

REQUEST FOR PROPOSAL DOCUMENT

FOR

HIRING OF SERVICES OF EXTERNAL AUDITOR

Single Stage-Two Envelopes Procedure

(Least Cost Selection Method)

July, 2021

REQUEST FOR PROPOSALS

SERVICES FOR EXTERNAL AUDITOR

CONTENTS:

1. Section-1 Invitation for RFPs
2. Section-2 Instructions to Consultants
3. Section-2 Data Sheet
4. Section-3 Technical Proposal Forms
5. Section-4 Financial Proposal Forms
6. Section-5 Draft Contract
7. Appendices A-D..... TORs, Time Schedule,
Remuneration for Services
& Schedule of Payment and
Special Conditions

Section 1

REQUEST FOR PROPOSALS

FOR

HIRING OF SERVICES OF EXTERNAL AUDITOR

Lahore Waste Management Company (LWMC) invites sealed proposals from the eligible (as per RFP Document) Firms / Companies / Business Individuals for **“Hiring of Services of External Auditor”**. Joint Venture / Consortium and Sub-Contracting is not allowed.

The External Auditor will be selected under procedures described in the RFP Document. Request for Proposal (RFP) Documents shall be purchased on the payment of nonrefundable fee of **PKR 1,000/-** which should be deposited in LWMC bank account No 3531-1 (6580003820300018), Liberty Branch, Bank of Punjab, Lahore. A pre-proposal meeting will be held at the address given below at **1100 Hours on August 04, 2021**. Detail of estimated cost and required RFP Security is as under;

| Sr. | Estimated Cost (As per TORs) | RFP Security |
|-----|--|----------------------|
| 1 | Hiring of Services of External Auditor for four Financial Years: Rs.4,975,000 /- | 2% of Estimated Cost |

RFP Proposals must be delivered at the address given below on or before **August 12, 2021 at 1100 Hours**. Technical Proposals will be opened on the same day at **1130 hours** in the presence of representatives of the firms / companies who may choose to attend. In case of official holiday on the day of submission, next working day will be treated as closing date.

RFP Documents are immediately available after publication on PPRA Punjab website (www.ppra.punjab.gov.pk) and LWMC website (www.lwmc.com.pk). LWMC reserve the right to reject all bids and to annul the bidding process as per PPRA Rule 35 (1).

General Manager (P & C)

Office No. 4&5, 4th Floor, Shaheen Complex, Egerton Road, Lahore

Tel: 092-42- 99205153-55, Fax: +92-42-99205156

Email: procurement@lwmc.com.pk

Section 2: Instructions to Consultants

Definitions

- (a) “Agreement” means the Agreement signed by the Parties and all the attached documents.
- (b) “Procuring Agency” means the organization with which the selected External Auditor signs the Agreement for the Services.
- (c) “External Auditor” means any entity or person that may provide or provides the Services to the Procuring Agency under the Agreement.
- (d) “Data Sheet” means such part of the Instructions to Consultants used to reflect specific conditions.
- (e) “Day” means calendar day.
- (f) “Government” means the Government of the Punjab and all its associated departments, agencies, autonomous / semi-autonomous bodies, local governments, boards, universities and similar other organizations.
- (g) “Instructions to Consultants” means the document which provides External Auditors with all information needed to prepare their Proposals.
- (h) “LOI” means the Letter of Invitation included in the RFP as Section 1 being advertised by the Procuring Agency for acquiring the services of an External Auditor Firm / Company.
- (i) “Personnel” means professionals and support staff provided by the External Auditor or by any Sub-External Auditor and assigned to perform the Services or any part thereof; “Foreign Personnel” means such professionals and support staff who at the time of being so provided had their domicile outside Pakistan; “Local Personnel” means such professionals and support staff who at the time of being so provided had their domicile inside Pakistan.
- (j) “Proposal” means the Technical Proposal and the Financial Proposal.
- (k) “RFP” means the Request for Proposal to be issued / published by the Procuring Agency for the selection of External Auditor, based on the Standard RFP.
- (l) “Services” means the work to be performed by the External

Auditor pursuant to the Agreement.

- (m) “Sub-External Auditor” means any person or entity with whom the External Auditor’s sub agreements any part of the Services.
- (n) “Terms of Reference” (TOR) means the document included in the RFP as an Appendix-A which explains the objectives, scope of work, activities, tasks to be performed, respective responsibilities of the Procuring Agency and the External Auditor, and expected results and deliverables of the assignment.

1. Introduction

- 1.1 The Procuring Agency named in the Data Sheet will select a consulting firm / organization (External Auditor), in accordance with the method of selection specified in the Data Sheet.
- 1.2 External Auditors are invited to submit a Technical Proposal and a Financial Proposal for consulting services required for the assignment named in the Data Sheet. The proposals should be in separate marked and sealed envelopes. The Proposal will be the basis for agreement negotiations and ultimately for a signed Agreement with the selected External Auditor.
- 1.3 External Auditors should familiarize themselves with assignment conditions and take them into account in preparing their Proposals. To obtain first-hand information on the assignment, External Auditors are encouraged to visit the Procuring Agency before submitting a proposal and to attend a pre-proposal conference if one is specified in the Data Sheet. Attending the pre-proposal conference is optional. External Auditors should contact the Procuring Agency’s representative named in the Data Sheet to obtain additional information on the pre-proposal conference. External Auditors should ensure these officials are informed well-ahead of time in case they wish to visit the Procuring Agency.
- 1.4 The Procuring Agency will timely provide at no cost to the External Auditors the inputs and facilities specified in the Data Sheet and make available relevant project data and reports.
- 1.5 External Auditors shall bear all costs associated with the preparation and submission of their proposals and

agreement negotiation. The Procuring Agency is not bound to accept all proposals, and reserves the right to annul the selection process at any time prior to Agreement award, without thereby incurring any liability to the External Auditors.

Conflict of Interest

1.6 LWMC requires that External Auditors should provide professional, objective, and impartial advice and at all times hold the Procuring Agency's interests paramount, strictly avoid conflicts with other assignments or their own corporate interests and act without any consideration for future work.

1.6.1 Without limitation on the generality of the foregoing, External Auditors, and any of their affiliates, shall be considered to have a conflict of interest and shall not be recruited, under any of the circumstances set forth below:

Conflicting activities

(i) A firm that has been engaged by the Procuring Agency to provide goods, works or services other than consulting services for a project, and any of its affiliates, shall be disqualified from providing consulting services related to those goods, works or services. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, and any of its affiliates, shall be disqualified from subsequently providing goods or works or services other than consulting services resulting from or directly related to the firm's consulting services for such preparation or implementation. For the purpose of this paragraph, services other than consulting services are defined as those leading to a measurable physical output, for example surveys, exploratory drilling, aerial photography, and satellite imagery.

