REQUEST FOR PROPOSAL (RFP)

Appointment of Statutory Auditors for the Financial Year

From July 01, 2019 To June 30, 2020

CATTLE MARKET MANAGEMENT COMPANY, MULTAN (CMMCM)
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CATTLE MARKET MANAGEMENT COMPANY, MULTAN DIVISION

Letter No: _____________  Date: _____________

To

________________________________________

SUBJECT: LETTER OF INVITATION

1. Cattle Market Management Company, Multan (CMMCM) is a Public Sector Large scale Organization duly registered with the Registrar Joint Stock of Companies (RJSoC) under Section 42 (not-for-profit) of the Companies Act, 2017 (Repealed Companies Ordinance 1984).

2. CMMCM invites sealed proposals from the Chartered Accountant Firms to provide “Statutory Audit Services” for the Financial Year July 2019 – June 2020 for the Company. More information about the eligibility criteria & services are provided in the Terms of Reference annexed with the RFP documents. Interested bidders should provide information indicating that they are qualified to perform the services on the prescribed forms given in the RFP documents.

3. The RFP includes the following documents:

   □ Letter of Invitation
   □ Instructions to Chartered Accountant Firms
   □ Terms of Reference
   □ Evaluation Criteria
   □ Type of Contract
   □ Payment Mode

4. One set of each “Technical Proposal” and “Financial Proposal” on the prescribed forms given in the RFP, separately sealed, signed & stamped, must be delivered to the address given below by not later than October 21, 2019 till 02:00 P.M, which will be opened on same day at 02:30 P.M, in the presence of the representatives of the firms who may wish to attend.

Yours sincerely,

MANAGING DIRECTOR
Cattle Market Management Company, Multan
(061-9330511, 6772082, 0300-7342744)
Instructions to Chartered Accountant Firms

General Provisions:

a) Company detail and profile showing experience in similar field.
b) Copy of registration with ICAP.
c) Copy of certificate with regard to satisfactory QCR Rating of ICAP/SECP.
d) Copy of list of approved auditors having category “A” as per State Bank of Pakistan.
e) Copy of NTN certificate.

Specific Provisions:

1. Evidence of number of partners working in the chartered accountant firm (Names & addresses etc. of partners).
2. Evidence of number of qualified chartered accountants hired by the firm (Provide list)
3. Evidence of external audit clients (Relevant evidence)
4. Evidence of external audit services clients within government sector (Relevant evidence)
5. Profile of staff deployed including their qualification & experience
6. Evidence of membership with global audit firm (Affiliation status letter)
7. Names and addresses of offices in Pakistan (at least 4) including key contact person in those offices.
9. Affidavit on Rs.100/- stamp paper to the effect that the firm is not blacklisted and has no dispute with any Government organization shall be furnished.
10. All the pages of bidding documents and in case having any erasing/ cutting/ crossing or over writing etc., therein, must be properly signed by the signing person of the bidder by the authorized signatory, who have been given power of attorney on company letter head (be enclosed with bidding documents, if any), along with attested copy of his CNIC.
11. Offer shall not be considered if received after the time and date fixed for its receipt.
THE BIDDING PROCESS

Bids will be selected in accordance with the Rule 38 (2) (a) of Punjab Procurement Rules (PPRA) - 2014, as a Single Stage – Two Envelope Bidding Procedure. The bidding process will be as under:

1. The bid shall be a single package consisting of two separate envelopes containing separately the financial and the technical proposals;
2. The envelopes shall be marked as “TECHNICAL PROPOSAL” and “FINANCIAL PROPOSAL” in bold and legible letters.
3. The envelope No.1 should contain the complete Technical Bid and undertaking for technical proposal submission. **Annex-B**
4. Both the above mentioned envelopes should be put in one large envelope, super scribed “This envelope contains two duly sealed envelopes containing Tender Document and the Price Bid for providing External Audit Services – in two separate duly sealed envelopes clearly marked so”.
5. The bidder must quote his price as per format **Annex-C**. The rate(s) quoted should be inclusive of all kind of taxes and must be quoted in figure as well as in words. Out of pocket expenses for the assignment shall be quoted separately.
6. In the first stage, only the envelope marked “TECHNICAL PROPOSAL” shall be opened and the envelope marked as “FINANCIAL PROPOSAL” shall be retained without being opened;
7. The technical proposals of all the bidders shall be evaluated. The proposals which meet all the technical eligibility criteria laid down in this document shall be accepted for the second stage.
8. During technical evaluation no amendments in the technical proposal shall be permitted.
9. The financial proposals of selected bidders shall be opened publicly at a time, date and venue announced and communicated to the bidders in advance. The financial proposals of the rejected bidders shall be returned un-opened.
10. Both the proposals will be evaluated according to the evaluation criteria and the bidder scoring highest points shall be declared as successful and a written Contract Offer will be made to the successful bidder after a minimum of 10 working days of the opening of financial proposals.
11. The service provider will also sign an undertaking with the CMMCM, Multan in which the completion of work will be ensured as per **Annex-A**.
Terms of Reference

1. Company Background:

Cattle Market Management Company, Multan (CMMCM) is a company limited by guarantee and established u/s 42 of the Companies Act, 2017 (Repealed Companies Ordinance, 1984) with the object to establish, organize, manage, operate and regulate cattle market.

