

**GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRY AND PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY
UDYOG BHAWAN, NEW DELHI-110011**

EXPRESSION OF INTEREST (EoI)

**Notice Inviting Expression of Interest (EoI) for shortlisting Consultant/
Consultancy Firms for performance improvement consultancy services**

The Department of Heavy Industry, Ministry of Heavy Industry and Public Enterprises, Govt. of India intends to hire a consultancy firm for the subject of performance improvement consultancy services and its implementation in Heavy Engineering Corporation Ltd., Ranchi a CPSE under DHI.

The Department of Heavy Industry invites Expression of Interest (EoI) from agencies, which have requisite experience in this field as detailed in the EoI uploaded on the website of DHI (<http://DHI.nic.in/>). Hard copy of the same can be obtained from the address given below.

The EOI may be submitted in a sealed envelope through Speed Post/Registered Post or delivered by hand super scribing "Performance Improvement in HEC Ltd -EoI proposal" on top of the envelope to the following address. The last date for submission is 3.7. 2015.

Address:

Smt. Vinita Srivastava,
Director, DHI,
Ministry of Heavy Industry and Public Enterprises,
Room No. 123 A
Udyog Bhavan
New Delhi -110011
Tele : : 91-11-23063334.

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for performance improvement consultancy services

for

Heavy Engineering Corporation Ltd., Ranchi, a CPSEs under Department of
Heavy Industry, Ministry of Heavy Industry and Public Enterprise, Govt. of
India

Table of contents

1. **BACKGROUND -----**
2. **ABOUT HEC -----**
 - 2.1 *HEC Operations -----*
 - 2.2 *HEC Strategic Objectives*
 - 2.3 *Performance improvement objectives*
3. **SCOPE OF WORK**
4. **MINIMUM ELIGIBILITY/QUALIFYING CRITERIA FOR THE
SUBMISSION OF EOI BY THE CONSULTANT / CONSULTANCY FIRMS**
5. **EVALUATION CRITERIA FOR THE EOIS**
6. **DOCUMENTS TO BE SUBMITTED AS PART OF EOI**
7. **TERMS AND CONDITIONS**
 - 7.1 *Language of EoI*
 - 7.2 *Disqualification of EOIs*
 - 7.3 *Ministry reserve the right to the following*
8. **SUBMISSION OF EOI**
9. **Important Information & Tentative Dates**

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1. Background

- 1.1. Department of Heavy Industry, Ministry of Heavy Industry and Public Enterprises, has a vision of developing a globally competitive, growth oriented and profitable heavy industry in India; to achieve the same it has set growth and profitability targets for public sector enterprises across automotive, heavy electrical and capital goods sectors.
- 1.2. The department of Heavy Industry, Government of India, through its program of rejuvenation of central public sector enterprises in automotive, heavy electrical and capital goods sectors, seeks to improve the financial standing of Heavy Engineering Corporation.
- 1.3. Heavy Engineering Corporation is one such public sector enterprise in the capital goods sector which Department of Heavy Industry, Ministry of Heavy Industry and Public Enterprises, plans to rejuvenate.
- 1.4. Heavy Engineering Corporation (HEC) a Public Sector Undertaking, under Ministry of Heavy Industry, Government of India, is a leading organization in India.

2. About HEC

HEC was incorporated on 31.12.1958 under the Companies Act, 1956 with the primary objective of achieving self-sufficiency and self-reliance in the field of design and manufacture of equipment and machinery for core sector, especially steel industries.