Conflicting assignments

(ii) An External Auditor (including its Personnel and Sub-Consultants) or any of its affiliates shall not be hired for any assignment that, by its nature, may be in conflict with another assignment of the

Conflicting relationships

External Auditor to be executed for the same or for another Procuring Agency. For example, a consultant hired to prepare engineering design for an infrastructure project shall not be engaged to prepare an independent environmental assessment for the same project, and a consultant assisting a Procuring Agency in the privatization of public assets shall not purchase, nor advice purchasers of, such assets. Similarly, a consultant hired to prepare Terms of Reference for an assignment should not be hired for the assignment in question.

- (iii) An External Auditor (including its Personnel and Sub-Consultants) that has a business or family relationship with a member of the Procuring Agency's staff who is directly or indirectly involved in any part of (i) the preparation of the Terms of Reference of the assignment, (ii) the selection process for such assignment, or (iii) supervision of the Agreement, may not be awarded an Agreement, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the Procuring Agency throughout the selection process and the execution of the Agreement.

1.6.2 An External Auditors have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of their Procuring Agency, or that may reasonably be perceived as having this effect. Failure to disclose said situations may lead to the disqualification of the External Auditor or the termination of its Agreement.

1.6.3 No Company or current employees of the Procuring Agency shall work as External Auditor under their own ministries, departments or agencies. Recruiting former Procuring Agency employees of the Procuring Agency to work for their former ministries, departments or agencies is acceptable provided no conflict of interest exists. When the External Auditor nominates any government

employee as Personnel in their technical proposal, such Personnel must have written certification from their government or employer confirming that they are on leave without pay from their official position and allowed to work full-time outside of their previous official position. Such certification shall be provided to the Procuring Agency by the External Auditor as part of his technical proposal.

Unfair Advantage

- 1.6.4 If an External Auditor could derive a competitive advantage from having provided consulting services related to the assignment in question, the Procuring Agency shall make available to all External Auditors together with this RFP all information that would in that respect give such External Auditor any competitive advantage over competing External Auditors.

Fraud and Corruption

- 1.7 M/s LWMC requires External Auditors participating in its projects to adhere to the highest ethical standards, both during the selection process and throughout the execution of an agreement. In pursuance of this policy, the LWMC:
- (b) defines, for the purpose of this paragraph, the terms set forth below as follows:
 - (i) “corrupt practice” means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the selection process or in agreement execution;
 - (ii) “fraudulent practice” means a misrepresentation or omission of facts in order to influence a selection process or the execution of an agreement;
 - (iii) “collusive practices” means a scheme or arrangement between two or more External Auditors with or without the knowledge of the Procuring Agency, designed to establish prices at artificial, noncompetitive levels;
 - (iv) “Coercive practices” means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or

affect the execution of an agreement.

- (c) will reject a proposal for award if it determines that the External Auditor recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for the agreement in question;
- (d) will sanction an External Auditor, including declaring the External Auditor ineligible, either indefinitely or for a stated period of time, to be awarded a Procuring Agency an agreement if at any time it determines that the External Auditor has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, a Procuring Agency an agreement; and
- (e) will have the right to require that a provision be included requiring External Auditors to permit the Procuring Agency to inspect their accounts and records and other documents relating to the submission of proposals and agreement performance, and have them checked by External Auditors appointed by the Procuring Agency.

1.8 External Auditors, their Sub-Consultants, and their associates shall not be under a declaration of ineligibility for corrupt and fraudulent practices issued by the Procuring Agency in accordance with the above para. 1.7. Furthermore, the External Auditors shall be aware of the provisions on fraud and corruption stated in the specific clauses in the General Conditions of Agreement.

1.9 External Auditors shall furnish information on commissions and gratuities, if any, paid or to be paid to agents relating to this proposal and during execution of the assignment if the External Auditor is awarded the Agreement, as requested in the Financial Proposal submission form (Section 4).

Only one Proposal

1.10 External Auditors may only submit one proposal. If External Auditor submits or participates in more than one proposal, such proposals shall be disqualified.

Proposal Validity

1.11 The Data Sheet indicates how long External Auditors' Proposals must remain valid after the submission date.

During this period, External Auditors shall maintain the availability of Professional staff nominated in the Proposal. The Procuring Agency will make its best effort to complete negotiations within this period. Should the need arise, however, the Procuring Agency may request External Auditors to extend the validity period of their proposals. External Auditors who agree to such extension shall confirm that they maintain the availability of the Professional staff nominated in the Proposal, or in their confirmation of extension of validity of the Proposal, External Auditor could submit new staff in replacement, who would be considered in the final evaluation for agreement award. External Auditors who do not agree have the right to refuse to extend the validity of their Proposals.

Eligibility of Sub-Consultants

1.12 Not Applicable.

RFP Security

1.13 The Consultant shall furnish, as part of its **Technical Proposal**, an RFP Security to the amount as specified in the Data Sheet.

1.14 The RFP security shall be denominated in Pak Rupees and shall be in shape of Call Deposit Receipt (CDR) / Bank Guarantee / Demand Draft / Pay Order / Bankers Cheque in favor of Lahore Waste Management Company, valid for a period equal to or 30 days beyond the Bid / RFP Validity period.

1.15 The Proposal not secured in accordance with Para 1.13 and 1.14 above will be rejected by the Procuring Agency as non-responsive.

1.16 An unsuccessful bidder's / consultants' RFP security will be discharged or returned, or both, as promptly as possible upon award of Contract.

1.17 The Successful bidder's / consultants' RFP security will be returned, upon the bidder's executing the contract, pursuant to Para 7.1, and furnishing the performance security, pursuant to Para 9.1.

1.18 The RFP security may be forfeited:

(a) If the bidder / consultant withdraws its proposal during the period of proposal validity as specified in Para 1.11;

or

(b) If the bidder / consultant does not accept the correction of the Total Bid Price pursuant to Para 5.5; or

(c) If the bidder fails;

(i) To sign the contract in accordance with Para 7, or

(ii) To furnish the performance guarantee in accordance with Para 9.

2. Clarification and Amendment of RFP Documents

2.1 External Auditors may request a clarification of any of the RFP documents up to the number of days indicated in the Data Sheet before the proposal submission date. Any request for clarification must be sent in writing, or by standard electronic means to the Procuring Agency's address indicated in the Data Sheet. The Procuring Agency will respond in writing, or by standard electronic means and will send written copies of the response (including an explanation of the query but without identifying the source of inquiry) to all External Auditors. Should the Procuring Agency deem it necessary to amend the RFP as a result of a clarification, it shall do so following the procedure under para. 2.2.