2. Statutory Auditors:

2.1 Scope:

The Company intends to appoint its statutory auditors to audit the Financial Statements of the Company for the period ending June 30, 2020 as per the scope defined in the Companies Act, 2017 (Repealed Companies Ordinance, 1984) and International Standards on Auditing (ISA) 200.

2.2 Deliverables:

Auditors will be required to give their opinion on Financial Statements of the Company as per the requirements of Companies Act, 2017 (Repealed Companies Ordinance 1984) and Auditing standards.

3. Tenure of Audit:

External Auditors will be appointed for the Financial Year July 2019 to June 2020 that will be extendable up to three financial years i.e. June 2022 as per law, if mutually agreed between the parties.

4. Covering Letters:

Covering letter (if any) must be addressed to Managing Director, CMMCM, 132-D, Shah Rukn-e-Alam, Multan

5. Queries:

Queries of the Bidders (if any) for seeking clarifications must be received in writing to CMMCM within 10 days after publication of bid notice. The queries reached latter will not be entertained.
Evaluation Criteria

The Company will use “Least Cost method of Selection Method” under “Single Stage Two Envelope Methods” of selection of External Auditors under Punjab Procurement Rules, 2014. Criteria for Technical and Financial Evaluation are enclosed. Scores will be allocated based on evidence available in the proposal only. The assignment for audit services will be awarded to the firm with the highest total score based on the following weight ratios:

- 70% for Technical Score
- 30% for Financial Score

Technical and Financial Evaluation

(A) Initial Screening

The following documents/ certificates are the pre-requisite and may be used for initial screening. The Chartered Accountant firm will go in the next stage if it fulfills all the requirement of initial screening which are as under:

1. The firm must be “A” ranking as per State Bank of Pakistan;
2. The firm must have office in Multan
3. Declaration on stamp paper regarding non-black listing / delisting
4. Satisfactory QCR Rating of ICAP
5. NTN Certificate

(B) Technical Evaluation:

The Firms will be evaluated as per following criteria:

1. Number of Partners in the firm within Pakistan
2. Number of ICAP qualified Chartered Accountants employed by the firm in Pakistan
3. Number of offices in Pakistan along with addresses and detail of contact persons;
4. Office in Multan along with address and detail of contact persons
5. Number of audit Staff
6. Experience of Govt. / Semi Govt. Organization Audits

Minimum score for competing in the next stage is 65%. The Financial Proposal of only that Chartered Accountant Firm will be opened which secured 65% or more in the Technical Evaluation.

<table>
<thead>
<tr>
<th>1. Number of Partners</th>
<th>Total Marks</th>
<th>Range of Partners</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least 10 (Attach list of Partners)</td>
<td>15</td>
<td>1-4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5 – 10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More than 10</td>
<td>15</td>
</tr>
<tr>
<td>2. Number of Qualified Chartered Accountants Employed by Firm in Pakistan</td>
<td>Total Marks</td>
<td>Range of Qualified Chartered Accountants</td>
<td>Marks</td>
</tr>
<tr>
<td>-------------------------------------------------</td>
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<tr>
<td>At least 20 (Attach list)</td>
<td>15</td>
<td>1 – 10</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11 - 20</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More than 20</td>
<td>15</td>
</tr>
<tr>
<td>3. Number of offices in Pakistan</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>At least 4 (Attach addresses)</td>
<td>15</td>
<td>1</td>
<td>5</td>
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<td></td>
<td></td>
<td>2-3</td>
<td>10</td>
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<td></td>
<td></td>
<td>More than 3</td>
<td>15</td>
</tr>
<tr>
<td>4. Office in Multan</td>
<td>15</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td>5. Number of Audit Staff</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At least 50 Staff (Attach list of Staff)</td>
<td>20</td>
<td>1 – 25</td>
<td>5</td>
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<td></td>
<td></td>
<td>26-50</td>
<td>10</td>
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<tr>
<td></td>
<td></td>
<td>More than 50</td>
<td>20</td>
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<tr>
<td>6. Govt. / Semi Govt. Experience</td>
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</tr>
<tr>
<td>Experience of at least 5 Govt. / Semi Govt. Organization’s Audit in last 5 years</td>
<td>20</td>
<td>05</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>06 – 10</td>
<td>12</td>
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<tr>
<td></td>
<td></td>
<td>More than 10</td>
<td>20</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
(A) Financial Evaluation:

Financial Proposals of only Technically Qualified Firm will be opened. The Firm getting maximum marks on 70-30 weight age (70% for Technical and 30% for Financial) will be selected.

