

No. 22(4)/2010-GM
DEPARTMENT OF PUBLIC ENTERPRISES
CALLS FOR EXPRESSION OF INTERESTS (EOI) FOR
DIFFERENT ACTIVITIES RELATED TO MONITORING OF
PERFORMANCE OF CENTRAL PUBLIC SECTOR ENTERPRISES (CPSEs)

Dated, the 14th May, 2010

The Department of Public Enterprises (DPE) under the Ministry of Heavy Industry and Public Enterprises of the Government of India is the nodal department in matters of *coordination of matters of general policy of non-financial nature affecting all public sector industrial and commercial undertakings and matters relating to Memorandum of Understanding mechanism of improving the performance of Public Sector Undertakings.*

DPE seeks the support of qualified and well experienced agencies, institutions, companies, etc. in undertaking the following tasks to be completed by 31st December, 2010. While 5 different modules of work have been identified and agencies are free to bid for one or more modules depending upon their capability and experience.

Module No. 1 – Review of principles of Categorization of CPSEs

Background :- Presently, CPSEs are categorized into 4 different schedules, 'A', 'B', 'C' and 'D' based on certain qualitative and quantitative parameters. The Schedule of CPSEs has implications in determining salary of Board level incumbents, creation of highest level of below Board level posts and eligibility for getting Navratna status. DPE proposes to revise the existing system of categorization and put in place an objective and quantitative system.

Deliverable :- The selected agency will be required to study the present system of categorization, interact with officials of CPSEs, Ministries and PESB and recommend new principles of categorization

of CPSEs which are objective. The report should also provide rationale for suggesting changes and implications of the suggested changes.

Module No. 2 – Monitoring of Compliance of CPSEs with Guidelines on Corporate Governance

Background :- The Government has issued Guidelines on Corporate Governance for CPSEs. These Guidelines are to be mandatorily implemented by all CPSEs. In this regard, all CPSEs are required to submit compliance reports in the prescribe format. Further, compliance with Guidelines on Corporate Governance is one of the criteria to be taken into account at the time of finalizing MOU Awards to CPSEs. DPE proposes to evaluate and grade the CPSEs on the basis of their compliance with Guidelines on Corporate Governance.

Deliverable :- The selected agency will be required to devise a objective and quantitative system of measuring the compliance of Corporate Governance Guidelines by CPSEs. Once the evaluation system is approved, the agency will be later on required to examine the compliance reports to be submitted by the CPSEs, co-relate it with the annual reports and other public documents as well as interact with concerned officials. The agency will be thereafter required to submit the annual grading of CPSEs on the basis of their compliance with Corporate Governance Guidelines.

Module No. 3 – Monitoring of performance of Maharatna, Navratna and Miniratna CPSEs

Background :- The Government has delegated enhanced powers to the Boards of Maharatna, Navratna and Miniratna CPSEs. It is proposed to utilize the services of a professional agency in assisting DPE in periodic monitoring of the performance of Maharatna, Navratna and

Miniratna CPSEs and measuring to the extent the delegated powers have been utilized by these CPSEs.

Deliverable: - (i) The selected agency will be required to study the performance of Maharatna, Navratna and Miniratna CPSEs and bring out quarterly reports on selected performance parameters as well as their eligibility vis-à-vis laid down parameters. The comparison with similar private companies (both domestic and foreign) and standard industry benchmarks will also be incorporated in the report. The reports should also highlight the areas of concern as well as future industry outlook.

(ii) The agency will review the existing 100-point criteria being used by the Government for review of Maharatna/Navratna CPSEs and suggest changes, if any, required particularly in light of forthcoming International Financial Reporting Standards whose adoption is being made compulsory.

Module No. 4 – Professionalization of Management of CPSEs

Background :- Presently, professionalization of management covers only Board level executives of CPSEs. It has been felt that since senior executives working at below board level, i.e. General Managers/DGMs, etc. also play an important role in decision making CPSEs, the issue of “professionalization” should be broadened to encompass senior below Board executives also. DPE proposes to make a beginning in this regard and requires the selected agency to examine this issue holistically and bring out a base paper for the consideration of the Government.

Deliverable :- The selected agency will be required to study the issue of “professionalization of management” in a holistic manner by

interacting with senior executives of concerned CPSEs and bring out a base paper for the consideration of the Government.

Module No. 5 – Improvement in the MOU system

Background :- All CPSEs sign MOU with their concerned Administrative Ministry. The MOUs have financial and non-financial targets to be achieved by the CPSEs during the financial year. The selected agency will review the existing financial and non-financial parameters being used in the MOU and recommend changes, if required, in the parameters and will also suggest special parameters for different industry groups.

Deliverable :- The selected agency will be required to study the present financial and non-financial parameters being used in the MOU and suggest revised set of parameters and their weight for different industry groups. The recommendations should provide rationale for suggesting changes and implications of the suggested changes.

General Instructions

The bidding institution(s) should have past experience in preferably each, or at least majority of the subject areas of the above modules. The agencies can form a consortium and bid as a single agency.

All deliverables should be submitted to DPE by 31st December, 2010.

The bidding Institution will send pre-qualification Technical bid which should contain technical information about the institution, available infrastructure and training expertise, financial background

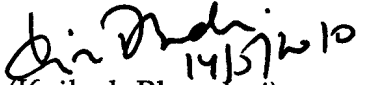
and experience in carrying out similar projects especially for the Government sector. The pre-qualification Technical bids should reach undersigned by **15th June, 2010 (Tuesday) before 05.30 P.M.** The pre-qualification bids would be assessed by a committee constituted by the DPE on the following parameters.

- Past experience in carrying similar activities
- Past association with the Government
- Availability of the qualified personnel
- Strength of the proposal based on the approach paper

The prequalification technical bids will be opened and suitable number of agencies would be shortlisted on the basis of above parameters. The shortlisted agencies would be then required to make a presentation in DPE and thereafter submit commercial bids with complete terms and conditions. Thereafter the commercial bids will be opened and the work order to successful bidder(s) will be placed after obtaining approval of the competent authority.

General Conditions:

1. DPE reserves the right to reject any or all the tenders without assigning any reasons whatsoever.
2. Rates quoted shall remain firm till the completion of work.
3. The jurisdiction in case of disputes shall be the Courts of Delhi/New Delhi.
4. The background information regarding the activities being undertaken by the Department of Public Enterprises including those in the fields mentioned above are available on the DPE web-site (www.dpe.nic.in). The undersigned may be contacted in case further information in this regard is required.


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