2.2 At any time before the submission of Proposals, the Procuring Agency may amend the RFP by issuing an addendum in writing or by standard electronic means. The addendum shall be sent to all External Auditors and will be binding on them. External Auditors shall acknowledge receipt of all amendments. To give External Auditors reasonable time in which to take an amendment into account in their Proposals the Procuring Agency may, if the amendment is substantial, extend the deadline for the submission of Proposals.

3. Preparation of Proposals

3.1 The Proposal (see para. 1.2), as well as all related correspondence exchanged by the External Auditors and the Procuring Agency, shall be written in the language (s) specified in the Data Sheet.

3.2 In preparing their Proposal, External Auditors are expected to examine in detail the documents comprising the RFP. Material deficiencies in providing the information requested may result in rejection of a

Proposal.

3.3 While preparing the Technical Proposal, External Auditors must give particular attention to the following:

- (a) If an External Auditor considers that it may enhance its expertise for the assignment by associating with other External Auditors in a joint venture or sub-consultancy, it may associate with either (a) non- External Auditor(s), or (b) External Auditors. In case of association with non- External Auditor(s), the External Auditor shall act as association leader. Any associations must be clearly indicated in the technical proposal. In case of a joint venture, all partners shall be jointly and severally liable and shall indicate who will act as the leader of the joint venture.
- (b) Alternative professional staff shall not be proposed, and only one curriculum vitae (CV) may be submitted for each position.

**Technical
Proposal
Format and
Content**

3.4 The Technical Proposal shall provide the information indicated in the following paras from (a) to (g) using the attached Standard Forms (Section 3). Paragraph (c) (ii) indicates the recommended number of pages for the description of the approach, methodology and work plan of the Technical Proposal. A page is considered to be one printed side of A4 or letter size paper.

- (a) A brief description of the External Auditors' organization and an outline of recent experience of the External Auditors (each partner in case of joint venture) on assignments of a similar nature is required in Form TECH-2 of Section 3. For each assignment, the outline should indicate the names of Sub-Consultants/ Professional staff who participated, duration of the assignment, agreement amount, and External Auditor's involvement. Information should be provided only for those assignments for which the External Auditor was legally engaged by the Procuring Agency as a firm or as one of the major firms within a joint venture. Assignments completed by individual Professional staff working privately or through other consulting firms cannot be claimed as the experience of the

External Auditor, or that of the External Auditor's associates, but can be claimed by the Professional staff themselves in their CVs. External Auditor should be prepared to substantiate the claimed experience if so requested by the Procuring Agency.

- (b) Comments and suggestions on the Terms of Reference including workable suggestions that could improve the quality/ effectiveness of the assignment; and on requirements for counterpart staff and facilities including: administrative support, office space, local transportation, equipment, data, etc. to be provided by the Procuring Agency (Form TECH-3 of Section 3).
- (c) A description of the approach, methodology and work plan for performing the assignment covering the following subjects: technical approach and methodology, work plan, and organization and staffing schedule. Guidance on the content of this section of the Technical Proposals is provided under Form TECH-4 of Section 3.
- (d) The list of the proposed Professional staff team by area of expertise, the position that would be assigned to each staff team member, and their tasks (Form TECH-5 of Section 3).
- (e) CVs of the Professional staff signed by the staff themselves or by the authorized representative of the Professional Staff (Form TECH-6 of Section 3) along with their Computerized National Identity Card numbers (if local) or Passport numbers (if foreign).
- (f) A detailed description of the proposed methodology and staffing for training, if the Data Sheet specifies training as a specific component of the assignment.

3.5 The Technical Proposal shall not include any financial information. A Technical Proposal containing financial information shall be declared non responsive.

Financial Proposals

3.6 The Financial Proposal shall be prepared using the attached Standard Forms (Section 4). It shall list all costs

associated with the assignment, including (a) remuneration for staff (foreign and local, in the field and at the External Auditors' home office), and (b) reimbursable expenses indicated in the Data Sheet. If appropriate, these costs should be broken down by activity and, if appropriate, into foreign and local expenditures. All activities and items described in the Technical Proposal must be priced separately; activities and items described in the Technical Proposal but not priced, shall be assumed to be included in the prices of other activities or items.

Taxes

3.7 The External Auditor may be subject to local taxes (such as: value added or sales tax or income taxes on nonresident Foreign Personnel, duties, fees, levies) on amounts payable by the Procuring Agency under the Agreement. The Procuring Agency will state in the Data Sheet if the External Auditor is subject to payment of any taxes. Any such amounts shall not be included in the Financial Proposal as they will not be evaluated, but they will be discussed at agreement negotiations, and applicable amounts will be included in the Agreement.

3.8 External Auditor should express the price of their services in Pakistan Rupees. Prices in other currencies should be converted to Pakistan Rupees using the selling rates of exchange given by the State Bank of Pakistan for the date indicated in the Data Sheet.

3.9 Commissions and gratuities, if any, paid or to be paid by External Auditors and related to the assignment will be listed in the Financial Proposal Form FIN-1 of Section 4.

4. Submission, Receipt, and Opening of Proposals

4.1 The original proposal (Technical Proposal and, if required, Financial Proposal; see para. 1.2) shall contain no interlineations or overwriting, except as necessary to correct errors made by the External Auditors themselves. The person who signed the proposal must initial such corrections. Submission letters for both Technical and Financial Proposals should respectively be in the format of TECH-1 of Section 3, and FIN-1 of Section 4.

4.2 An authorized representative of the External Auditors shall initial all pages of the original Technical and Financial Proposals. The authorization shall be in the form of a written power of attorney accompanying the Proposal or in any other form demonstrating that the representative has

been duly authorized to sign. The signed Technical and Financial Proposals shall be marked “ORIGINAL”.

