

**6<sup>th</sup> State Finance Commission**  
**Invitation for Expression of Interest**  
**for undertaking studies on various themes related to Terms of**  
**Reference of the Commission**

<b>I. Context of the Project / Study</b>
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In pursuance of the provision of Articles 243-I and 243-Y of the Constitution of India and section 213 of the Haryana Panchayati Raj Act, 1994 (Act 11 of 1994) and rule 3 of the Haryana Finance Commission Rules, 1994, the State Government of Haryana constituted the 6<sup>th</sup> State Finance Commission (SFC). As per the Constitutional Amendment, each Commission should be established to give recommendations for five years and then the body of subsequent Commission will be constituted. The objectives of this exercise are: (1), distribution from the states to the panchayats and municipalities of the net proceeds of taxes, duties, tolls, and fees; (2), determination of taxes, duties, tolls, and fees to be assigned to the PRIs and ULBs; (3), grants-in-aid to the PRIs and ULBs; and (4), review the measures required to mend and improve the fiscal position of the PRIs and ULBs. The State Finance Commission plays a crucial role in the efficient fiscal decentralization scheme which aims to diminish the adhocism and arbitrariness in the intergovernmental fiscal transfers system at the state and local levels. In addition, the recommendations of State Finance Commission, followed by their acceptance or non-acceptance, would serve as the predominant inputs to the award of Union Finance Commission.

In this context, based on the aforementioned broad objectives, the Commission has to specifically make recommendations relating to the following matters:

**1. Improving the fiscal autonomy of all the three tiers (Gram Panchayats at Village level), Panchayat Samitis at Block level, and Zilla Parishads at District level) of Panchayati Raj Institutions (PRIs).**

(a) Commission shall make recommendations relating to the following matters:

- (i) The distribution between the State and Zila Parishads, Panchayat Samitis and Gram Panchayats, of the net proceeds of the taxes and duties, tolls, and fee leviable by the State which may be divided between them under Part IX of the Constitution of India and the allocation between Zila Parishad, Panchayat Samiti and Gram Panchayats at all levels of their respective shares of such proceeds;
- (ii) The determination of the taxes, duties, tolls, and fee which may be assigned to or appropriated by, the Gram Panchayat Samitis and Zila Parishads;
- (iii) The grants-in-aid to the Zila Parishad, Panchayat Samiti and Gram panchayat from the consolidated fund of the State;
- (b) the measures needed to improve the financial position of the Gram Panchayats, Panchayat Samitis and Zila Parishads.

**2. The specific measures needed to improve the fiscal health of the Urban Local Bodies (Municipalities) are:**

- (i) The distribution between State and the Municipalities of the net proceeds of the taxes, duties, tolls, and fee leviable by the State, which may be divided between the municipalities at all levels of their respective shares of such proceeds;
- (ii) The determination of the taxes, duties, tolls, and fee which may be assigned to or appropriated by the Municipalities;
- (iii) The Grants-in-aid to the Municipalities from the Consolidated Fund of the State;

**3. In making its recommendations, the Commission shall have regard, among other considerations to:**

- a. The objective of balancing the receipts and expenditure of the State, and for generating surplus for capital investment;
- b. The resources of the State Government and demands thereon particularly in respect of expenditure on Civil Administration, maintenance and upkeep of capital assets, maintenance expenditure on plan schemes and other committed expenditure or liabilities of the State; and
- c. The requirements of the PRIs and the Municipalities, their potential for raising resources and for reducing expenditure.

**II. Title, Objective and Deliverables of Studies**

Title of the Study	Objectives	Deliverables
<b>Devolution of funds to ULBs under State Finance Commissions in Haryana: A critical review</b>	<ol style="list-style-type: none"> <li>1. To study the recommendations of the SFCs with respect to devolution and grants to ULBs</li> <li>2. To analyze the conditions imposed by the SFCs in the release and utilization of the funds to ULBs.</li> <li>3. To study the extent up to which conditions imposed by the SFCs have been adhered to and to ascertain whether fund flows to ULBs are in compliance with the state objectives on timely release and untied nature of the grants.</li> <li>4. To study the orders/instructions issued by the Department of Finance (DoF) that operationalized the process and conditions for the</li> </ol>	<ol style="list-style-type: none"> <li>1. Trend and flow of the transfer of funds to different categories of ULBs recommended by the previous SFCs.</li> <li>2. Utilization of SFCs' grants and its compliance with the given conditions by the SFCs.</li> <li>3. Expenditure covered under various schemes of SFCs' grants and expenditure covered under state budget and other sources.</li> <li>4. Identification of possible overlapping among the funds transferred to the ULBs through various sources.</li> <li>5. Operationalizing orders and instructions of the Finance /</li> </ol>

