

REQUEST FOR PROPOSAL (RFP)

FOR

**“INVESTMENT ADVISORY SERVICES -
MANAGEMENT DEVELOPMENT INSTITUTE
PROVIDENT FUND TRUST”**

**Management Development Institute Gurgaon
Mehrauli Road, Sukhrali, Gurugram - 122007**

MANAGEMENT DEVELOPMENT INSTITUTE PROVIDENT FUND TRUST, GURGAON

REQUEST FOR PROPOSAL – INVESTMENT ADVISORY SERVICES

1. Management Development Institute Gurgaon - Information

It is ranked among the top B-schools in India by reputed publications and agencies. The Institute has earned international accreditation from AACSB, USA, Association of MBAs (AMBA), UK, and the South Asian Quality Assurance Systems (SAQS). We have partnerships with over 80 B-schools across the world. MDI Gurgaon has a very strong legacy, being one of the early management institutions in the country. The alumni network across all the programs offered is one of the largest. With more than 700 members joining the group annually, the alumni network is growing stronger year by year. As of now, we have around 9,000 alumni working across 45 countries.

Management Development Institute has a Provident Fund Trust which was established on 01st August, 1982. It is governed by the Employees' Provident Fund and Miscellaneous Provisions Act 1952. The Trust manages the Provident Fund accumulations for about 150 permanent employees. The Board of the Trust comprises of eight Trustees, four each on Employers' and Employees' side. The meeting of the Provident Fund Trust is held on a quarterly basis to look after the regular affairs of the Trust and ensure the various compliances are met as per EPFO norms from time to time.

As of date the total corpus of the MDI P F Trust is about Rs. 75 crores. The investments of the Trust are managed by the Internal Investment Committee of Management Development Institute and are done as per the guidelines laid by EPFO.

2. Request for Proposal

a. General Information

The Management Development Institute PF Trust Gurgaon seeks an experienced individual, team or firm to provide advisory counsel and investment management services for a portfolio currently valued at approximately Rs. 75 Crore. This Request for Proposal (RFP) is part of a competitive sealed bid process. For ease of reference, an entity receiving this RFP is referred to as a "Firm". The Firm selected to provide services for the Management Development Institute PF Trust Gurgaon is referred to as the "Selectee". This RFP provides instructions for submitting proposals, procedures and criteria by which a Firm may be selected, and

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the contractual terms by which the Management Development Institute PF Trust Gurgaon proposes to govern the relationship with the Selectee.

b. Minimum Qualifications

To be eligible for consideration, a Firm must meet the following minimum qualifications:

1. The Bidder should be eligible to provide advisory services as per SEBI guidelines. A copy of the Registration Certificate should be enclosed.
2. 10 years in business as on 31st March, 2023 of providing advisory services as per SEBI guidelines to PF Trust regulated under EPF Act 1952.
3. The bidder must be managing / providing investment management/ advisory service to at least 03 (Three) Provident Fund/ Pension/ Retirement fund trusts of Educational Institute/ Autonomous bodies / Central/State Public Sector Undertakings as on 31st March, 2023.
4. Net worth of the bidder should not be less than Rs. 5.00 Crores as on March 31, 2023 or as per the latest audited accounts, whichever is later.
5. The Directors and any other personnel of the entity should not have been found guilty of or convicted of any economic offence or violation of any financial sector laws during the last 5 years period. (A self-declaration should be attached)
6. Portfolio Manager who will operate in a fiduciary capacity with a minimum of 10 years of professional experience in that field - Chartered Financial Analyst qualification would be preferred but not mandatory.
7. The minimum Portfolio of at least Rs. 300 Crore in current Assets Under Management (AUM) in PF / Pension/ Retirement fund trusts managed by bidder during the last 03 financial years should be Rs. 300 Crores, as on 31st March, 2023.

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Submission requirements:

Only sealed proposals under two bid system (Technical & Financial) will be accepted. The technical and financial bids should be sealed in a separate envelope. Both the bids to be placed in another envelope, which must be labeled “**RFP – Investment Advisory Services**”. Please note that if financial bid is not submitted in separate sealed envelope the bid would be summarily rejected.

Kindly send the proposal by email to: avnish.singh@mdi.ac.in

And also send the hard copy of the original proposal to the following address:

**The Secretary, MDI P F Trust
Management Development Institute
Mehrauli Road, Sukhrali
Gurugram-122007 (Haryana) INDIA**

To be considered, the proposal must be submitted by 6:00 p.m., Central Daylight Time, March 31, 2024.