- 4.3 The Technical Proposal shall be marked “ORIGINAL” or “COPY” as appropriate. The Technical Proposals shall be sent to the addresses referred to in para. 4.5 and in the number of copies indicated in the Data Sheet. All required copies of the Technical Proposal are to be made from the original. If there are discrepancies between the original and the copies of the Technical Proposal, the original governs.
- 4.4 Technical Proposal shall be placed in a sealed envelope clearly marked “TECHNICAL PROPOSAL” Similarly, the Financial Proposal (if required under the selection method indicated in the Data Sheet) shall be placed in a sealed envelope clearly marked “FINANCIAL PROPOSAL” followed by the name of the assignment, and with a warning “**DO NOT OPEN WITH THE TECHNICAL PROPOSAL.**” The envelopes containing the Technical and Financial Proposals shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address and title of the Assignment, clearly marked “**DO NOT OPEN, EXCEPT IN PRESENCE OF THE OFFICIAL APPOINTED, BEFORE SUBMISSION DEADLINE.**” The Procuring Agency shall not be responsible for misplacement, losing or premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may be case for Proposal rejection. If the Financial Proposal is not submitted in a separate sealed envelope duly marked as indicated above, this will constitute grounds for declaring the Proposal non-responsive.
- 4.5 The Proposals must be sent to the address/addresses indicated in the Data Sheet and received by the Procuring Agency no later than the time and the date indicated in the Data Sheet, or any extension to this date in accordance with para. 2.2. Any proposal received by the Procuring Agency after the deadline for submission shall be returned unopened.
- 4.6 The Procuring Agency shall open the Technical Proposal immediately after the deadline for their submission. The envelopes with the Financial Proposal shall remain sealed

and securely stored.

5. Proposal Evaluation

5.1 From the time the Proposals are opened to the time the Agreement is awarded, the External Auditors should not contact the Procuring Agency on any matter related to its Technical and/or Financial Proposal. Any effort by External Auditor to influence the Procuring Agency in the examination, evaluation, ranking of Proposals, and recommendation for award of Agreement may result in the rejection of the External Auditors' Proposal.

Evaluators of Technical Proposals shall have no access to the Financial Proposals until the technical evaluation is concluded.

Evaluation of Technical Proposals

5.2 The evaluation committee shall evaluate the Technical Proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria, sub criteria, and point system (if any) as specified in the Data Sheet. A Proposal shall be rejected at this stage if it does not respond to the Mandatory Criteria and other important aspects of the RFP, and particularly the Terms of Reference.

Financial Proposals for QBS

5.3 Following the ranking of Technical Proposals, when selection is based on quality only (QBS), the first ranked External Auditor is invited to negotiate its proposal and the Agreement in accordance with the instructions given under para. 6 of these Instructions.

Public Opening and Evaluation of Financial Proposals (only for QCBS, Fixed Budget Selection, and Least-Cost Selection)

5.4 After the Technical Evaluation is completed, the Procuring Agency shall inform the External Auditors who have submitted proposals the technical scores obtained by their Technical Proposals, and shall notify those External Auditors whose Proposals did not meet the minimum qualifying mark or were considered non responsive to the RFP and TOR, that their Financial Proposals will be returned unopened after completing the selection process. The Procuring Agency shall simultaneously notify in writing External Auditors that have secured the minimum qualifying mark, the date, time and location for opening the Financial Proposals. External Auditors' attendance at the opening of Financial Proposals is optional. The opening date shall be set so as to allow interested External Auditors sufficient time to make arrangements for attending the opening.

- 5.5 Financial Proposals shall be opened publicly in the presence of the External Auditors' representatives who choose to attend. The name of the External Auditors, and the technical scores of the External Auditors shall be read aloud. The Financial Proposal of the External Auditors who met the minimum qualifying mark will then be inspected to confirm that they have remained sealed and unopened. These Financial Proposals shall be then opened, and the total prices read aloud and recorded.
- 5.6 The Evaluation Committee will correct any computational errors. When correcting computational errors, in case of discrepancy between a partial amount and the total amount, or between word and figures, the formers will prevail. In addition to the above corrections, as indicated under para. 3.6, activities and items described in the Technical Proposal but not priced, shall be assumed to be included in the prices of other activities or items. In case an activity or line item is quantified in the Financial Proposal differently from the Technical Proposal, (i) if the Time-Based form of agreement has been included in the RFP, the Evaluation Committee shall correct the quantification indicated in the Financial Proposal so as to make it consistent with that indicated in the Technical Proposal, apply the relevant unit price included in the Financial Proposal to the corrected quantity and correct the total Proposal cost, (ii) if the Lump-Sum form of agreement has been included in the RFP, no corrections are applied to the Financial Proposal in this respect.
- 5.7 In case of QCBS, the lowest evaluated Financial Proposal (Fm) will be given the maximum financial score (Sf) of 100 points. The financial scores (Sf) of the other Financial Proposals will be computed as indicated in the Data Sheet. Proposals will be ranked according to their combined technical (St) and financial (Sf) scores using the weights (T = the weight given to the Technical Proposal; F = the weight given to the Financial Proposal; T + F = 1) indicated in the Data Sheet: $S = St \times T\% + Sf \times F\%$. The firm achieving the highest combined technical and financial score will be invited for negotiations / awarded the contract.
- 5.8 In the case of Fixed-Budget Selection, the Procuring Agency will select the firm that submitted the highest ranked Technical Proposal within the budget. Proposals

that exceed the indicated budget will be rejected. In the case of the Least-Cost Selection, the Procuring Agency will select the lowest proposal among those who technically qualified or meet the minimum evaluation criteria (Mandatory criteria) or passed the minimum technical score. In both cases the evaluated proposal price according to para. 5.6 shall be considered, and the selected firm is invited for negotiations.

6. Negotiations

6.1 Negotiations will be held at the date and address indicated in the Data Sheet. The invited External Auditor will, as a pre-requisite for attendance at the negotiations, confirm availability of all Professional staff. Failure in satisfying such requirements may result in the Procuring Agency proceeding to negotiate with the next-ranked External Auditor. Representatives conducting negotiations on behalf of the External Auditor must have written authority to negotiate and conclude an Agreement.

Technical negotiations

6.2 Negotiations will include a discussion of the Technical Proposal, the proposed technical approach and methodology, work plan, and organization and staffing, and any suggestions made by the External Auditor to improve the Terms of Reference. The Procuring Agency and the External Auditors will finalize the Terms of Reference, staffing schedule, work schedule, logistics, and reporting. These documents will then be incorporated in the Agreement as "Description of Services". Special attention will be paid to clearly defining the inputs and facilities required from the Procuring Agency to ensure satisfactory implementation of the assignment. The Procuring Agency shall prepare minutes of negotiations which will be signed by the Procuring Agency and the External Auditor.

Financial negotiations

6.3 If applicable, it is the responsibility of the External Auditor, before starting financial negotiations, to determine the tax amount to be paid by the External Auditor under the Agreement. The financial negotiations will reflect the agreed technical modifications in the cost of the services. In the cases of QCBS, Fixed-Budget Selection, and the Least-Cost Selection methods, financial negotiations can involve the remuneration rates for staff or other proposed unit rates if there is a revision of scope or if the bid rate exceeds the available budget. For other methods, External Auditor will provide the Procuring

Agency with the information on remuneration rates described in the Appendix attached to Section 4 – Financial Proposal - Standard Forms of this RFP.

**Availability of
Professional
staff/experts**

6.4 Having selected the External Auditor on the basis of, among other things, an evaluation of proposed Professional staff, the Procuring Agency expects to negotiate an Agreement on the basis of the Professional staff named in the Proposal. Before agreement negotiations, the Procuring Agency will require assurances that the Professional staff will be actually available. The Procuring Agency will not consider substitutions during agreement negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable or for reasons such as death or medical incapacity. If this is not the case and if it is established that Professional staff were offered in the proposal without confirming their availability, the External Auditor may be disqualified. Any proposed substitute shall have equivalent or better qualifications and experience than the original candidate and be submitted by the External Auditor within the period of time specified in the letter of invitation to negotiate.

**Conclusion of
the negotiations**

6.5 Negotiations will conclude with a review of the draft Agreement. To complete negotiations the Procuring Agency and the External Auditor will initial the agreed Agreement. If negotiations fail, the Procuring Agency will invite the External Auditor whose Proposal received the second highest score to negotiate an Agreement.

**7. Award of
Agreement**

7.1 After completing negotiations the Procuring Agency shall award the Agreement to the selected External Auditor, the Procuring Agency shall return the unopened Financial Proposals to the unsuccessful External Auditors.

7.2 The External Auditor is expected to commence the assignment on the date and at the location specified in the Data Sheet.

8. Confidentiality

8.1 Information relating to evaluation of Proposals and recommendations concerning awards shall not be disclosed to the External Auditors who submitted the Proposals or to other persons not officially concerned with the process, until the publication of the award of Agreement. The undue use by any External Auditor of

confidential information related to the process may result in the rejection of its Proposal and may be subject to the provisions of the External Auditor Selection Guidelines relating to fraud and corruption.

9. Performance Guarantee

- 9.1 The Procuring Agency may require the successful bidder to furnish a performance guarantee of an amount specified in the Data Sheet, in the form acceptable to the procuring Agency.

DRAFT

Instructions to Consultants

DATA SHEET

| Paragraph Reference | |
|---------------------|---|
| 1.1 | <p>Name of the Procuring Agency: M/s Lahore Waste Management Company</p> <p>Procedure of selection: Single Stage Two Envelope</p> <p>Method of selection: Least Cost Selection Method (LCS)</p> |
| 1.2 | <p>Financial Proposal to be submitted together with Technical Proposal (sealed <i>in separate envelops</i>):</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>Name of the assignment is: Hiring of Services of External Auditor</p> |
| 1.3 | <p>A pre-proposal conference will be held on:</p> <p>August 04, 2021 at 1100 hours in LWMC Head Office;</p> <p>Office No. 4-5, 4th. Floor, Shaheen Complex, Egerton Road, Lahore, Tel: +92-42-99205153-55, Fax: +92-42-99205156,</p> <p>The Procuring Agency's representative is:</p> <p>General Manager (P&C) or its Representative Address: - office No. 4-5, 4th. Floor, Shaheen Complex, Egerton Road, Lahore, Pakistan Telephone: 042-99205153-55 Facsimile: 042-992051556 E-mail: <procurement@lwmc.com.pk></p> |
| 1.4 | <p>The Procuring Agency will provide the following inputs and facilities:</p> <ol style="list-style-type: none"> Adequate support for conduct of Audit operations Assistance in obtaining requisite information |
| 1.6.1 (a) | <p>The Procuring Agency envisages the need for continuity for downstream work:</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> |
| 1.12 | <p>Proposals must remain valid for 150 days.</p> |

| | |
|---------------------|--|
| 1.13 | Amount of Bid / Proposal Security: 2% of estimated cost (i.e. Rs.99,500/-) in shape of Bank Guarantee / CDR / DD / Pay Order / Bankers Cheque in favour of Lahore Waste Management Company valid for a period equal to or 30 days beyond the Bid / RFP validity period. |
| 2.1 | <p>Clarifications may be requested not later than 3 days before the submission date.</p> <p>The address for requesting clarifications is:</p> <p>General Manager (P&C) Lahore Waste management Company Office No. 4-5, 4th. Floor, Shaheen Complex, Egerton Road, Lahore, Pakistan Tel: +92-42-99205153-55, Fax: +92-42-99205156, Email: procurement@lwmc.com.pk</p> |
| 3.1 | <p>Proposals shall be submitted in the following language;</p> <p>English</p> |
| 3.3 (a) | External Auditors may associate with other External Auditors: No |
| 3.4 (a to e) | Only Clause b is Not Applicable. |
| 3.4 (f) | Training is a specific component of this assignment: No, Clause (f) is Not Applicable |
| 3.6 | <p>List the applicable Reimbursable expenses in local currency.</p> <p>(i) No out -of -packet expenses will be reimbursed.</p> |
| 3.7 | <p>Amounts payable by the Procuring Agency to the External Auditor under the Agreement to be subject to local taxation: Yes</p> <p>Taxes are deducted at source from payment to the External Auditors unless they have Tax Exemption Certificate.</p> |
| 3.8 | The date of exchange rate is: Not applicable |
| 4.3 | External Auditor must submit the original and 0 Duplicate Set of the Technical Proposal, and the Financial Proposal. |
| 4.5 | <p>The Proposal submission address is as follows;</p> <p>General Manager (P&C) Lahore Waste management Company Office No. 4-5, 4th. Floor, Shaheen Complex, Egerton Road, Lahore.</p> |

| | |
|-----|--|
| | <p>Tel: +92-42-99205153-55, Fax: +92-42-99205156, Email: procurement@lwmc.com.pk Proposals must be submitted not later than the following date and time: August 12, 2021 till 1100 Hours</p> |
| 5 | <p>1. MANDATORY CRITERIA</p> <p>Firms / Companies passing the mandatory criteria as specified below will be eligible for further technical evaluation according to given technical criteria.</p> <ol style="list-style-type: none"> Registration with Income Tax Authorities Taxpayers status for the last two “2” Years Income Tax Returns for the duration corresponding with Taxpayer Status Affidavit on Legal paper that firm is not black listed by any govt. agency / firm Experience of ‘2’ Relevant Projects / Assignments (Copy of evidence e.g. Experience Letter, Letter of Appointment etc.) Audited Financial Statement for the last one “1” Year Bank Statement showing Financial Soundness Registered with Institute of Chartered Accountants of Pakistan (ICAP). Affiliated with reputable international Chartered Accountants firm. “A” category Chartered Accountant firm. Satisfactory QCR rating (latest) from Institute of Chartered Accountants of Pakistan. Evidence of registration with the Audit Oversight Board (established under SECP Act, 1997). <p>Notes:</p> <ul style="list-style-type: none"> ➤ The firm shall attach relevant documents or certificates to validate their eligibility vis-à-vis above requirements. ➤ Firms not fulfilling the above eligibility criteria will not be considered for further evaluation. |
| 6.1 | <p>Expected date and address for agreement negotiations: September, 2021</p> <p>Lahore Waste management Company Office No. 4-5, 4th. Floor, Shaheen Complex, Egerton Road, Lahore, Pakistan</p> |
| 7.2 | <p>Expected date for commencement of contract: Within 7 days after award of contract / award letter. Expectedly in October, 2021</p> |