	<p>release of grants to ULBs.</p> <p>5. To identify whether the SFC's grants to ULBs have been subsumed and used for substitution of state grants to municipalities.</p> <p>6. To study whether the SFC funds have been changed into 'schemes' by the States and if the nature of the grant has changed from general purpose to a conditionality based specific purpose.</p> <p>7. To suggest the devolution criteria, quantum, and distribution method among the ULBs of different categories to the sitting sixth State Finance Commission of Haryana. Also suggest how to marry the SFC devolution with the 15<sup>th</sup> FC recommended criteria of performance – tied and untied grants.</p>	<p>UD Departments</p> <p>6. Analyzing the needs of different categories of ULBs and the gaps in the previous SFCs' recommendations on the basis of which the criteria of devolution may be recommended by the Sixth State Finance Commission</p> <p>7. Study Report needs to address the objectives of the study in detail. The key deliverables suggested to be:</p> <ol style="list-style-type: none"> <li>1. Inception report consisting literature review, research objectives and key research questions, data sources and methodology, scope of work, tentative chapter scheme, timeline of all the deliverables, limitations etc.</li> <li>2. Draft report</li> <li>3. Final report.</li> </ol> <p>Consultant supposed to be in the constant touch with the commission and required to make the presentations before submission of each and every report to seek the views and comments of the commission/ expert group and make the changes accordingly.</p>
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### III. Timeline

- The studies will have to be completed within a period of Four months.
- This commission reserves the right to alter/modify the proposed Terms of Reference of the studies. However, the changes proposed, and the cost/time implications would be negotiated with the consultant.

### IV. Cost

Cost would depend on the financial bids submitted by the qualified applicants. The technical and financial bids shall be evaluated by a committee constituted by the Commission.

## **V. Who can submit Expression of Interest (EOI)**

1. The organizations/ institutions/ agencies are eligible to apply who have conducted studies for the SFCs or Central Finance Commission on the matters pertaining to local govt. institutions (both ULBs and PRIs).
2. State/ National level institutions providing capacity building support to ULBs and PRIs on various aspects of local governance, planning and finances.
3. The organizations/ institutions/ agencies should be a legal entity eligible to enter into an agreement/ contract with the Commission to undertake work contract in India. It should have experience in conducting large scale research studies in the field of Rural Development & Urban Development and an average annual turnover of rupees two crore for the last 3 years.

## **VI. How to Apply.**

Interested organization/ institution/ agency who satisfies the conditions mentioned in above may submit the expression of interest with relevant details in the 'Proforma' attached. The scanned copy of EOI application in the prescribed Proforma duly signed by the authorized person in each page shall be submitted only through email before 7<sup>th</sup> May, 2021 at [info-6sfc@hry.gov.in](mailto:info-6sfc@hry.gov.in)

## **VII. Selection & Evaluating of Agency**

### **1. The Evaluation Process:**

1.1. The Commission shall first evaluate the pre-qualification proposal as per the pre-qualification criteria detailed below. The Technical Proposals of only those institutions who qualify in the prequalification proposals shall be opened. The technical evaluation will be done on the basis of the institutions responsiveness to the evaluation criteria provided. Financial proposals of only those organizations who are technically qualified will be opened.

1.2. The evaluation will be done using the Quality & Cost Based Selection (QCBS). The organization with the lowest financial evaluations will be scored the highest. The final score will be calculated using the combination of technical and financial scores. 70% Weightage will be given to the technical score, and 30% to the financial score. The institution with the highest combined total score will be selected.