2.1. HEC Operations

- 2.1.1. Currently, the company is engaged in the manufacture and supply of capital equipment, machine tools and spares needed for the core sector industries namely; steel coal, cement, power, defense, aluminum, ship building and railways etc.
- 2.1.2. The company has three manufacturing units in Ranchi and one project and consultancy division
 - 2.1.2.1. Foundry Forge Plant (FFP)
 - 2.1.2.2. Heavy Machine Building Plant (HMBP)
 - 2.1.2.3. Heavy Machine Tool Plant (HMTP)
 - 2.1.2.4. Project Division (TKP)
- 2.1.3. The re-assessed capacity of the plants as done by NPC are as follows
 - 2.1.3.1. FFP : 28956 T of casting and forgings
 - 2.1.3.2. HMBP : 17658 T of equipment and structures
 - 2.1.3.3. HMTP : 1335 T of machine tools and accessories

2.2. HEC strategic objectives

- 2.2.1. To achieve its vision and mission, HEC has set for itself the following goals.
- 2.2.2. To have sustained growth of 20% and achieve sales/production level of INR 2000 Cr. by 2018-19.
- 2.2.3. To provide adequate return on capital employed, primarily through improvement in operational efficiency, capacity utilization & productivity, in order to generate adequate internal resources to finance the company's growth.
- 2.2.4. To enable each employee to achieve his optimum potential, improve his capabilities, perceive his role and responsibilities and participate in and contribute to the growth and success of the company.
- 2.2.5. To continuously invest in human resources and be alive to their needs, hopes and aspirations.
- 2.2.6. To build a high degree of customer confidence by providing increased value for their money through improved product quality, delivery, performance and customer service.
- 2.2.7. To upgrade and modernize existing facilities with the aim of increasing availability/productivity of machines/equipment and removing bottlenecks; create new facilities to enter into new business areas.
- 2.2.8. To achieve technological excellence in operation by upgrading IT, development of indigenous technology and efficient absorption and adaptation of imported technologies to suit business needs of priorities with a view to providing a competitive advantage to the company.

2.3. Performance improvement objectives

- 2.3.1. The Department of heavy industry seeks performance improvement proposals from consultants to help Heavy Engineering Corporation achieve its growth and profitability objectives.
- 2.3.2. The performance improvement exercise should focus on both cost reduction and sales improvement across the company driving margin improvements and impact on both the topline and bottomline for the company.
- 2.3.3. The performance improvement exercise should generate sustainable business benefits across multiple years.
- 2.3.4. The performance improvement exercise should have a strong controlling and MIS mechanism with Enterprise Resource Planning.
- 2.3.5. The benefits of the performance improvement exercise should be clearly measurable and translate into Heavy Engineering Corporation's financial statement benefits.

3. Scope of work

- 3.1. The performance improvement exercise should be holistic to include both growth and cost reduction objectives.
- 3.2. The performance improvement exercise should cover all functions of the Heavy Engineering Corporation.
- 3.3. The performance improvement exercise should identify both short term and long term improvement measures of Heavy Engineering Corporation.
- 3.4. The performance improvement exercise shall have in scope the following
 - 3.4.1. Diagnosis and opportunity identification through benchmarking and internal analysis of existing activities. This should include review of modernization plan of HEC.
 - 3.4.2. Target setting to achieve the identified opportunity.
 - 3.4.3. Implementation planning with actions to achieve the target.

- 3.4.4. The duration of the performance improvement exercise is expected to be 3 (three) months.
- 3.5. The project term needs to be structured in a way to ensure across functional integration of actions.
- 3.6. The assignment should result in clear assessment of Opportunity Identification, Target Setting and Planning for Implementation by HEC.
 - 3.6.1. Opportunity identification: A diagnostic shall be conducted across all functions of the company to identify areas of development;
 - 3.6.1.1. Functions under the scope may include, among others, the followings in specific context of product identification, design/technology & their possible sources and expected revenue from each product:-
 - 3.6.1.1.1. Sales & marketing
 - 3.6.1.1.2. Manufacturing
 - 3.6.1.1.3. Research & development
 - 3.6.1.1.4. Purchase & supply chain
 - 3.6.1.1.5. Quality
 - 3.6.1.1.6. Finance & controlling
 - 3.6.1.1.7. Working capital
 - 3.6.1.1.8. General & administration (incl. Human resources)
 - 3.6.1.2. The diagnostic needs to be based on interviews with all relevant stakeholders of the company.
 - 3.6.1.3. Additionally, the company needs to be benchmarked against relevant competition on all profitability drivers to identify gap from competition.
 - 3.6.1.4. The results of the diagnostic should clearly identify opportunity areas with quantified potential improvement.
 - 3.6.2. Target setting: Targets to be set on areas among others like sales improvement, functional cost reduction, process improvements. Targets need to be set with the objective of making the company “best-in-class” in the long term. Targets need to be clearly justified based on the identified opportunity and internal capability of Heavy Engineering Corporation along with a realistic path of achievement.
 - 3.6.3. Implementation planning: A detailed implementation plan needs to be developed to achieve the targets
 - 3.6.3.1. Identification of initiatives to achieve the targets set across functions
 - 3.6.3.2. Detailed breakdown of initiatives into actionable steps with timelines
 - 3.6.3.3. Design and set up project management office
 - 3.6.3.4. Change management and communication planning
 - 3.6.4. Association in implementation of the performance improvement programme in HEC
 - 3.6.5. DHI reserves right to change scope of work, if required during the finalization of Bid Process.
 - 3.6.6. Any changes in scope of work, if required, after finalization/ placement of order will be done on mutual cooperation.

