

PUNJAB THERMAL POWER (PVT.) LIMITED
GOVERNMENT OF THE PUNJAB

REQUEST FOR PROPOSAL (RFP)
for hiring of
INTERNAL AUDIT SERVICES

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PUNJAB THERMAL POWER (PRIVATE) LIMITED

1. BACKGROUND:

1.1. Punjab Thermal Power (Private) Limited (**PTPL**) (“**the Employer**” or the “**Company**”) is a private company limited by shares, incorporated under the aegis of Companies Act, 2017 owned by Government of the Punjab with main objective of establishing and operating 1263 MW Re-Gasified Liquefied Natural Gas (RLNG) based thermal power plant at Jhang.

2. ROLE & OBJECTIVES OF ASSIGNMENT:

2.1. The Public Sector Companies (Corporate Governance) Rules, 2013 (“**the Rules**”) requires the establishment of an efficient and effective internal financial reporting mechanism under the control and directions of the Audit Committee constituted by the Board of Directors (“**BOD**”).

2.2. Internal audit function is being outsourced by the Company and overall setup of this function would consist of an outsourced Internal Audit Firm (“**Auditors**”) alongwith an in-house Chief Internal Auditor (“**CIA**”) to act as a main liaison person between the Auditors and the BOD/Management of the Company.

The Auditors should assist the Company to accomplish its objectives viz-a-viz requirements of the internal audit function in light of the Rules.

3. SCOPE OF SERVICES:

3.1. The Auditors must perform and audit be conducted in accordance with the Terms of Reference and direction of the Audit Committee.

- 3.1.1.** Evaluating risk exposure relating to achievement of the organization’s strategic objectives.
- 3.1.2.** Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.
- 3.1.3.** Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organization.
- 3.1.4.** Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- 3.1.5.** Evaluating the effectiveness and efficiency with which resources are employed.
- 3.1.6.** Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- 3.1.7.** Monitoring and evaluating governance processes.
- 3.1.8.** Monitoring and evaluating the effectiveness of the organization's risk management processes.
- 3.1.9.** Performing consulting and advisory services related to governance, risk management and control as appropriate for the organization.
- 3.1.10.** Reporting periodically on the internal audit activity’s purpose, authority, responsibility, and performance relative to its plan.
- 3.1.11.** Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Audit Committee.

- 3.1.12. Evaluating specific operations at the request of the Audit Committee or Management, as appropriate.
- 3.1.13. The Auditors must assist the Audit Committee in maintaining effective controls by evaluating those controls and by developing recommendations for enhancement or improvement.
- 3.1.14. Assisting the Audit Committee, and through them, the BOD and Management in the effective discharge of their responsibilities by furnishing them with the analysis, appraisals, recommendations, and information concerning the activities reviewed and regular follow up.
- 3.1.15. The Auditors must, in consultation with the Audit Committee, prepare:
 - a) A one-year strategic Internal Audit Plan based on its assessment of key areas of risk for the public entity, having regard to its current operations, the operations proposed in its corporate or strategic plan and its risk management strategy;
 - b) An annual Internal Audit Plan, to be submitted at start of each contract year;
 - c) Plans indicating the scope and timelines of each audit in the annual Internal Audit, to be submitted at start of each contract year;
 - d) Audit Reports directed to the Audit Committee detailing its performance against the plan to allow for effective monitoring and intervention where necessary.

4. EXPECTED OUTCOMES AND DELIVERABLES:

4.1. The Internal Audit Firm will be conducting **monthly audit** and reporting to the Audit Committee on Quarterly basis. The Quarterly Audit Reports will be provided to the Audit Committee within 3 weeks of end of quarter. The structure of the Internal Audit Report is to be as follows:

- a) Introduction;
- b) Audit objective and scope;
- c) Background;
- d) Assurance level provided to different areas of control environment as per COSO framework for Internal Audit;
- e) Executive Summary highlighting significant findings;
- f) Findings, recommendations & Management responses (including implementation dates);
- g) Status of all open and closed items carried forward from last quarter (if applicable);
- h) All audits are to be carried out according to the internal Audit Plan approved by the Audit Committee;
- i) Conclusion; and
- j) The Auditors are to deliver to the Chairperson of the Audit Committee and the CEO of the Company an electronic copy and one signed copy of the Final Report.