Max 30 Points:
The formula for determining the Financial Score is the following:
\[ S_f = 100 \times \frac{F_m}{F} \]

Where, \( S_f \) is the Financial Score; \( F_m \) is the Lowest Price and \( F \) the Price of the Proposal under consideration.

The weights given to the Technical (T) and Financial Proposals (F) are:

\( T = 0.70 \) and \( F = 0.30 \)

Type of Contract

The Company (CMMCM) will enter into a lump sum contract with the successful bidder. The initial duration of the Contract for audit service will be for the Financial Year July 2019- June 2020.

Payment Mode

The Company undertakes to pay valid invoice in full within thirty (30) days from the providing of invoice as per agreed deliverables.
Annex-A

CERTIFICATE

1. Proposal duly signed must be furnished along with the following certificate:

   i. I/We hereby confirm to have read carefully all the terms & conditions of your Request for Proposal, due for opening on October 21, 2019 at 02:30 PM for provision of External Audit Services of CMMCM for the financial year Jul 2019 to June 2020. In addition to the conditions we also agree to abide by all the special instructions mentioned in tender document. We also hereby categorically confirm that we are fully capable to provide services of external auditors & tax advisors as laid down in the terms of reference.

   Signature: ________________________________

   Name & Address of Tenderer ________________________________

   Designation & ID Card No. ________________________________

   NTN ________________________________

   GST/ PRA Reg No. ________________________________

   Date: ________________ Official Seal: ________________________________

I. WITNESS

   Signature: ________________________________

   Designation & ID Card No. ________________________________

II. WITNESS

   Signature: ________________________________

   Designation & ID Card No. ________________________________
Annex-B

Technical Proposal Submission Form

To:

Managing Director,
Cattle Market Management Company,
Multan.

Dear Sir,

We, the undersigned, offer to provide the External Audit Services in accordance with your Request for Proposal dated ________________ we are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope.

Attached to this proposal/bid are copies of original documents specifying:

- Profile of the Firm, including
- Name, title, phone numbers, and email of authorized representative.
- Registration certificate of Institute of Chartered Accounts of Pakistan (ICAP).
- Valid NTN & PNTN number.
- Partnership registration certificate with registrar of firms.
- Declaration on stamp paper that the firm has never been blacklisted by any Government department/authority/agency/company.
- Annual financial statements of the firm for the last three financial years.
- Experience of Govt. / Semi Govt. Organization Audits & Tax Advisory
- Other documents as required in the proposal for evaluation purposes.
- Copy of certificate with regard to satisfactory QCR Rating of ICAP/SECP.
- Copy of list of approved Auditors having Category “A” as per State Bank of Pakistan.

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification. The client and its authorized representatives are hereby authorized to conduct any inquiries or investigations to verify the statements, documents and information submitted in connection with this application, and to seek clarification from our bankers and clients regarding any financial and technical aspects. The letter of application will also serve as authorization to any individual or authorized representative of any institution referred to in the supporting information, to provide such information as deemed necessary and requested by the client or its authorized representative in order to verify statements and information provided in this application, or with regard to the resources, experience, and competence of the firm.

If negotiations are held during the period of validity of the Proposal, i.e. we undertake to negotiate on the basis of the proposed staff/facilities. Our Proposal is binding upon us and subject to the modifications resulting from Agreement negotiations.

Contact no. 061-9330511, 0300 7342744,
We undertake, if our Proposal is accepted, to initiate the required services not later than the date indicated in RFP.

We understand you are not bound to accept any Proposal you receive.

Yours sincerely,

Authorized Signature: ____________________________

Name and Title of Signatory: ____________________________

Name of Firm: ____________________________

Address: ____________________________

Contact no. 061-9330511, 0300 7342744,
Annex-C

BID PROFORMA

<table>
<thead>
<tr>
<th>SR.NO.</th>
<th>DESCRIPTION</th>
<th>AMOUNT (PKR) (for financial year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>External audit fee</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Out of pocket expenses</td>
<td></td>
</tr>
</tbody>
</table>

Total Fee for Audit Services (A)

TOTAL (in words)

Contact no. 061-9330511, 0300 7342744,