4. Minimum eligibility/qualifying criteria for the submission of EOI

Following are the essential qualifying criteria for agency to qualify for the assignment

- 4.1. Should be a private/public limited companies or partnership firms. Individuals are not eligible to participate in this EOI.

4.2. **Global strength of the bidder**

4.2.1. Management consultancy with international presence.

4.2.2. Consulting Workforce of at least 1,200 consultants globally.

4.2.3. Registered an average annual turnover of an equivalent of INR 3,000 Cr globally during last 3 (three) financial years

4.2.4. Delivered at-least 3 (three) significant projects of each at least 6 (six) months duration with Government agencies managing industrial bases in the last 3 (three) years.

4.2.5. Possesses legal mandate and is free from all legal encumbrances to deliver restructuring services.

4.2.6. Should not be encumbered in any way with any existing mandate with HEC, whether or not conflicting.

4.3. **Restructuring and industry competence of the bidder**

4.3.1. Track record of delivering restructuring / performance improvement project for at least 10 (ten) years

4.3.2. Track record of having delivered at least 10 (ten) restructuring projects in last 3 (three) years.

4.3.3. Track record of delivering at least 3 (three) projects of minimum duration of 6 (six) months each, in heavy engineering / engineered product / automotive sectors / process industry engaged in manufacturing, in the last 3 (three) years.

4.4. **India competence.**

4.4.1. Established local presence in India for at least 3 (three) years based on date of incorporation of India entity.

4.4.2. Indian entity should have a track record of profitable operation for the last 2 (two) years.

4.4.3. India track record of having completed restructuring project in heavy engineering / engineered products / automotive sectors.

4.4.4. India track record of having at least 3 (three) consultants currently based in India with each having at least 12 (twelve) months of restructuring experience in heavy engineering/ engineered products / automotive sectors.

4.4.5. India track record of having at least 2 (two) project managers with experience of leading 20+ consultants on restructuring projects of at least INR 2000 Cr Revenue Company in heavy engineering / engineered products / automotive sectors / "25000 Cr Revenue Process Industry engaged in manufacturing". These should have at least 4 (four) years of Industry experience in heavy engineering/engineered products or automotive/ large process industry engaged in manufacturing and 4 (four) years of consulting experience.

4.4.6. The bidder should have global resources available in India to lead the project with a track record of at least 10 (ten) years of working in India and leading large team on restructuring project in India, of which at least 1 (one) is a restructuring project for a client with annual turnover more than INR 2000 Cr in heavy engineering/engineered products or automotive sectors / 25000 Cr process industry engaged in manufacturing. One such resource person shall lead/oversees this restructuring project for Heavy Engineering Corporation, locally.

4.4.7. The bidder should be able to demonstrate a global team of experts with industrial and consulting experience in India.

4.5. The Firm/Bidder should not have been blacklisted by any state government, central government or any other public sector undertaking or a corporation as on the date of EoI. An undertaking to this effect should be submitted.