The price bid shall be valid for 120 calendar days from the last date of bid submission.

c. Reserved Rights of the Management Development Institute

The Management Development Institute, Gurgaon has the right to:

1. Reject any or all proposals.
2. Cancel the entire RFP process.
3. Remedy the technical errors in the RFP.
4. Negotiate with any, all, or none of the respondents to the RFP.
5. Solicit the best and final offers from all or some of the prospective Firms.
6. Accept the written proposals as an “offer” without negotiations and issue a notice to proceed.
7. Contract with any respondent based solely on the qualifications and capabilities of the Firm and its consultants.
8. Solicit follow up information as deemed necessary.

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d. Payment Terms:

1. The payment shall be released on successful completion of assignment on quarterly basis.
2. The fees would be payable within 30 days from the date of receipt of the invoice.
3. No additional out of pocket expenses will be payable.
4. No expense other than the fees quoted plus taxes will be payable for the entire scope of work/ deliverable.
5. The contract awarded to Investment advisor shall be terminated by either party by giving one-month advance notice in this regard.
6. MDIG reserves the right to appoint one or more investment advisors.

e. Other Conditions:

1. The initial duration of appointment shall be for a period of three years on annual renewal basis at the same fee and T&C. This may be extended for a further period of maximum up to two years subject to satisfactory performance of the Investment Advisor.
2. In the event the performance of Investment advisor is not found to be satisfactory, MDIG shall be at liberty to cancel the contract by issuing one month notice to the firm.
3. The fees quoted shall be fixed for the duration of the assignment.
4. Please ensure that RFP document must be signed and stamped on all pages as a token of acceptance of all the terms and conditions.
5. No quotations would be accepted by E-mail only. The hard copies are also mandatorily required to be sent.
6. MDI may, at its discretion, extend the date for submission and/or opening of the bid.
7. Bid received after the closing date/time will not be considered.
8. Any dispute/ difference arising out or relating to this RFP:
Matters regarding any dispute shall be referred for arbitration to any officer appointed by the Director/Acting Director of Management Development Institute Gurgaon, whose decision shall be binding and final. Even after arbitration if any questions, disputes and/or

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differences arises under and out of, or in connection with the work, if concluded, shall be referred to the High Court of Haryana or any other court in the district of Gurugram (Haryana).

9. This RFP document is not an offer and is issued with no commitment. MDI reserves the right to withdraw this notice inviting bids and or vary any part thereof at any stage. MDI further reserves the right to disqualify any bidder, should it be so necessary at any stage. Institute reserves the right to reject any or all the RFP, wholly or partly without assigning any reason thereof and shall not be bound to accept the lowest bidder. Institute reserves the right for distributing the work among several bidders.

f. Proposal Evaluation Criteria

Technical Evaluation

The price bids shall be opened only to those bidders who shall obtain a minimum score of 60 (out of maximum 100) on technical evaluation parameters as per Annexure-1 and fulfill minimum required qualifications as per clause 2 (b). The financial bid shall be opened to those who have qualified in technical parameters.

Financial Evaluation

1. The bidder who quoted the lowest price (L1) as per SEBI guidelines on fixed fees will be selected.
2. In case of tie in price bid, the entity with higher technical score shall be ranked above the entity with lower technical score.
3. In case of a further tie, then firms shall be ranked as per the experience of the firm.

3. Contents of Proposal

Technical Bid

The following needs to be submitted as part of technical bid in a sealed envelope:

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1. Cover Letter to the Proposal
2. Format-1 Duly filled in, signed and stamped
3. Format-2 Duly filled in, signed and stamped
4. Format-3 Duly filled in, signed and stamped
5. Copy of following documents
 - a. Registration Certificate from SEBI
 - b. Proof of Registration with BSE/NSE
 - c. Certificate of Incorporation/ Partnership Deed etc.
 - d. Certificate from CA regarding financial strength, net worth.
 - e. Copy of appointment letters/ fund management mandate of Central/ State Govt / Educational Institutes
 - f. Copy of appointment letters of investment advisors
 - g. Details particulars of Directors and other top management as on 31.03.2023.
 - h. A Self- declaration that the bidder is not in any litigation with any of its clients
 - i. A self-declaration that bidder has not been black listed at any Central/State Govt./ Educational Institute during the last 5 years.
 - j. A self-declaration that Directors and any other personnel of the Advisors have not been found guilty or convicted of any economic offence or violation of any Financial sector laws during the last 5 years period.
 - k. Equity Research/ Interest Rate Research report.
 - l. The yield percentage on the investment/portfolio of at least three clients for the last three years of the respective bidders.

Financial Bid

Format-4 Duly filled in on company letter head, signed and stamped to be submitted in separate sealed envelope.