5. REQUEST FOR PROPOSAL:

5.1. PTPL invites Request for Proposals (“**RFP**”) for hiring of Auditors from well reputed, registered and experienced audit firms in terms of Punjab Procurement Rules, 2014 (“**PPRA Rules**”) through national competitive bidding.

5.2. The services of the Auditors shall be hired for a period of one (01) year effective from July 1, 2020, which term may be extended upto two terms of one (01) year each, at the discretion of the Company and subject to satisfactory performance.

6. ELIGIBILITY CRITERIA:

6.1. Eligible Bidder is a Bidder who meets the following criteria:

- 6.2.1. Firm should be registered under the applicable laws of Pakistan.
- 6.2.2. Firm should meet minimum evaluation criteria as set out in Clause 9.
- 6.2.3. Active Member Firm registered with ICAP with satisfactory QCR Rating.
- 6.2.4. Registered with federal and provincial tax authorities (i.e. NTN, STRN, etc.).
- 6.2.5. Registered on the panel of approved auditors of State Bank of Pakistan in Category-A.
- 6.2.6. Firm is not blacklisted by any of the federal or provincial government, its organizations, departments or autonomous bodies anywhere in Pakistan.

7. INSTRUCTIONS TO BIDDERS:

7.1. Bids consists of Technical and Financial Proposals [one original and three (3) hard copies along with soft copy] must be received in sealed envelopes to be delivered by hand or through registered mail to:

Manager Administration

Punjab Thermal Power (Private) Limited
Ground Floor, 7 C-1, Gulberg-III
Lahore-Pakistan
Email: manager.admin@punjabthermal.com
Phone: +92 (42) 35711278-9

- 7.2. Bids should be delivered not later than 1500 hours on 18-03-2021 (“**Bid Submission Deadline**”) and be clearly marked “**Request for Proposals for Hiring of Internal Audit Services**”. Bids will be opened on the same day at 1530 hours in the presence of the representatives of the Bidders, who choose to attend.
- 7.3. Bids shall be submitted using RFP Forms (1 to 7), Annex-A, B and Certificates annexed with this document.
- 7.4. The name and mailing address of the Bidder shall be clearly marked on the envelope.
- 7.5. Bid shall have the minimum validity period of 90-days from the Bid Submission Deadline.
- 7.6. Bids shall be prepared in English language and all relevant forms shall be filled out in English. Information in any other language shall be accompanied by its certified translation in English. Non-compliance of the above requirement could result in disqualification of relevant Bidders.

- 7.7.** Bids shall be submitted in Pak Rupees only.
- 7.8.** Bids quoted and submitted shall be inclusive of all applicable taxes and levies.
- 7.9.** The result of Technical Evaluation will be announced at least one (01) day before the opening of Financial Proposal.
- 7.10.** All Bids received late, found incomplete, unsigned, ambiguous, conditional, or over-written will not be accepted and shall be rejected without evaluation.
- 7.11.** The Bidder shall be responsible for all expenses and costs incurred for preparation of the Bid.
- 7.12.** The Bidder must respond to all questions and provide complete information as advised in this document (Bid Forms A-1 to A-7, Technical Proposal annexed with this document). Failure or omission to provide the essential information may result in disqualification of the Bidder.
- 7.13.** The Employer reserves the right to annul the procurement process and reject all Bids at any time in terms of PPRA Rules.
- 7.14.** Every Bidders may participate only in one bid for the project. If any Bidder submits more than one bid for the project, all bids that include that Bidder shall be rejected.
- 7.15.** Interested Bidders should provide information with all supporting documents indicating that they are qualified to perform the services on the prescribed forms given in the RFP Documents.
- 7.16.** The objective of this RFP is to shortlist suitable independent Internal Audit Service Providers/Auditors, who can maintain and support appropriate internal audit service to the Board and Management of the Company.
- 7.17.** To assist in the evaluation of Bids, the Employer may, at any stage during the course of the bidding process, at its sole discretion, ask any Bidder for clarification in respect of any matter associated with the documentation submitted by the Bidder in its Bid. No change in the price or the substance of the Bid shall be sought, offered or permitted except as required to confirm the corrections of arithmetical errors discovered in the Bid. Acceptance of any such correction is sole discretion of the Company.

The Employer reserves the right to waive minor deviations or non-material/non-conformities, if these do not materially affect the capability of a Bidder to perform its Contract.

8. BIDDING PROCESS:

8.1. Bids will be evaluated and finalized in accordance with the ‘**Least Cost Selection Method**’ and ‘**Single Stage Two Envelope Procurement Procedure**’ as per **Rule 45(2)** of the PPRA Rules.

8.2. The bidding process will be as under:

- a) The Bid shall comprise of a single package containing two separate envelopes. The envelopes shall be marked as “**TECHNICAL PROPOSAL**” and “**FINANCIAL PROPOSAL**”, written in bold and legible letters.
- b) The Bid shall be a single package consisting of two separate envelopes, containing separately the Financial and the Technical Proposals.
- c) The Envelopes shall be marked as “Financial Proposal” and “Technical Proposal”.
- d) In the first instance, the “Technical Proposal” shall be opened and the envelopes marked as “Financial Proposals” shall be retained unopened in the custody of PTPL.
- e) The Company shall evaluate the Technical Proposals in the manner prescribed herein, without reference to the price and shall reject any proposal which does not conform to the specified requirements.
- f) During the technical evaluation, no amendments in the Technical Proposal shall be permitted.
- g) After the evaluation and approval of Technical Proposals, the Company shall open the Financial Proposals of the technically accepted bids, publicly at the time, date and venue announced and communicated to the Bidders in advance, within the bid validity period.
- h) The Financial Proposal(s) of the bids found technically non-responsive shall be retained unopened and shall be returned on the expiry of the complaint, if any, filed by the non-responsive bidder, which is later.
- i) The lowest evaluated Bidder(s) shall be awarded Engagement Letter.

9. EVALUATION CRITERIA

9.1. The Company will use “**Least Cost Selection Method**” under “Single Stage Two Envelope Methods” of selection of Consultant under PPRA Rules.

9.2. Criteria for Technical and Financial Evaluation are enclosed. Scores will be allocated based on evidence(s) provided and available in the proposal(s) only.

9.3. The Financial Proposals of only those technically responsive Bidders who obtain minimum Sixty Five percent (65%) marks shall be opened.

9.4. The Least Cost Selection Method will be applied and lowest evaluated bidder shall be considered as successful for the said assignment.

9.5. TECHNICAL EVALUATION:

9.5.1. Bidders that meet the minimum Evaluation Criteria set out hereinbelow regarding their Financial Position, Qualifications and Managerial Capabilities (as demonstrated by the Bidder's responses in the Technical Proposal and RFP Forms A-1 to A-7 and Templates annexed with this document) and attain sixty-five (65) percent marks shall stand technically responsive and qualified.

No.	Evaluation Criteria	Marks
1.	Financial Position: 1.1 Average annual turnover in <i>last three financial years</i> (Supported by FYs 2016-17, 2017-18 and 2018-19) (Form A-2)	Total – 25
	Minimum 15 Million to 30 Million	10
	More than 30 to 50 Million	15
	More than 50 Million	25
2.	Firm Experience: 2.1 Number of Qualified Chartered Accountants Employed by Firm in Pakistan	Total – 25
	Minimum 2 to 5	10
	More than 6 to 10	15
	More than 10	25
	2.2 Number of Partners of the Firm in Pakistan	Total – 15
	Minimum 2 to 3	5
	More than 4 to 6	10
	More than 6	15
	2.3 Current Internal Audit Clients within Power Sector	Total – 15
	02	5
More than 3 to 5	10	
More than 5	15	
3.	Managerial Experience: 3.1 Years of Existence in Pakistan	Total – 10
	10 to 15	5
	More than 15 to 20	7
	More than 20	10
	3.2 Number of Offices in Pakistan	Total – 10
	02	5
More than 2	10	

9.5.2. Bidders shall submit, with appropriate references in Bid Forms / Proposals, wherever required, the following documents as proof of its eligibility:

Documentary Evidence	
D1.	Certificate of Incorporation or registration issued from the concerned authority
D2.	Memorandum and Articles of Association (if applicable) or any other constitutional documents
D3.	Financial Statements of Firms. <ul style="list-style-type: none"> ▪ FY 2017-18 ▪ FY 2018-19 ▪ FY 2019-20
D4.	National Tax Number (NTN) certificate
D5.	Income Tax Returns <ul style="list-style-type: none"> ▪ FY 2017-18 ▪ FY 2018-19 ▪ FY 2019-20
D6.	Sales Tax / PRA Registration Certificate
D7.	List of 10 qualified Chartered Accountants working as full-time resource of the Firm.
D8.	Complete list of addresses at least 2 number of offices in Pakistan.
D9.	Rating report of State Bank of Pakistan having rated in Category “A”.
D10.	Satisfactory QCR Rating with ICAP and membership of global firm/collaboration.
D11.	List of addresses and contact numbers of full time Partner overseeing Lahore Office.
D12.	List of internal Audit Clients within Power Sector having total assets of at least 05 billion or more during last 3 years.

9.5.3. Bidders shall also be required to submit an affidavit affirming and declaring on oath that the Bidder:

- a) is not in bankruptcy or liquidation proceedings;
- b) is not making any misrepresentations or concealing any material fact or detail;
- c) has not been convicted of, fraud, corruption, collusion or money laundering;
- d) is not aware of any conflict of interest or potential conflict of interest arising from prior or existing contracts or relationships which could materially affect its capability to comply with its obligations; and
- e) does not fall within any of the circumstances for ineligibility or disqualifications;
- f) has not been blacklisted by Government / Semi-Government / Agency or Authority.

9.6. Financial Evaluation:

9.6.1. Financial Proposals of only Technically Qualified Bidders will be opened and evaluation will be done on the basis of least cost selection method.

10. ENGAGEMENT LETTER:

9.7. After completing the evaluation process and negotiation, if any, the Company shall issue an Offer Letter to the lowest evaluated bidder.

9.8. Upon acceptance of the Offer Letter by the successful Bidder / Auditors, an Engagement Letter shall be issued within 07-days of such acceptance, or such extended time as required by the Company.

Letter of Bid

[Letterhead paper of the Bidder, including full postal address, telephone no., fax no. and e-mail address]

Date:.....

To: **Manager Admin
Punjab Thermal Power (Private) Limited**

Dear Sir,

1. Being duly authorized to represent and act on behalf of (hereinafter “**the Bidder**”), and having reviewed and fully understood all the information provided, the undersigned hereby applies to be a Bidder for the following contract(s) under the **Request for Proposal for Hiring of Internal Audit Services** for the financial year ending on June 30, 2021, which term may be extended upto two terms of one (01) year each, at the discretion of the Company and subject to satisfactory performance.

2. PTPL or its authorized representatives are hereby authorized to conduct any inquiries or investigations to verify the statements, documents, and information submitted in connection with this Bid, and to seek clarification from our bankers and clients regarding any financial and technical aspects. This Letter of Bid will also serve as authorization to any individual or authorized representative of any institution referred to in the supporting information, to provide such information deemed necessary and requested by yourselves or the authorized representative to verify statements and information provided in this Bid, or with regard to the resources, experience, and competence of the Bidder.

3. PTPL or its authorized representatives may contact the following persons for further information, if needed.

General, Financial and Managerial Inquiries	
Contact 1	Telephone 1
Contact 2	Telephone 2

4. This Bid is made with the full understanding that:
(a) Bids of Bidders will be subject to verification of all information submitted at the time of bidding;
(b) PTPL reserves the right to cancel the procurement process and reject all Bids in terms of PPRA Rules.

5. Appended to this Bid, we give details. We also specify the financial commitment in terms of the percentage of the value of the contract, and the responsibilities for execution of the contract.

Documents Checklist	
DI.	Certificate of Incorporation or registration

D2.	Constitutional Documents, Memorandum and Articles of Association (if applicable)	
D3.	Financial Statements by Chartered Accountants firms <ul style="list-style-type: none"> ▪ FY 2017-18 ▪ FY 2018-19 ▪ FY 2019-20 	
D4.	National Tax Number Certificate	
D5.	Income Tax Returns <ul style="list-style-type: none"> ▪ FY 2017-18 ▪ FY 2018-19 ▪ FY 2019-20 	
D6.	Sales Tax Registration/PRA Certificate	
D7.	List 10 number of qualified Chartered Accountants working as full time resource of the Firm.	
D8.	Complete list of addresses at least 02 of Offices in Pakistan.	
D9.	Rating Report of State Bank of Pakistan having rated in Category-“A”	
D10.	Satisfactory QCR rating with ICAP and membership of global firm/collaboration.	
D11.	List of addresses and Contact numbers of fulltime Partner overseeing Lahore Office.	
D12.	List of Internal Audit Clients within Power Sector having total assets of at least 5 billion or more.	