5. EVALUATION CRITERIA FOR THE EOIS

#	Parameter	Unit	Wt./ Marks	Evaluation Criteria
1	Experience in delivering restructuring projects in heavy engineering /engineered products/ automotive sectors / large process industry engaged in manufacturing (65 marks)			
	A) Experience of having delivered similar consultancy assignments for Government agencies and Ministries globally	Nos.	7	< 3 ----- 0.0 marks 3 nos. ----- 3.5 marks 4 nos. ----- 4.5 marks 5 nos. ----- 5.5 marks 6 nos. ----- 6.5 marks 7 and more ----- 7.0 marks
	B) Aggregate global turnover from restructuring products in last 3 years	Rs. Cr.	7	Less than 10 ----- 0.0 marks 10 to 49.99 ----- 3.5 marks 50 to 99.99 ----- 4.5 marks 100 to 199.99 ----- 5.5 marks 200 to 299.99 ----- 6.5 marks 300 and above ----- 7.0 marks
	C) Number of restructuring assignments undertaken in the last 3 years globally	Nos.	7	Less than 10 ----- 0.0 marks 10 to 24 ----- 3.5 marks 25 to 49 ----- 4.5 marks 50 to 99 ----- 5.5 marks 100 to 149 ----- 6.5 marks 150 and above ----- 7.0 marks
	D) Number of restructuring projects of minimum duration of 12 months each, in heavy engineering/engineered products / automotive sectors, in the last 3 years globally (0 marks given if number is 0)	Nos.	7	1 ----- 3.5 marks 2 ----- 4.5 marks 3 ----- 5.5 marks 4 ----- 6.5 marks 5 and above ----- 7.0 marks
	E) Number of restructuring projects of minimum duration of 12 months each in large process industry engaged in manufacturing, in the last 3 years globally (0 marks given if number is 0)	Nos.	4	1 ----- 2.0 marks 2 ----- 2.5 marks 3 ----- 3.0 marks 4 ----- 3.5 marks 5 and above ----- 4.0 marks
	F) Number of global consulting projects of minimum duration of 6 months each (not necessarily limited to restructuring) in heavy engineering/engineered products / automotive sectors, in the last 3 years.	Nos.	7	3 to 4 ----- 3.5 marks 5 to 6 ----- 4.5 marks 7 to 8 ----- 5.5 marks 9 to 10 ----- 6.5 marks More than 10 ----- 7.0 marks
	G) Number of global consulting projects of minimum duration of 6 months each (not necessarily limited to restructuring) in large process industry engaged in manufacturing,	Nos.	4	3 to 4 ----- 2.0 marks 5 to 6 ----- 2.5 marks 7 to 8 ----- 3.0 marks 9 to 10 ----- 3.5 marks More than 10 ----- 4.0 marks

#	Parameter	Unit	Wt./ Marks	Evaluation Criteria
	in the last 3 years.			
	H) Aggregate turnover from restructuring project for companies with revenue > INR 2000 Cr p.a. in heavy engineering/ engineered products / automotive sectors, in the last 3 years in India (0 marks given if turnover is 0)	Rs. Cr.	12	>0 & < 9.99 ----- 3.0 marks 10 to 19.99 ----- 5.0 marks 20 to 34.99 ----- 8.0 marks 35 to 49.99 ----- 11.0 marks 50 & above ----- 12.0 marks
	I) Aggregate turnover from restructuring project for companies with revenue > INR 25000 Cr p.a. in large process industry engaged in manufacturing, in the last 3 years in India (0 marks given if turnover is 0)	Rs.Cr.	10	>0 & < 9.99 ----- 3.0 marks 10 to 19.99 ----- 4.0 marks 20 to 34.99 ----- 6.0 marks 35 to 49.99 ----- 8.0 marks 50 & above ----- 10.0 marks
2	Relevant experience of project team personnel (35 marks)			
	a) Number of consultants with at least 12 months of restructuring experience in heavy engineering/engineered products / automotive sectors, in last 3 years in India		18	3 ----- 9.0 marks 4 to 5 ----- 12.0 marks 6 to 7 ----- 14.0 marks 8 to 9 ----- 16.0 marks 10 and above ----- 18.0 marks
	b) Number of consultants with at least 12 months of restructuring experience in large process industry engaged in manufacturing, in last 3 years in India		5	3 ----- 2.5 marks 4 to 5 ----- 3.0 marks 6 to 7 ----- 3.5 marks 8 to 9 ----- 4.0 marks 10 and above ----- 5.0 marks
	c) Number of International consultants (based outside India) each with more than 6 months of restructuring experience in heavy engineering/engineered products / automotive sectors, in India (0 marks given if number is 0)		9	1 ----- 4.5 marks 2 ----- 5.5 marks 3 ----- 6.5 marks 4 ----- 7.5 marks 5 or more ----- 9.0 marks
	d) Number of International consultants (based outside India) each with more than 6 months of restructuring experience in large process industry engaged in manufacturing, in India (0 marks given if number is 0)		3	1 ----- 1.0 marks 2 ----- 1.5 marks 3 ----- 2.0 marks 4 ----- 2.5 marks 5 or more ----- 3.0 marks