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FORMAT – 1

**Company Profile
(To be submitted on company letter head)**

S. No.	Description	
1.	Name of the Firm	
2.	Nature of Firm	Registered Company/ Partnership Firm/ Proprietorship firm; Incorporation Certificate of the Company with the Registrar of Companies/ Other appropriate Authority to be submitted.
3.	Year of commencement of Firm	
4.	Nature of business of the Firm	
5.	Registered Office Address	
6.	Contact Details (Name, Email, Mobile No.)	
7.	Whether have an Office in Delhi-NCR? Give Address.	
8.	Whether Registered with BSE / NSE	Attach Membership certificate of Stock Exchange and Registration certificate from SEBI.
9.	Whether the firm / company has been blacklisted for capital market activities. If so, please provide details	Self-Declaration on Letter Head to be submitted. Self-Declaration that bidder is not in litigation with any of its client.
10.	Number of years as Investment Advisors as per SEBI guidelines.	
11.	Net Worth as on ____ (Rs. In Cr) for last three financial years.	Submit Certificate from CA in practice
12.	Average Assets under Management from Investment management/ advisory of any PF/ Pension/ Gratuity/ Retirement Benefit Trusts during last three financial years (excluding assets of the bidder and its group companies).	Submit Certificate from CA in practice
13.	No. of Central Govt/ State Govt./ Educational Institute for which Investment Advisory Services are being provided as on 31.03.2023.	
14.	Mention List of three Clients to whom Investment Advisory Services are being provided (Current Clients)	Attach copies of appointment letter/ fund management mandate
15.	Average years of post-qualification experience investment advisory	Detailed particulars of the Directors and other top

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	team as on 31.03.2023	management including their stay with the Bidder as on 31.03.2023
16.	Total number of years of experience in PF trust Investment management/ advisory as on 31.03.2023	
17.	Share Equity Research/ Interest Rate Research report	Attach Research Reports
18.	Agree to scope of work in Annexure-2	Yes/No
19.	Any Other details that need to be shared as per the Bid document and evaluation criteria	
20.	Details of enclosures	All the documents in support of the above information/data must be given as enclosures and signed by authorized signatory along with official seal of firm/company.

Signature of the authorized signatory of the bidder

Full name of the authorized signatory of the bidder

Stamp & Date

Note: This is to be furnished on the letter head of the bidder.

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FORMAT – 2

Experience of providing similar services within last 3 years

Add a row for Each Client

*Minimum three required

S. No.	Client Name (Central/ State Govt/ Education Institute)	Size of the AUM	Client Contact No.	Client Email ID	Attach copies of appointment letter/ fund management mandate
					Yes <input type="checkbox"/> / No <input type="checkbox"/>
					Yes <input type="checkbox"/> / No <input type="checkbox"/>
					Yes <input type="checkbox"/> / No <input type="checkbox"/>
					Yes <input type="checkbox"/> / No <input type="checkbox"/>
					Yes <input type="checkbox"/> / No <input type="checkbox"/>

Encl: As above.

Note: This is to be furnished on the letter head of the bidder.

Signature of the authorized signatory of
the bidder

Full name of the authorized signatory of
the bidder

Stamp & Date

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FORMAT – 3

Financial Strength of the Organization				
S. No.	Financial Year	Whether profitable (Yes/NO)	Net Worth	Net Profit
1	2020-21			
2	2021-22			
3	2022-23			
Note: Please enclose CA certificate in support of your claim.				

Note: This is to be furnished on the letter head of the bidder.

Signature of the authorized signatory of
the bidder

Full name of the authorized signatory of
the bidder

Stamp & Date

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FORMAT - 4

Price Bid

(To be submitted on letter head in separate sealed envelope)

S. No.	Description	Amount (in Figures)	Amount in Words	Percentage if fee quoted on AUA Basis
1	Investment Advisory fees on Fixed per Annum Basis or AUA basis as per SEBI guidelines dated 23.09.2020 (in Rupees)			
2	GST			
3	Total inclusive of GST			

Signature of the authorized signatory of the bidder

Full name of the authorized signatory of the bidder

Stamp & Date

Note:.

1. This is to be furnished on the letter head of the bidder.
2. The Bidder shall quote Annual Consolidated Fee (all inclusive except GST).
3. The investment corpus of the PF Trust for the bidder quoting the fee under the AUA (Asset Under Advise) is Rs 75 crores.
4. The AUA percentage shall be applied on investment corpus as mentioned in (2) above to ascertain the L1 firms.
5. Price bids not conforming to the above format will be summarily rejected.
6. If a firm quotes NIL charges, the bid shall be treated as unresponsive and will not be considered.