8. The undersigned declare that the statements made, and the information provided in the duly completed Bid are complete, true, and correct in every detail.

Signed
For and on behalf of (name of Bidder)

RFP Form-1
General Information

[Bidder is required to complete the information in this form.]

1.	Name of Firm	
2.	Head Office Address	
3.	Telephone	Contact Person: Name: Title:
4.	Fax	Telex
5.	Place of Incorporation/Registration	Year of incorporation/registration
6.	No. of permanent employees	No. of full-h technical resource persons

**RFP Form-2
Financial Information**

Name of Bidder

[The information supplied should be supported with audited financial statements of the Bidder]

(PKR)	FY 2019-20	Reference
Total Assets		
Total Liabilities		
Net Worth		

Year	Annual Turnover (PKR)	Reference
FY 2017-18		
FY 2018-19		
FY 2019-20		

Year	Net Profit (PKR)	Reference
FY 2017-18		
FY 2018-19		
1. FY 2019-20		

RFP Form-3
Details of Contracts of Experience

<i>Name of Bidder</i>

[Use a separate sheet for each contract]

1.	Name of Contract
	Location
2.	Name of Employer
3.	Employer Address
4.	Nature of work and similarity to this project
5.	Contract Role (Tick One) (a) Sole Contractor (b) Sub- Contractor
6.	Value of the total contract (in PKR) at completion, or at date of award for current contract
7.	Date of Award
8.	Date of Completion
9.	Contract Duration (Years and Months) _____ Years _____ Months
10.	Contract Requirements
11.	Reference ¹

¹Each copy of form A-4 must be accompanied by a reference letter from respective employer or other supporting document.

**RFP Form-4
Permanent Technical Staff**

Details of full-time employees serving as technical resource				
No.	Name	Designation	Qualification	Years Since Employed
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				

RFP Form-5
AFFIDAVIT FOR NON-BLACKLISTING

I/We, undersigned deponent, do hereby solemnly affirm and declare that the [insert Bidder Firm's name] has not been declared blacklisted by government / semi-government / agency or authority due to the reason(s) including but not limited to corrupt practices, fraudulent activities, misrepresentation, or influencing the employer in evaluation of the Applications/Bids or contract award decisions etc.

Signature: _____

Name / Deponent: _____

Designation: _____

Date: _____

Note: This Affidavit is to be submitted on a Rs. 100/- non-judicial stamp paper.

RFP Form-6
TEMPLATE FOR AFFIDAVIT OF CORRECTNESS OF INFORMATION

I/We, undersigned deponent, do hereby solemnly affirm and declare that all the information, warranties, statements and representations provided within this Application are true and correct; and we also understand that in case any of the aforesaid are found to be false then we are liable to be disqualified, without prejudice to any other rights and actions, PTPL may exercise under the applicable laws.

Signature: _____

Name / Deponent: _____

Designation: _____

Date: _____

Note: This Affidavit is to be submitted on a Rs. 100/- non-judicial Stamp Paper.

RFP Form-7
CERTIFICATE

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

- I/We hereby confirm to have read carefully, all the terms & conditions of your Request for Proposal, due for opening on ----- for provision of Internal Audit Services to PTPL for the financial year ended on June 30, 2021 which term may be extended upto two terms of one (01) year each, at the discretion of the Company and subject to satisfactory performance. I/We also hereby categorically confirm that we are fully capable to provide required services of internal audit as laid down in the terms of reference/RFP Documents.

Signature: _____

Name & Address of Firm _____

Designation & CNIC No. _____

NTN _____

STN/GST No. _____

Date: _____

Official Seal: _____

Technical Proposal Submission Form

To:

Manager Administration
Punjab Thermal Power (Private) Limited
Lahore.

Dear Sir,

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

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.

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.

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: _____

Annex-B

Financial Proposal

NO.	PARTICULARS	2020--21(RS.)	2021-22(RS.)	2022-23 (RS.)
1.	Internal Audit Fee (Per Quarter)			
2.	Out of Pocket Expenses (Per Quarter)			
3.	Total Fee Per Quarter			
4.	Total Annual Fee in Rs			
5.	Total fee for 3 years (Amount Rs)			
6.	Total fee for 3 years (in words)			

Note: Quoted Rate must be inclusive of all kind of taxes and quoted in figure as well as in words. In case of conflict between values quoted in figures and words, the values quoted in words shall prevail.

Signature of the Bidder with seal

Address: _____