Only those agencies that score minimum 60% marks on the criteria will be shortlisted. All the successfully shortlisted agencies will be issued RFP containing both technical and financial components.

6. DOCUMENTS TO BE SUBMITTED AS PART OF EOI

- 6.1. Covering letter on firm's letter head
- 6.2. Copy of certificate of incorporation

- 6.3. Memorandum and Articles of association
- 6.4. Profile of the organisation - scope of work, type of services, key achievements,
- 6.5. details of Awards or recognition won etc if any
- 6.6. Curriculum Vitae (CV) of Senior Management (Maximum of 5 members)
- 6.7. Latest audited financial statements (Balance Sheet and P&L account)
- 6.8. Declaration statement on letter head (about not blacklisting by government agencies)
- 6.9. Information pertaining to eligibility criterion and Evaluation Criterion

7. TERMS AND CONDITIONS

7.1. Language of Eol

The Eol, and all correspondence and documents related to Eol exchanged by the Firm/Bidder should be in English.

7.2. Disqualification of EOIs

The Eol submitted by agency is liable to be disqualified if

- i. Not submitted in accordance with the Eol document
- ii. Eol received in incomplete form
- iii. Eol received after due date and time
- iv. Eol not accompanied by all requisite documents

7.3. Ministry reserve the right to the following

- 7.3.1. Reject any or all proposals received in response to the Eol without giving any reason whatsoever
- 7.3.2. Extend the time for submission of Eol
- 7.3.3. Modify the Eol document, by an amendment that would be published on the website

8. SUBMISSION OF EOI

8.1. The EOI may be submitted in a sealed envelope through Speed Post/Registered Post or delivered by hand super scribing "EOI – Performance Improvement in HECL" on top of the envelope to the following address. The last date for submission is. 03. 07. 2015.

Smt. Vinita Srivastava,
Director, DHI,
Ministry of Heavy Industry and Public Enterprises,
Room No. 123-A, Udyog Bhavan
New Delhi –110011
Tele : 91-11-23063334.

8.2. Documents needs to be submitted as soft copies along with the application

9. Important Information & Tentative Dates

EOI number	DHI No. 5-5/2015-PE.V
Date of Issuance of the EOI	29.5.2015
Online link for the EOI document	http://dhi.nic.in
Bidder's Conference / Pre Bid Meeting	15.6.2015
Last date for submission of written questions by bidders	19.6.2015
Response to the Queries	26.6.2015
Last date and time of submission of bids	3.7.2015, 3.00 PM
Opening of Eoi Responses	8.7.2015
Evaluation of the Technical Proposal	Within 2 week
Declaration of Short listed Firms	To be informed later
Contact Person	Smt. Vinita Srivastava, Director, Room No. 123-A, Udyog Bhawan, Maulana Azad Road, New Delhi 110011 Telephone No. : 91-11-23063334. Email – vinita9@gov.in
Alternate Contact Person	Shri Arvind Kumar, Deputy Secretary, Room No. 125-B, Udyog Bhawan, Maulana Azad Road, New Delhi. Telephone No. 91-11-23063864 Email – arvinkumar@nic.in

1. About Company / Organisation

Name of the Organisation / Company		
Type of the Organisation / Company Private Ltd. or Public limited or Partnership firms		
Date of Incorporation		
Registered Office with Address		
Corporate Office with Address		
Offices abroad and address		
Date since Operating in India		
Offices in India and their Address		
Nos. of Consultant	Global	
	India	
Turnover (Global) during last three years in Indian Currency (Rs. Crore)		

2. Details of Significant projects with Government agencies managing industrial bases during Last 3 (three) years.

Name of the project (with small brief)	Name of the Organisation / Agencies	Type of the Organisation / Agency	Duration of the Project	Certificates in Support of the work executed

3. Information Pertaining to Restructuring / performance improvement project undertaken by the Company

(a) Years of Experience in Restructuring/ performance improvement project OR Date since when undertaking Restructuring/ performance improvement project	
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(b) Details of Restructuring / performance improvement project undertaken							
Sl. No.	Name of the Project <i>(kindly attach small brief about project)</i>	Duration of the Project	Year Project was undertaken and Finished	Details of Organisation/ Customer to whom service was provided (in heavy engineering / engineered product / automotive sectors / process industry engaged in manufacturing)			
				Name and Address	Engineering / Process / or any other (mention)	Small/ Medium / Heavy	Products being manufactured

4. Information Pertaining to India Competence

4.1. About Indian Entity and Restructuring Experience

Name of the Indian Entity	Date of Incorporation in India	Profitability of Indian Entity in recent past (provide information for atleast two recent years)	Restructuring project completed in heavy engineering / engineered products / automotive sectors in India (Provide separate brief about project)

4.2. India based Consultants and their experience (Consultants currently based in India their restructuring experience in heavy engineering/ engineered products / automotive sectors).

Sl.	Name of the Consultant with Qualification and Experience	Projects undertaken					
		Name of the Project	Duration of Project	Organisation to whom service was provided			
				Name and Address	Engineering / Process / or any other (mention)	Small/ Medium / Heavy	Products being manufactured

4.3. Information about Project Managers – (Project managers with experience of leading 20+ consultants on restructuring projects of at least INR 2000 Cr Revenue Company in heavy engineering / engineered products / automotive sectors / “25000 Cr Revenue Process Industry engaged in manufacturing”. These should have at least 4 (four) years of Industry experience in heavy engineering/engineered products or automotive/ large process industry engaged in manufacturing and 4 (four) years of consulting experience.

5. Consultancy assignments undertaken in heavy engineering/engineered products / automotive sectors in the last 3 years globally

Sl	Name of the Project with Brief Description	Year in which Project was undertaken	Duration of the Project (months)	Customer to whom services was provided			
				Name with Address	Type and Size (Turnover)	Products being manufactured	Country where located

6. Consultancy assignments undertaken in large process industry engaged in manufacturing in the last 3 years globally

Sl	Name of the Project with Brief Description	Year in which Project was undertaken	Duration of the Project (months)	Customer to whom services was provided			
				Name with Address	Type and Size (Turnover)	Products being manufactured	Country where located

7. Turnover from restructuring Projects (Rs. Crore)

Sl	Restructuring project for companies with revenue > INR 2000 Cr in heavy engineering/engineered products / automotive sectors	restructuring project for companies with revenue > INR 25000 Cr p.a. in large process industry engaged in manufacturing
Year 1		
Year 2		
Year 3		

Note : To be certified by Chartered Accountant (In case of doubt/dispute, relevant workorders may be asked)

8. Information pertaining to experience of project team

SI	Name and Qualification of the Consultant / Personnel	Whether Internal Consultant based outside India	Consultancy Experience								
			Experience in Years/ months	No. of Projects Undertaken		Details of Restructuring Projects undertaken					
						Project name / details	Duration of Project	Year in which project undertaken	Customer to whom service was provided		
				Total	Restructuring Projects				Name and Address	Classification #	Products being manufactured

Heavy engineering / engineered products / automotive sectors / Process Industry in manufacturing