

# BIDDING DOCUMENT

REQUEST FOR PROPOSAL (RFP)

**RFP No: 16/20-21**

National Competitive Bidding

Single Stage-Two Envelop

## **APPOINTMENT OF CHARTERED ACCOUNTANT FIRM FOR THE PERIOD OF 2021-25 (AS EXTERNAL AUDITOR)**

Punjab Seed Corporation

4-Lytton Road, Lahore,  
Phone: 92 42 9921 2568

**JUNE 2021**

## **TABLE OF CONTENTS**

S.No	Description	Page No.
1	Content List	2
2	Request for Proposals, Hiring of Services of Firm of Chartered Accountants. (As External Auditors)	3
3	Invitation for Bids	4
4	Eligibility Criteria	4
5	Term & Conditions for submission of bids	5
6	Technical Proposal	6
7	Term of Reference	8
8	Conditions of Tender	14
9	Evaluation Criteria	15
10	Bid Price Offer	17
11	From TP-1	Annex
12	From TP-2	Annex
13	From TP-3	Annex
14	From TP-4	Annex
15	From TP-5	Annex
16	From TP-6	Annex
17	From TP-7	Annex



## **REQUEST FOR PROPOSALS**

### **Hiring of Services of Firm of Charterer Accountants (As External Auditors)**

Punjab Seed Corporation intends to engage reputed firm of chartered accountants as External Auditors for 2020-21 to 2024-25 (renew on yearly basis upon satisfactory performance).

RFP documents mentioning detailed criteria, terms and conditions and other relevant documents required with the bids documents may be purchased by the interested bidders on the submission of a written application to the address below and upon payment of non-refundable fee of PKR 1,000/- which should be deposited in form of **DD/CDR/ Pay Order/Cash**.

Technical & Financial proposal must be submitted in two separate envelopes, and shall be marked as Financial proposals and Technical Proposal. Proposals must be delivered to the address given below not later than **15.06.2021** before **11:00 hours**. Technical Proposals will be opened on the same day at **11:30 hours** in the presence of the representative of the firms who may wish to attend. Financial Proposals will be opened of those bidders whose technical proposals have been evaluated and accepted by the competent authority as per criteria. Proposals must be accompanied by 2% Bid Security of contract estimate per year amounting to **Rs. 15,500/-** in the form of Demand Draft, Pay Order or Banker's Cheque duly issued from a Scheduled Bank of Pakistan.

PSC Will not be responsible for any cost or expense incurred by the bidders in connection with preparation or submission of bids. RFP notice has also been posted on PPRA website. ([www.ppra.punjab.gov.pk](http://www.ppra.punjab.gov.pk)) and PSC website.

**Director Administration**  
Punjab Seed Corporation  
4- Lytton Road Lahore  
Ph.042-99212571-4

## **INVITATION FOR BIDS**

Punjab Seed Corporation invites sealed bids from financially sound Chartered Accountant Firms for the purpose of external audit annually for period of five years **2020-21 to 2024-25** with the provision of renewal every year upon satisfactory performance.

## **ELIGIBILITY CRITERIA**

The Chartered Accountant Firms fulfilling criteria may participate in the bidding process.

- i. Registration with FBR and Active Tax Payer List and PRA (if applicable).  
[Documentary Evidence]
- ii. Firm should be on the panel of State Bank of Pakistan for approved auditors in category A, B. [Documentary Evidence]
- iii. Satisfactory QCR rating from institute of Chartered Accountants of Pakistan.  
[Documentary Evidence]
- iv. Affiliated with a reputable major / global accounting firm as a member firm.  
[Documentary Evidence]
- v. Mechanism should be in place for review by International Firm and should have satisfactory rating by member firm. [Documentary Evidence]
- vi. At least one office in Lahore. [Documentary Evidence]
- vii. Firm should have at least four partners. [Documentary Evidence]
- viii. Minimum ten years of professional experience of firms. [Documentary Evidence]
- ix. Firm should have experience of external audit assignments with same size organizations preferably experience to work with Government / Semi government organizations / Autonomous bodies. [Documentary Evidence]
- x. The Chartered Accountant Firms can also obtain details and terms & conditions from our website [www.psc.agripunjab.gov.pk](http://www.psc.agripunjab.gov.pk) and PPRA website [www.ppra.punjab.gov.pk](http://www.ppra.punjab.gov.pk).

## **TERMS & CONDITIONS FOR SUBMISSION OF BIDS**

Punjab Seed Corporation invites proposals in sealed envelope (Single Package Containing two separate sealed envelopes which shall be marked separately as **"TECHNICAL PROPOSAL"** AND **"FINANCIAL PROPOSAL"** (hereinafter referred to as the Tenders) from Chartered Accountant Firms (hereinafter referred to as the Bidders).

The envelopes should be marked as "FINANCIAL PROPOSAL" and "TECHNICAL PROPOSAL" in bold and legible letters.

Bid Security amounting to **Rs. 15,500/-** in favor of **"Punjab Seed Corporation"** in form of Demand Draft, Pay Order or Banker's Cheque duly issued from a Scheduled Bank of Pakistan must be enclosed with financial proposal otherwise bid will be rejected.

Participating Firms must submit the bids that comply with the tender documents. If any term or condition of the participating Firm contradicts/conflicts with the PPRA Rules & PSC terms and conditions, the terms and conditions of PPRA Rules &PSC will be considered valid.

Successful bidder will furnish performance guarantee equal to **10%** of the total annual contract amount.

### **DECLARATION**

I/we have read the above terms & conditions and bind myself/ourselves to abide by the terms & conditions.

---

Signature of the bidder

## **TECHNICAL PROPOSAL**

Technical proposal should contain following and any additional information:-

- i. Firm should be on the panel of State Bank of Pakistan for approved auditors in category A, B (documentary evidence required).
- ii. Satisfactory QCR rating from institute of Chartered Accountant of Pakistan (documentary evidence required).
- iii. Affiliated with a reputable major/ global accounting firm as a member firm (documentary evidence required).
- iv. Mechanism should be in place for review by International Firm and should have satisfactory rating by member firm (documentary evidence required).
- v. At least one office in Lahore (addresses required).
- vi. Firm should have at least four partners (list with contact details required)
- vii. Minimum ten years of professional experience (documentary evidence required).
- viii. Firm should have experience of external audit assignments with same size organizations preferably experience to work with Government / Semi government organizations / Autonomous bodies (documentary evidence required).
- ix. Signed Affidavit indicating that company is not blacklisted by any government, semi government or autonomous body. **[Documentary Evidence]**
- x. An outline of recent (minimum 05 years) experience on assignments of similar nature mentioning assignment description, client, location, duration (start and finish dates), approximate value of services in auditing services. **[Documentary Evidence]**
- xi. Company understanding of the objectives, their approach towards the assignments and a descriptions of methodology that the company proposes to perform activities.
- xii. PRA (if applicable)
- xiii. Registration with FBR with Active Tax Payer List.

- xv. Prices/bids shall remain valid for a period of 90 Days from the closing date of proposal which can be extended mutual understanding.
- xvi. Fee quoted should be in Pak. Rupees inclusive of all applicable taxes.
- xvii. Fee quoted should be for five year charged on yearly basis in Pak rupees inclusive of all applicable taxes and out of pocket expenses.
- xviii. The firm will be bound to provide the service/carry out external audit of the financial statements within 7 days after issuance of work order/ assignment order. Services contract will be for a period of five year renewable every year subject to satisfactory performance

Technical Proposal should contain the following forms

- i. Letter of Transmittal (Form TP-1)
- ii. Particulars/ Detail of the Firm (Form TP-2)
- iii. Particulars/ Detail of the Partners (Form TP-3)
- iv. Particulars/ Detail of Permanent Qualified Staff  
(Chartered Accountants) (Form TP-4)
- V. Particulars/ Detail of Permanent Semi Qualified Staff (Form TP-5)
- vi. Particulars/ Detail of Trainee Students (Form TP-6)
- Vii Brief of Relevant Experience (Form TP-7)



## **TERMS OF REFERENCE FOR THE PROVISION OF EXTERNAL AUDIT SERVICES.**

Technical proposal should be based on the following term of reference.

### **1. BACKGROUND TO THE PUNJAB SEED CORPORATION (PSC)**

PSC is a statutory body established under the Punjab Seed Corporation Act 1976 engaged in the production, Procurement, Processing and Sales & Distribution of Basic and Certified seeds of different crops.

### **2. BACKGROUND TO THE ASSIGNMENT**

2.1 The Punjab Seed Corporation requires the annual external audit of the financial Statements of its farms, Processing plants, Marketing/FAS Centers, etc. as per detail below to present consolidated Financial Statements.

Head Office: - Lahore

Farms: Sahiwal, Khanewal, Piplan

Plants: - Sahiwal, Khanewal, Rahim Yar khan, Piplan

Marketing/FAS Centers: - Gujranwala, Jhang/Sargodha and Allied units.

### **3. THE OVERALL OBJECTIVE**

3.1 The objective of this bid is to appoint a suitable independent external audit service provider who can maintain and support an appropriate external audit service to the Management and Board of Directors of Punjab Seed Corporation.

### **4. CONTRACT PERIOD**

4.1 The duration of the contract is normally for five year from **2020-21 to 2024-25** renewable on yearly basis upon satisfactory performance. PSC will reserve the right to review the contract at the end of every year. If the firm do not provided services up to the standards, the contract will be cancelled by serving a notice of one month period.

### **5. CONDUCT OF WORK**

5.1 The External audit service provider will be required to work at the Punjab Seed Corporation Head Office and Filed Offices.

5.2 PSC will provide office space for the External auditor as required.



## **6. ROLE AND OBJECTIVES OF EXTERNAL AUDIT**

6.1 In terms of Punjab Seed Corporation Act 1976, the accounts of the Corporation shall be audited at least once in every financial year by an approved firm of Chartered Accountants.

6.2 The External audit function should assist PSC to accomplish its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes. The risk management strategy, which must include a fraud prevention plan, must be used to direct the external audit.

6.3 Some of these objectives/standards/controls subject to evaluation are to review;-

- 6.3.1 The information systems environment;
- 6.3.2 The reliability and integrity of financial and operational information;
- 6.3.3 The effectiveness of operations;
- 6.3.4 Compliance with policies and regulations and contracts;
- 6.3.5 The safeguarding of assets;
- 6.3.6 The economical and efficient use of resources;
- 6.3.7 Achievement of established operational goals and objectives;
- 6.3.8 Compliance with laws, regulations and controls;
- 6.3.9 Assisting the management for discharging of their responsibilities, analyses, appraisals, recommendations, counsel and information concerning the activities reviewed and regular follow up.

## **7. ORGANISATIONAL STATUS OF EXTERNAL AUDIT**

7.1 The External audit firm will submitted consolidated Financial Statements/reports to the management.

7.2 The External audit function is an integral part of the organization and functions under the policies established by the management and the Board.

7.3 The Audit Plan of the External Audit is formally approved by the Managing Director PSC.

## **8. SCOPE OF EXTERNAL AUDIT**

8.1 The External audit must be conducted in accordance with the Terms of Reference assigned by the Management.

8.2 The scope of the External Audit includes at least the under-mentioned. Should carry any other function be regarded as imperative by the bidder, the functions shall be offered and clearly defined.

8.3 The External audit function must, in consultation with the Management.

8.3.1 A one year strategic External Audit Plan based on its assignments 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.

8.3.2 An annual external Audit Plan.

8.3.3 Plans indicating the scope and time lines of each audit in the annual external audit.

8.3.4 Audit reports directed to be submitted to the management about its performance for effective monitoring and intervention where necessary.

8.4 The External audit must assist the Management in maintaining effective controls by evaluating those controls and by developing recommendations for enhancement or improvement.

8.5 The External auditors must assist the management in achieving the objectives of the Corporation by evaluating and developing recommendations for the enhancement or improvement of the processes through which;

8.5.1 Objectives and values are established and communicated;

8.5.2 The accomplishments of objectives are monitored;

8.5.3 Accountability is ensured;

8.5.4 Corporate values are preserved;

8.5.5 The adequacy and effectiveness of the system of internal controls are reviewed and appraised;

8.5.6 The relevance, reliability and integrity of management, financial and operating data and reports are appraised;

8.5.7 Systems established to ensure compliance with policies, plans, procedures, statutory requirements including updates or revisions and regulations, which could have significant impact on operations are reviewed;

8.5.8 The means of safeguarding assets are reviewed and, as appropriate, verifying the existence of such assets;

8.5.9 The economy, efficiency and effectiveness with which resources are employed, are appraised.

8.5.10 The results of operations or programs are reviewed to ascertain whether results are consistent with the PSC established objectives and goals, whether the operations or programs are being carried out as planned.

8.5.11 the adequacy of established systems and procedures are assessed.

8.6 The audits that will need to be taken into account at PSC are amongst others:-

8.6.1 The Internal Control systems processes audit;

8.6.2 Conducting special assignments and investigations on behalf of the management into any matter or activity affecting the probity, interest and operating efficiency of PSC.

8.6.3 Audits designed to detect fraud, embezzlement, misappropriation.

### **8.7. Fraud and Irregularities**

8.7.1 In planning and conducting its work, the External auditors should seek to identify serious defects in the internal controls, which might result in possible malpractices. Any such defects must be reported immediately to the Management, without disclosing these to any other member of staff or regulatory authority. This also applies to instances where serious fraud and irregularity is uncovered.

### **8.8 Stock Taking**

8.8.1 Annual Physical Stock Taking is to be carried out at all the centers/office/cites where seed stocks, store and assets are lying. It starts on the 1<sup>st</sup> July of each year and continues till all the stocks/stores have been checked.

## **9. EXPECTED OUTCOMES AND DELIVERABLES**

### **9.1 Performing external audit assignment of the Financial Statements.**

#### **9.1.1 Each assignment should at least consist of the following:**

- a. Pre-audit survey;
- b. Audit Planning memorandum;
- c. Risk assessment document;
- d. System description(s);
- e. Audit program;
- f. Sampling methodology;
- g. Mechanisms for follow-up on matters previously reported and feedback to the Audit Committee;
- h. Mechanisms to ensure that working papers are reviewed at the appropriate level;
- i. Audit findings and recommendations;
- j. Reporting (draft audit report and final audit report);
- k. Follow up audit findings.
- l. Audit should be completed and final report will be delivered within four months after the end of every financial year.

### **9.2. Reporting requirements**

9.2.1. The audit firm will perform External Audit in coordination with term of reference. The findings of the External audit will be presented to the management in the form of consolidated report on yearly basis. The structure of the External audit report is to be as follows:-

- a. Introduction;
- b. Audit objective and scope;
- c. Background;
- d. Executive summary, highlighting significant findings;
- e. Findings and recommendations.
- f. All audits are to be carried out according to the Plan approved by the Management.
- g. Conclusion; and
- h. Audited Financial Statements Center wise.
- i. Consolidated Audited Financial Statements along with Auditors report for the

Members of the Board of Directors.

j. The Audited Financial Statements shall be signed and Approved by the Director Finance and Managing Director.

k. The audit report and Financial Statements (duly signed & stamped) is to be delivered to the Management of the PSC in soft and printed form.

## **10. QUALITY ASSURANCE REVIEWS OF THE WORK**

10.1 The auditor shall ensure that all work conforms to the PSC Act, approved financial & accounting Standards and for the Professional Practices. Such work may further be subject to an external quality assurance as may be considered necessary.

## **11. INDEPENDENCE AND OBJECTIVITY OF AUDIT STAFF**

11.1 In carrying out the work, the auditor must ensure that its personnel maintain their objectivity by remaining independent of the activities they audit.

11.2 Have no executive or managerial powers, functions or duties except those relating to External audit.

11.3 Not be involved in the day-to-day operation of the PSC.

11.4 Not be responsible for the detailed development or implementation of new systems and procedures.

## **12. COMPETENCY AND EXPERTISE REQUIREMENTS**

12.1 Audit firms must be registered with Institute of Chartered Accountants of Pakistan (ICAP) and should have satisfactory Quality Control Rating done by ICAP.