| | |
|-------------------|--|
| <p>9.1</p> | <p>Amount of Performance Security: Successful Bidder / Consultant will have to submit 10% performance security of Total Contract Price in shape of Bank Guarantee / CDR for the due performance of contract which will be released after successful completion of contract / deliverables.</p> <p>The Performance Guarantee shall be denominated in a currency of the Contract, or in a freely convertible currency acceptable to the Purchaser, and shall be in following form:</p> <p>(a) A Bank Guarantee or Call Deposit Receipt (CDR);</p> <p>(i) Issued by a bank acceptable to the Purchaser located in Pakistan; or</p> <p>(ii) Issued by a foreign bank through a correspondent bank acceptable to the Purchaser located in Pakistan, and in the form provided in the bidding documents or another form acceptable to the Purchaser.</p> |
|-------------------|--|

Section 3: Technical Proposal - Standard Forms

[Comments in brackets [] provide guidance to the External Auditors for the preparation of their Technical Proposals; they should not appear on the Technical Proposals to be submitted.]

Refer to Reference Paragraph 3.4 of the Data Sheet for format of Technical Proposal to be submitted, and paragraph 3.4 of Section 2 of the RFP for Standard Forms required and number of pages recommended.

- TECH-1 Technical Proposal Submission Form (Required)
- TECH-2 External Auditor's Organization and Experience (Required)
 - A External Auditor's Organization
 - B External Auditor's Experience
- TECH-3 Comments or Suggestions on the Terms of Reference and on Counterpart Staff and Facilities to be provided by the Procuring Agency (Not Required)
 - A On the Terms of Reference
 - B On the Counterpart Staff and Facilities
- TECH-4 Description of the Approach, Methodology and Work Plan for Performing the Assignment. (Required)
- TECH-5 Team Composition and Task Assignments (Required)
- TECH-6 Curriculum Vitae (CV) for Proposed Professional Staff (Required)

FORM TECH-1 TECHNICAL PROPOSAL SUBMISSION FORM

[Location, Date]

To: Chief Executive Officer,
Lahore Waste Management Company,
Office No. 4-5, 4th. Floor, Shaheen Complex, Egerton Road, Lahore, Pakistan

Dear Sir,

We, the undersigned, offer to provide the services for External Auditor in accordance with your Request for Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope¹.

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., before the date indicated in Paragraph Reference 1.12 of the Data Sheet, we undertake to negotiate on the basis of the proposed staff. 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 consulting services related to the assignment not later than the date indicated in Paragraph Reference 7.2 of the Data Sheet.

We understand you are not bound to accept all Proposals you receive.

We remain,

Yours sincerely,

Authorized Signature [In full and initials]: _____

Name and Title of Signatory: _____

Name of Firm: _____

Address: _____

- 1 [In case Paragraph Reference 1.2 of the Data Sheet requires to submit a Proposal, which includes Technical Proposal and Financial Proposal sealed separately.”]
- 2 [Delete in case no association is foreseen.]

FORM TECH-2 EXTERNAL AUDITOR'S ORGANIZATION AND EXPERIENCE

A – External Auditor's Organization

[Provide here a brief (two pages) description of the background and organization of your firm/entity (including organogram) and each associate for this assignment.]

DRAFT

B – External Auditor’s Experience

[Using the format below, provide information on each assignment for which your firm, and each associate for this assignment, was legally contracted as a corporate entity or as one of the major companies within an association, for carrying out consulting services similar to the ones requested under this Assignment. Use maximum 20 pages. Please provide Procuring Agency’s certification and/or evidence of the contract agreement.]

| | |
|---|---|
| Assignment name: | Value of the agreement (in current PKR or US\$): |
| Country: Location within country: | Duration of assignment (months): |
| Name of Procuring Agency: | Total N ^o of staff-months (by your firm) on the assignment: |
| Start date (month/year): Completion date (month/year): | Value of consultancy services provided by your firm under the agreement (in current PKR or US\$): |
| Name of associated External Auditors, if any: | No of professional staff-months provided by associated External Auditors: |
| Name of senior professional staff of your firm involved and functions performed (indicate most significant profiles such as Project Director/Coordinator, Team Leader): | |
| Narrative description of Project: | |
| Description of actual services provided by your staff within the assignment: | |

FORM TECH-3 COMMENTS AND SUGGESTIONS ON THE TERMS OF REFERENCE AND ON COUNTERPART STAFF AND FACILITIES TO BE PROVIDED BY THE PROCURING AGENCY (NOT REQUIRED)

A - On the Terms of Reference

[Present and justify here any modifications or improvement to the Terms of Reference you are proposing to improve performance in carrying out the assignment (such as deleting some activity you consider unnecessary, or adding another, or proposing a different phasing of the activities). Such suggestions should be concise and to the point, and incorporated in your Proposal.]

B - On Counterpart Staff and Facilities

[Comment here on counterpart staff and facilities to be provided by the Procuring Agency according to Paragraph Reference 1.4 of the Data Sheet including: administrative support, office space, local transportation, equipment, data, etc.]



