</b> <i>(Note: List of projects/ works relevant to aforementioned areas should be attached).</i></li> </ul> <p><u>Local Bidder Firm</u></p> <ul style="list-style-type: none"> <li>- IT related number of Projects having contract value &gt;= 20 Million (PKR)               <ul style="list-style-type: none"> <li>○ Each Project = 1 mark, (Max. <b>5 Marks</b> overall)</li> </ul> </li> </ul>	25 Number
<b>3</b>	<b>Team Composition and Team Capability</b>	<b>20</b>
(i)	<p><b>Key Team Members</b> <i>(proposed to conduct the study, CVs must be attached with the Proposal)</i></p> <ul style="list-style-type: none"> <li>- International               <ul style="list-style-type: none"> <li>○ Team Lead having PhD/ masters degree in relevant field from world renowned/top ranking university with minimum 15 years of relevant experience.</li> <li>○ International Key Consultants <i>(should have experience of IT industry and exports growth in developing / emerging economies, specially of assessing IT industry size, developing growth strategy, IT trends and forecasting, etc)</i></li> </ul> </li> </ul>	20





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	<ul style="list-style-type: none"><li>○ International Key Consultants (should have experience of universities graduates assesment, research papers, projects, start-ups and commercialization of research) = <b>15 marks.</b></li><li>- National/Local Key Consultants (<i>must have at least 5 years of public sector development experience of IT sector</i>) = <b>5 marks</b></li></ul>	
<b>4</b>	<b>Technical Bid Response</b>	<b>30</b>
(i)	<i>Methodology &amp; Approach to be undertaken for this study, Work Plan for the assignment/ study and Presentation. Shorter proposed duration to complete the assignment will be given due weightage</i>	30
<b>TOTAL TECHNICAL EVALUATION SCORE</b>		<b>100</b>

Any applicant company not fulfilling mandatory requirements of Stage 1 above, will be outrightly rejected and not included for technical evaluation. The companies securing 70% or above marks in technical evaluation will be invited for opening of financial bid. The financial bids will be opened in the presence of the participating representatives of the successful companies. The financial bids will then be evaluated by PSEB to check their compliance and calculations of total amounts. The financial scores will be awarded on proportionate basis, with lowest-priced compliant bid getting 100 marks and subsequent higher-priced bids getting proportionately less marks respectively. Any financial bid found not compliant will be rejected. The final score will be calculated for compliant firms as follows:

$$\text{Final Score of Firm} = \text{Technical Score} * 0.8 + \text{Financial Score} * 0.2$$

### General Terms:

1. Each proposal shall be submitted as two printed copies of (one marked as ORIGINAL, the other as COPY).
2. Proposals must be sealed and clearly marked Technical Proposal & Financial Proposal.
3. Technical and financial proposals must be sealed separately.
4. Financial proposal must be accompanied by a bid money (refundable) @2% of the total bid value (inclusive of all applicable taxes) in the form of a Pay Order/Demand Draft in favor of "PSEB" (cheques will not be accepted).



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5. The successful bidder shall submit performance guarantee equal to 10% of the contract value in the form of either unconditional Bank guarantee from first class Pakistani Bank valid for at least one year from the date of award of contract or in the shape of call deposit/bank draft as per satisfaction of PSEB and shall be released after successful completion of the work to the satisfaction of PSEB's authorities
6. Mobilization advances if requested shall be made only against equal amount of unconditional bank guarantee from first class Pakistani bank to the satisfaction of PSEB authorities
7. All required documents must be attached with the bid and if any required document is not found with the proposal, PSEB has the right to reject the proposal at its discretion

### Contact Information:

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