13.2 Firm should be on the panel of State Bank of Pakistan for approved auditors in category A, B.

13.3 It is essential that the service provider has the knowledge and experience of External Audit with same size organizations preferably experience to work with Government / Semi government organizations / Autonomous bodies.

## **14. PAYMENT**

14.1 The PSC will pay professional fee of external audit within thirty (30) days from the date of receipt of Audited report and financial statements (duly signed and stamped).

14.2 The PSC will make payment of professional fee on the on the basis of the specified deliverables as and when produced and accepted as per the approved contract.

### **CONDITIONS OF TENDER**

Services of successful Service Provider will be secured in accordance with the PSC's Procurement Policy subject to the following conditions:

1. The PSC reserves the right to accept or reject the offer.
2. Bidders who fail to complete and attach all relevant documents will be disqualified.
3. All prices quoted must be inclusive of all taxes and out of Pocket expenses.
4. No tender document will be accepted if not properly signed, sealed and marked.
5. The PSC will enter into a formal contract with the successful bidder.
6. The PSC reserves the right to terminate the contract if the performance of the External Auditors is found unsatisfactory;
7. The PSC has the right to visit the business premises of the bidders to verify the information provided in the tender documents.
8. It's the responsibility of prospective bidders to ensure that their bid documents are submitted before the closing time and date of the tender.
9. Bids received after closing date and time will not be entertained.
10. Although adequate thought has been given in the draft of this document, errors such as typos may occur which the PSC will not be responsible for.
11. Any change of information provided in the tender document that may affect delivery should be brought to the PSC's attention as soon as possible. Failure to comply may result in the contract being terminated.
12. Service provider presenting information intentionally incorrectly or fraudulently will be disqualified.



## EVALUATION CRITERIA

The tender will be evaluated in accordance with the technical proposal as well as financial proposal. The following points at least will be considered for the evaluation technical proposals.

### 1. Marking

S.No	DESCRIPTION	REMARKS	MARKS
1	Year of Establishment / Reg.	Firms with Earliest Registration i.e. 40 Year up to 2020 will be given 10 marks other proportionately.	10.00
2	Number of Partners	Firms with Maximum number of partners i.e. 10 will be given 10 Marks other Proportionately.	10.00
3	Qualification and Experience of Partners <u>Qualification</u> FCA ACA <u>Experience</u> FCA ACA	Marking will be on the basis of number of Partners FCA/ACA proportionately. Experience has also been marked Accordingly. FCA:10, ACA:5 ,Exp.FCA:25 Years, ACA: 15 Years	10.00 5.00 10.00 5.00
4	No. & Qualification of Permanent Audit	10 marks for 25 Permanent Staff Member, Others treated proportionately.	10.00
5	No. of Client Govt./ Private Sector  Public Sector Private Sector	Private firms/Co, Govt. Department :30=12,  Private Companies/Clients: 150=8	12.00 8.00
6	Fee demand (inclusive of out of packet expenses and all Taxes)	Minimum fee will be given 20 marks and others are treated proportionally.	20.00
<b>TOTAL</b>			<b>100.00</b>



2. The financial proposals of only those technically responsive bidders who obtained minimum 65% marks shall be opened.
3. All bids/proposals must be accompanied by Call Deposit Receipt (CDR)/PO/Bank Draft of two percent (2%) for contract estimate per year amounting to **Rs.15,500/-** in favoring **Punjab Seed Corporation**.
4. Successful bidder will furnish performance guarantee equal to 10% of the annual contract amount.
5. After the evaluation and approval of the technical proposals, the Punjab Seed Corporation shall open the financial proposals of the technically accepted bids, publically at a time, date and venue announced and communicated the bidder in advance with in the validity period.
6. The sealed bids (marked bid title on envelope) along with CDR must be delivered/dropped in the tender box at Punjab Seed Corporation, 4-Lytton Road Lahore till **15.06.2021** before bid opening time i.e. **11:00 AM** and will be opened on the same day at **11:30 AM** in the presence of the interested bidders or their authorized representatives who may wish to attend.
7. PSC will not be responsible for any cost or expenses incurred by bidders in connection with preparation or delivery of bids.
8. All prices must be quoted in Pak Rupees and should include all applicable taxes (including out of pocket expenses). If not specifically mentioned in the Quotation, it will be presumed that the prices include all the taxes. PSC will also not be responsible for any change in tax regime subsequently and out of Pocket expenses.
9. Bids received through any other mode / addressed to any other person will not be entertained.
10. Unconditional tender will be accepted.

Important Note: **The Competent Authority may reject any bid or all bids/ proposals without assigning any reason.**

The bids should be submitted in sealed envelope clearly mentioned **“TENDER NOTICE FOR APPOINTMENT OF EXTERNAL AUDITORS”**.

### **BID PRICE OFFER**

We, hereby offer the following rates for External Audit Services from 2020-21 to 2024-25 including all applicable taxes and out of pocket expenses for the Punjab Seed Corporation:-

YEAR	FEE OFFERED (RUPEES)
2020-21	
2021-22	
2020-23	
2023-24	
2024-25	

-----

-----

Authorized signature

Seal

Date:



Letter of Transmittal

The Managing Director  
Punjab Seed Corporation  
4-Lytton Road, Lahore.

Dear Sir,

We, the undersigned offer to provide the audit services as External Auditor for Punjab Seed Corporation in accordance with your request for proposal dated (insert date). We are hereby submitted our proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope.

We are submitted out Proposal in association with: [insert a list with full name and address of each associated firm]. 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 Prices quoted by us in the Financial Proposal (Form F-1) will be valid till 12 months from the date of submission of the quotation and can be extended mutually if required. We confirm that this proposal will remain binding upon us and may be accepted by you at any time before the expiry date. Prices have been arrived independently without consultation, communication, agreement or understanding (for the purpose of restricting competition) with any competitor.

We agree to bear all costs incurred by us in connection with the preparation and submission of the proposal and bear any further pre-contract costs. We understand that Punjab Seed Corporation is competent to accept or reject any bids at any time without assigning any reason. I confirm that I have authority if [insert name of the C.A. firm] to submit the proposal and to negotiate on its behalf.

**Yours faithfully**

**Signature with seal**

**PARTICULARS/DETAIL OF THE FIRM**

<b>S.No</b>	<b>Particulars</b>	<b>Supporting Documents required to be submitted along with</b>
<b>1</b>	<b>Name</b>	
<b>2</b>	<b>Establishment Date</b>	
<b>3</b>	<b>Address</b>	
<b>4</b>	<b>Head Office</b>	
	Phone No.	
	Fax No.	
	Mobile No.	
<b>5</b>	<b>Branch Office (if any)</b>	
	Phone No.	
	Fax No.	
	Mobile No.	
<b>6</b>	<b>Certificate of incorporation</b>	<b>Documentary Evidence</b>
<b>7</b>	<b>Firm income tax registration ATL</b>	<b>Documentary Evidence</b>
<b>8</b>	<b>Firm Service Sales Tax Registration ATL</b>	<b>Documentary Evidence</b>
<b>9</b>	<b>Firm Registration No. With ICAP</b>	<b>Documentary Evidence</b>
<b>10</b>	<b>QCR Certificate</b>	<b>Documentary Evidence</b>
<b>11</b>	<b>State Bank of Pakistan Panel Rating</b>	<b>Documentary Evidence</b>
<b>12</b>	<b>Affiliation Certificate</b>	<b>Documentary Evidence</b>

Authorized Signature Seal

**Date:**\_\_\_\_\_

**Form TP-3**

### **PARTICULARS/DETAIL OF THE PARTNERS**

[illegible]

### PARTICULARS/DETAIL OF THE PERMANENT QUALIFIED STAFF

**(Chartered Accountant)**

[illegible]

**PARTICULARS/DETAIL OF THE PERMANENT SEMI QUALIFIED STAFF**

[illegible]



### PARTICULARS/DETAIL OF THE TRAINEES STAFF

[illegible]