LAHORE WASTE MANAGEMENT COMPANY

Company Established under Section 42 of Companies Ordinance 1984

FORM TECH-4 DESCRIPTION OF APPROACH, METHODOLOGY AND WORK PLAN FOR PERFORMING THE ASSIGNMENT

[Technical approach, methodology and work plan are key components of the Technical Proposal. You are suggested to present your Technical Proposal (50 pages, inclusive of charts and diagrams) divided into the following three chapters:

- a) Technical Approach and Methodology,
- b) Work Plan, and
- c) Organization and Staffing,



LAHORE WASTE MANAGEMENT COMPANY

Company Established under Section 42 of Companies Ordinance 1984

FORM TECH-5 TEAM COMPOSITION AND TASK ASSIGNMENTS

| Professional Staff | | | | | |
|--------------------|-----------------------|------|-------------------|-------------------|---------------|
| Name of Staff | CNIC No./Passport No. | Firm | Area of Expertise | Position Assigned | Task Assigned |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

FORM TECH-6 CURRICULUM VITAE (CV) FOR PROPOSED PROFESSIONAL STAFF

1. **Proposed Position** [only one candidate shall be nominated for each position]: _____

2. **Name of Firm** [Insert name of firm proposing the staff]: _____

3. **Name of Staff** [Insert full name]: _____

4. **Date of Birth:** _____ **Nationality:** _____

5. **CNIC No (if Pakistani):** _____ **or Passport No:** _____

6. **Education :**

| <i>Degree</i> | <i>Major/Minor</i> | <i>Institution</i> | <i>Date (MM/YYYY)</i> |
|---------------|--------------------|--------------------|-----------------------|
| | | | |
| | | | |
| | | | |

7. **Membership of Professional Associations:** _____

8. **Other Training** [Indicate significant training since degrees under 6 - Education were obtained]: _____

9. **Languages** [For each language indicate proficiency: good, fair, or poor in speaking, reading, and writing]: _____

10. **Employment Record** [Starting with present position, list in reverse order every employment held by staff member since graduation, giving for each employment (see format here below): dates of employment, name of employing organization, positions held.]:

| <i>Employer</i> | <i>Position</i> | <i>From (MM/YYYY)</i> | <i>To (MM/YYYY)</i> |
|-----------------|-----------------|-----------------------|---------------------|
| | | | |
| | | | |
| | | | |

11. Detailed Tasks Assigned

[List all tasks to be performed under this assignment]

12. Work Undertaken that Best Illustrates Capability to Handle the Tasks Assigned

[Among the assignments in which the staff has been involved, indicate the following information for those assignments that best illustrate staff capability to handle the tasks listed under point 11.]

- 1) Name of assignment or project: _____
Year: _____
Location: _____
Procuring Agency: _____
Main project features: _____
Positions held: _____
Activities performed: _____

- 2) Name of assignment or project: _____
Year: _____
Location: _____
Procuring Agency: _____
Main project features: _____
Positions held: _____
Activities performed: _____

3) Name of assignment or project: _____

Year: _____

Location: _____

Procuring Agency: _____

Main project features: _____

Positions held: _____

Activities performed: _____

[Unroll the project details group and continue numbering (4, 5, ...) as many times as is required]

13. Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications, and my experience. I understand that any wilful misstatement described herein may lead to my disqualification or dismissal, if engaged.

✓

[Signature of staff member or authorized representative of the staff] Date: _____
Day/Month/Year

Full name of authorized representative: _____

Section 4: Financial Proposal - Standard Forms

[Comments in brackets [] provide guidance to the External Auditors for the preparation of their Financial Proposals; they should not appear on the Financial Proposals to be submitted.]

Financial Proposal Standard Forms shall be used for the preparation of the Financial Proposal according to the instructions provided under para. 3.6 of Section 2. Such Forms are to be used whichever is the selection method indicated in para. 4 of the Letter of Invitation.

[The Appendix “Financial Negotiations - Breakdown of Remuneration Rates” is to be only used for financial negotiations when Quality-Based Selection, Selection Based on Qualifications, or Single-Source Selection method is adopted, according to the indications provided under para. 6.3 of Section 2.]

- FIN-1 Financial Proposal Submission Form
- FIN-2 Summary of Costs
- FIN-3 Breakdown of Costs by Team / Professional and per Diem
- FIN-4 Breakdown of Remuneration

FORM FIN-1 FINANCIAL PROPOSAL SUBMISSION FORM

[Location, Date]

To: Chief Executive Officer,
Lahore Waste Management Company
Office No. 4-5, 4th. Floor, Shaheen Complex, Egerton Road, Lahore, Pakistan

Dear Sir,

We, the undersigned, offer to provide the consulting services for External Auditor in accordance with your Request for Proposal and our Technical Proposal. Our attached Financial Proposal is for the sum of [*Insert amount(s) in words and figures¹*]. This amount is inclusive of all applicable taxes, duties, charges etc.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Agreement negotiations, up to expiration of the validity period of the Proposal, i.e. before the date indicated in Paragraph Reference 1.12 of the Data Sheet.

No commissions or gratuities have been or are to be paid by us to agents relating to this Proposal and Agreement execution.

We understand you are not bound to accept all Proposals you received.

We remain,

Yours sincerely,

Authorized Signature [*In full and initials*]: _____

Name and Title of Signatory: _____

Name of Firm: _____

Address: _____

FORM FIN-2 SUMMARY OF COSTS

| Item (As Per TORs) | Costs / Consultancy Fees (PKR) |
|--|--------------------------------|
| External Audit of FY 2017-18* (Inclusive of all applicable Taxes) | |
| External Audit of FY 2018-19* (Inclusive of all applicable Taxes) | |
| Additional Services during Audit of FY 2018-19* (Inclusive of all applicable Taxes) | |
| External Audit of FY 2019-20* (Inclusive of all applicable Taxes) | |
| External Audit of FY 2020-21* (Inclusive of all applicable Taxes) | |
| Total Cost (PKR) (Inclusive of all applicable Taxes) | |
| Total Cost (PKR) in words: | |

* Indicate the total costs. Such total costs must coincide with the sum of the relevant Subtotals indicated in all Forms provided with the Proposal & compatible with the Technical Proposal.

Note 1: Please mention the amount both in FIGURES and WORDS.

Note 2: Any OUT-OF-POCKET or any other expenses will not be reimbursed. Payments will be made subject to eligible deductions & applicable taxes as per the deliverables / TORs.

FORM FIN-3 BREAKDOWN OF COSTS BY ACTIVITY

1. Please provide all the details of costs (remuneration / Consultancy fee) per diem per person as per financial proposal.
2. The details must be in agreement with the Consultancy Plan / program as given in the Technical proposal / TORs.
3. Form FIN-3 shall be filled for the whole assignment.

DRAFT

Section: 5

DRAFT CONTRACT

AGREEMENT NO. LWMC/

Dated: -----

DRAFT CONTRACT

(To be finalized on mutual consensus at the time of signing and to be executed on stamp papers to be provided by Service Provider)

FOR

HIRING OF SERVICES OF EXTERNAL AUDITOR

THIS CONTRACT, together with Appendices A to D which constitute an integral part thereof (hereinafter referred to as the Contract), is signed on this ____ Day of _____, 20____;

By and Between

M/s Lahore Waste Management Company, a company registered under section 42 of the then applicable Companies Ordinance, 1984 having its office registered at 4th floor Shaheen complex, office no. 4&5, Egerton Road, Lahore through its authorized signatory Managing Director, LWMC (Hereinafter referred to as the “**Procuring Agency**” or “**LWMC**”, which expression shall where the context permits include its successors-in-interest and permitted assigns) of the first part;

And

M/s _____ having its registered office at _____ or branch office address _____ through its authorized signatory _____ having CNIC no. _____

Address _____ (Hereinafter referred to as the “**External Auditor**”, which expression shall where the context permits include its successors-in-interest and permitted assigns), of the second part.