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Technical Evaluation Criteria

S. No.	Parameter (Please Tick at appropriate level)	Maximum Marks	Marks Allotted
1.	Number of Years as Investment Advisors as per applicable SEBI regulations (i) if > or = to 15 years : 10 (ii) if > or =10 years and < 15 years : 7 (iii) if > or = 5 years and < 10 Years : 5 (iv) if < 5 Year : 0	10	
2.	Net worth of the organization as on 31st March, 2023 (i) if >or = to 10 Crores : 5 (ii) if >or = 5 Crores and < 10 Crores : 3 (iii) if >or = 2 Crores and < 5 Crore : 2 (iv) if < 2 Crores : 0	5	
3.	Average Asset under Management from Investment Advisory services of Retirement Benefit Trusts (PF/Pension/Gratuity Trusts) during the last 3 Financial years ending on 31st March, 2023. (i) if > or = Rs. 1,000 Cr :15 (ii) if > or = Rs. 500 Cr and < Rs. 1,000 Cr :12 (ii)if > or = Rs. 200 Cr and < Rs. 500 Cr : 10 (iii) if > or = 100 Cr and < Rs. 200 Cr : 7 (iv) if < 100 Cr : 0	15	
4.	Number of Central /State Govt./ Educational Institute for which Investment Advisory services are being provided as on 31st March, 2023. (i) if > or =20 : 15 (ii) if > or =10 and < 20 : 10	15	

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	(iii) if > or = 7 and < 10 : 7 (iv) if > or = 3 and < 7 : 5 (v) if < 3 : 0		
5.	Total number of years of experience in PF/ Pension/ retirement trust Investment management/ advisory (as defined under eligibility criteria) as on March 31, 2023. (i) if > or = to 15 years : 15 (iii) if > or =10 years and < 15 years : 10 (iv) if > or = 5 years and <10 Years : 10 (v) if < 5 Year : 0	15	
6.	Avg. years of relevant post-qualification experience of Investment Advisory Team (minimum team size is 3) as on 31st March, 2023. (i) if > = 10 Years : 10 (ii) if > or = 5 and < 10 Years : 7 (iii) if < = 5 Years : 0	10	
7.	Yield percentage (Average) on investment portfolio of at least 03 clients. (i) < 9% : 0 (ii) 9 – 10% : 5 (iii) 10 - 12% : 7 (iv) 12 - 15% : 10 Documentary proof to be attached.	10	
8.	Presentation (Mandatory) Bidders will be called for presentation by the concerned committee. In the presentation the bidder may present recommendation regarding <ul style="list-style-type: none"> • asset allocation. • Justification for recommended asset allocation. 	20	

Annexure-2

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Scope of Work

The Investment Advisor shall be required to provide the following services:

1. To provide investment advisory services to the MDI Gurgaon PF Trust Fund (hereinafter severally referred as Trust) with the main goal of maximizing the return without compromising on safety.
2. Developing Investment Policy Document in complete consultation with trust for establishing roadmap for future investments. This document should cover the risk exposure limits in consonance with investment pattern mandatory for provident funds.
3. To analyze the portfolio, the cash flows schedules and investment objectives.
4. To monitor the investments on regular basis and advise the trust regarding re-investment etc.
5. Tracking the Trust's cash flow schedules and to advice on the timing of investment, taking into account the market dynamics.
6. To advise on better compliance of regulatory investment guidelines. This will include the compliance of guidelines of EPFO and any other applicable guidelines of Regulatory Authority.
7. Maintenance of investment data in the form of sheets, MIS reports to be shared with the Trust on periodic basis.
8. End-to-end investment cycle management including category wise recommendation for investible surplus fund, Compilation of quotes, discussing and shortlisting the applicable Category and Instrument for investment.
9. Periodic reconciliation of investment data and cash inflows for the trust through generated MIS reports, investment statements etc.
10. Active fund management for all trust funds towards all categories of investment.
11. To keep the Trust advised on changes/modifications, if any, in regulatory investment patterns.
12. Information on the performance of various Mutual Funds, debt Funds and other funds across investible categories, will also be provided periodically.
13. To ensure complete compliance and other regulatory requirements of the trust.
14. Identifying opportunities for portfolio restructuring with a view towards optimizing the returns obtained by the trust.
15. To perform the above services/works as per scope of service, appointed investment adviser shall depute one qualified and experienced persons of the firm as Relationship Manager/ nodal officer who will make periodic interactions with the Trustees to make investment management/ advisory role meaningful.
16. The bidder should have earned at least 9% return on each AUM in Provident Fund/Pension/Retirement fund trusts managed by bidder during last 03 financial years.

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