## 2. Pre-Qualification criteria:

S. No	Criteria
1	The Institution should be a legal entity, eligible to undertake a work contract in India and enter into an agreement with the State Finance Commission
2	The Institution should have a minimum of 10 years of experience in conducting large scale studies with various government/private institutions in urban and rural areas in India as on March 31, 2021.
3	The Institution should have experience in working with State/Central Government departments for research/consulting or advisory.
4	The Institution must have an average annual turnover of minimum INR 2 crores during the last 3 financial years ending March 31, 2020 from operations in India
5	The Institution should not be blacklisted or debarred by Government or Government agency as on date of the submission of the proposal.

## 3. Technical Evaluation Criteria:

	<b>i. Previous Experience</b>	<b>Maximum Marks</b>
<b>3.1</b>	1. The Institution should have experience in doing large scale research studies for rural and urban development in India. • Marks will be awarded for up to 3 studies each in rural and urban areas • 3 marks each for studies conducted	18
	2. Experience in conducting large scale research studies with state or central governments or departments in the last 5 years • 2 marks per project up to maximum of 6 marks	6
	3. Experience in conducting studies related to financial management, fiscal prudence or related • 2 marks per project up to maximum of 6 marks	6
	4. Prior Experience of working with State/ Central Finance Commission. The project should be initiated in the last 7 years. Preference will be given to more recent collaborations.	5
	<b>Total Score for criterion i</b>	<b>35</b>

<b>ii Proposed Approach &amp; Methodology</b>		
S.No	Criteria	Maximum Points
1	Proposed Approach & Methodology	20
1a)	Overall Understanding of the task – 6 marks	6
1b)	Detailed approach and methodology – 14 marks	14
2	Technical Presentation	10
	<b>Total Score for Criterion ii</b>	<b>30</b>

<b>2.3</b>	<b>iii Qualification&amp; Experience of Team proposed</b>
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S. No	Criteria	Maximum Marks
1	Project Lead	6
2	Subject Matter Expert (Technical Lead)	5
3	Urban research team	12
4	Rural research team	12
<b>Total Score for criterion iii</b>		<b>35</b>
<ul style="list-style-type: none"> <li>Age of proposed members should not be more than 65 years as on March 31, 2021</li> </ul> <p>The CVs will be evaluated on the basis of the relevant experience and qualification of the proposed research team. 30% weightage will be given to the qualification and remaining 70% to their relevant experience.</p>		
<b>Total score for criterion i + ii + iii</b>		<b>100</b>

## Annexure Proforma

(Please e-mail scanned copy to [info-6sfc@hry.gov.in](mailto:info-6sfc@hry.gov.in))

### Expression of Interest for undertaking studies on various themes related to Terms of Reference of the Commission

**Name of the Organization/Institution/Agency:**

**Contact Person:**

**Address:**

**Phone-**

**E-mail-**

**Fax-**

<b>A. Details of large-scale research studies completed in the field of Urban Development/Rural Development since 2010</b>					
Sl. No.	Title of the research studies/projects	Name of Client & Address	Date of Project		Value (in Rs.)
			Commencement	Completion	
<b>1</b>					
<b>2</b>					
<b>3</b>					
<b>B. Professional/Technical Human Resources of the organization as on the date of submission the EoI(Do not attach CVs) (in Numbers)</b>					
		Engaged in the field of ULBs/PRIs	Other field	Total	
	Purely research manpower				
	Purely technical manpower				
	Both research and technical manpower				
<b>D. Annual turnover of from research/survey/consultancy services (Rs. in lakh)</b>					
Year 2017-18					
Year 2018-19					
Year 2019-20					
<b>C. Experience for any association with the earlier State/Central Finance Commission (in brief)</b>					

### **Proforma: Technical Proposal**

Please provide your proposal in the following format:

1. Proposed Study (Please Specify)
2. Methodology
3. Deliverables
4. Timeline
5. Budget

### **CERTIFICATE**

It is certified that:

1. The information given above is TRUE to the best of my knowledge. The organization shall stand liable for any information given above which is later found to be FALSE.
2. Our agency/organization/institution is interested to undertake the proposed study with the Commission.
3. I am competent to sign this Certificate.

Date:

Authorized Signatory

Place:

Name: