

OFFICE OF EXECUTIVE DIRECTOR (HR)

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EDHR/Comp.Consultancy/10363

Date: 29.03.2008

UNDER CERTIFICATE OF POSTING

REQUEST FOR PROPOSAL

To

Sub: Consultancy services for deciding compensation
(salary structure) and benefits to the employees
of MSEDCL.

Dear Sir,

The MSEDCL is the largest power distribution company in India which is powered by the knowledge and passion of our dedicated 75000 employees. We have a base of over 14 million consumers and need to fulfill their expectations. In last one year, there are major changes in philosophy of our company and we have been able to achieve many successes. Continued success propels our ambitious objective of bracing new targets through well formulated plans. Therefore, there is a need to develop a conducive and supportive atmosphere in company and make their jobs enriched by adopting financial and non-financial compensation methods.

....1/-

You are hereby invited to submit technical and financial proposals for consultancy services required for deciding compensation (salary structure) and benefits for employees of MSEDCL.

Terms of Reference (TOR)

The objectives of the study are,

- a) To determine MSEDCL financial compensation philosophy in the light of challenges faced by the company from other players and to enhance motivation of the employees to achieve its goals.
- b) To study the existing non-financial compensation and suggest improvement in the same.

Detailed Scope of work:

The scope of work is as follows:

- a) Understand the current cash and non-cash components.
- b) Understand the various provisions of the current Terms and Conditions of service impacting compensation aspects.
- c) Understand the cultural aspects of current compensation philosophy of ours and need of changes required in the same due to change in an environment.
- d) Detailed compensation Survey of compensation components across identified comparators.
- e) Study promotion policy and suggest any changes if required.
- f) The method /suggestions to offset additional financial burden.

Deliverables:

The following deliverables are identified:

- a) Statement of MSEDCL's compensation philosophy in line with its vision and the changes identified for implementing the same.
- b) Detailed compensation report level wise, grade wise, function wise and qualification wise.
- c) Detailed recommendations on cash and non-cash incentives for employees.
- d) Financial implications for implementation of recommended compensation.

...2/-

Important Note

The compensation (salary structure) and benefits are to be rolled out w.e.f. 1.4.08. As such, the envisaged assignment should be completed by the end of July 2008, to ensure acceptance and implementation and MSEDCL envisages around 03 months of effort during the entire course of the assignment.

Submission of Proposals:

The proposals shall be submitted in two parts, viz., Technical and Financial.

The “ **Technical**” and “**Financial**” proposals shall be submitted in two separate sealed envelopes (with respective marking in bold letters). The first envelope marked “ Technical proposal” should also include the details of the firm/ organisation. The first envelope should not contain any cost information whatsoever. The second envelope marked “ FINANCIAL PROPOSAL” must also be sealed with sealing wax and initiated twice across the seal and shall contain the detailed price offer for the consultancy services.

Both the sealed envelopes should again be placed in a sealed cover which will be received in the office of the Executive Director (HR) 6th floor, Prakashgad, Station Road, Bandra (East), Mumbai- 400 051 upto 15.00 Hrs. on 11th April, 2008.

Opening of Proposal

The proposals (first envelope containing technical proposal only) will be opened by the Executive Director (HR) or his authorized representative in his office at 16.00 Hrs. on 15th April, 2008 in presence of such consultant (s) or their authorized representative (s) who may choose to be present. It may please be noted that the second envelope containing the detailed price offer will not be opened until technical evaluation has been completed and the result approved by the Committee nominated for it.

...3/-

Evaluation

The Consultant will have to give presentation on Approach and Methodology of completing the assignment including duration for its completion after 15th April, 2008.

Deciding award of contract

The quality and competence of consultancy agency shall be considered as paramount requirement. The credential of consulting agency, team structure, team experience in the power sector and familiarity with working environment of Maharashtra will be the factors while evaluating the technical bid. The weightage will be given to technical evaluation. The price offer shall be inclusive of all travel and out of pocket expenses. The company reserves right to reject any or all offers without assigning any reason(s).

Validity of Proposal

You are requested to hold your proposal valid for 30 days from the date of submission without change of the personnel proposed for the assignment and your proposed price. The Company will make the efforts to select a consultant firm without this period.

Indirect Expenses

Please note that the cost of preparing a proposal and of negotiating a contract including visits to sites, if any, are not reimbursable as a direct cost of the assignment.

Responsibility

We wish to remind you that only you and not any other consulting firm with which you might be associated with, will be held responsible in case of any wrong activity or delay.

Liaison & Management

The consultant will report on all matters to the Executive Director (HR) or his authorized representative and guided by him and Board of Directors from time to time.

...4/-

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We would appreciate if you inform us by facsimile your acknowledgement of receipt of the letter of invitation and whether you are willing to submit the proposal or otherwise.

Thanking you,

Yours faithfully,

Executive Director (HR)