“(LWMC and the External Auditor shall collectively be referred to as the ‘Parties’ and shall individually be referred to as ‘Party’)

The Parties hereto agree as under:

WHEREAS, LWMC is a company established to develop and manage an integrated Solid Waste Management System in the city of Lahore. In this regard, LWMC intends to procure the Services of the External Auditor as specified hereunder.

WHEREAS, the External Auditor is desirous of providing the aforesaid Services and submitted and opened its proposal on/bid on _____ and the proposal/bid has been deemed successful for awarding this Contract.

WHEREAS, the External Auditor has agreed to offer and LWMC has agreed to hire the envisaged Services on the terms and conditions set out herein below.

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein and other good and valuable consideration, the adequacy of which is hereby acknowledged, the Parties agree as follows:

ARTICLE 1: THE PROJECT

The Assignment for which Services are required to be performed under this Contract is described in Appendix-A.

The documents forming this Contract are to be taken as mutual explanatory of one another. For the purposes of interpretations, the priority of the documents shall be in accordance with the following sequence:

- (a) The Letter of Acceptance (LWMC _____ dated)
- (b) Appendix-D: Special Conditions
- (c) The Contract
- (d) Appendices A, B & C
- (e) RFP Document and its sections / schedules etc.
- (f) Any other documents forming part of Contract

If an ambiguity or discrepancy is found in the aforesaid Contract Documents, the Procuring Agency may issue any necessary clarification or instruction to that effect which shall be final and binding on the External Auditor.

ARTICLE 2: SCOPE OF SERVICES

- 2.1 The scope of required services (Hereinafter referred to as "Services") to be performed by the External Auditor for this Contract are described in Appendix-A.

- 2.2 The External Auditor further agrees to provide all related services, which are essential and/or ancillary for the performance of the obligations of the External Auditor as may be required by the Procuring Agency at any time during the term/duration of this Contract.

ARTICLE 3: TIME SCHEDULE

3.1 Effective Date of Commencement

Effective Date of Commencement of Services shall be as defined in Appendix-B.

3.2 Time Schedule of Services

The time schedule of Services is given in the attached Appendix-B.

3.3 Extension of Time

The Contract Period / Time for completion of deliverables is extendable subject to approval of competent authority i.e. CEO, LWMC with no additional cost or charges. Any and all extensions in the Contract Period / Time shall be in writing.

3.4 Time of the Essence

Time is of the essence in this Contract and whenever a date of time is set forth in this Contract, the same has entered into and formed a part of the consideration of the Contract.

ARTICLE 4: MODE OF OPERATION

4.1 Obligations of the External Auditor

- 1) The External Auditor shall perform Services as an independent External Auditor in accordance with recognized professional standards, applicable laws and rules.
- 2) The External Auditor shall appoint a dedicated Manager named in Appendix-D who shall represent the External Auditor for purposes of this Contract and shall be responsible for the administration of the Contract including performance of Services thereunder. He shall remain in contact with the representative of the Procuring Agency to keep him fully informed on all matters relating to the provision of Services by the External Auditor.
- 3) The External Auditor shall carry out the Services with due diligence and efficiency and in conformity with standard professional practices and Pakistan Telecommunication Authority (PTA) Act and regulations.

- 4) The External Auditor shall ensure the adherence and full compliance to the Terms and Conditions of this Contract and Appendices attached.
- 5) The External Auditor shall act at all times so as to protect the interests of the Procuring Agency and shall take all reasonable steps to keep all expenses to a minimum consistent with sound economic and professional practices.
- 6) The External Auditor shall furnish the Procuring Agency such information relating to the Services as the Procuring Agency may from time to time reasonably request.
- 7) Except with the prior written approval of the Procuring Agency, the External Auditor shall not further assign or transfer or outsource the Contract for Services or any part thereof nor engage any other independent External Auditor or Sub-External Auditor to perform any part of the Services.
- 8) The External Auditor agrees that no proprietary and confidential information received by the External Auditor from the Procuring Agency shall be disclosed to a third party unless the External Auditor receives a written permission from the Procuring Agency to do so.
- 9) The External Auditor shall procure, if applicable, all necessary government or semi-government approvals, licenses, permits, registrations etc. and ensure that the same shall remain valid during the term of the Contract.
- 10) The External Auditor shall strictly comply with all applicable laws, rules and regulations relating to the establishment of the Contract.
- 11) The External Auditor shall not use trade name, trade mark or design affixed to or used in connection with the Scope under the Contract.
- 12) The External Auditor shall ensure that its personnel strictly adhere to all safety, security and discipline rules and requirements of LWMC as amended from time to time.
- 13) In case of any mishap due to negligence by the External Auditor's personnel, the External Auditor will good the loss sustained by Procuring Agency or third party involved in the incident. In all such circumstances, the Procuring Agency will be authorized to deduct the amount of said loss from invoice or any amount due to the External Auditor under this Contract.
- 14) The External Auditor further agrees to deploy the required personnel (if any) as per Terms of Reference (TORs).

4.2 Obligations of the Procuring Agency

The Procuring Agency shall provide to the External Auditor:

- 1) All necessary data / documents /reports, as listed in Appendix-A, that may be required by the External Auditor for performing the Services within the Time Schedule given in Appendix-B.
- 2) The Procuring Agency shall designate a person named in Appendix-D to act as its representative on all matters pertaining to this Contract and to fully cooperate with the Project Manager of the External Auditor.
- 3) The Procuring Agency shall take all necessary measures to make timely payments to the External Auditor as stipulated in Article 5, hereof.

ARTICLE 5: REMUNERATION FOR SERVICES AND SCHEDULE OF PAYMENT

- 1) In consideration of the satisfactory provisioning and delivery of Services and related services (if any), the Procuring Agency shall pay a remuneration for the proper, complete and delivered Services rendered by the External Auditor strictly in accordance with Appendix-C. The remuneration quoted in Appendix-C shall remain fixed and valid during the duration of Contract including any extension (s) and shall not subject to variation on account of escalation.
- 2) All payments to the External Auditor are subject to the compliance by the External Auditor of its obligations hereunder including statutory obligations.
- 3) All payments to the External Auditor are subject to applicable taxes, fees, deductions and penalties in terms of this Contract.

ARTICLE 6: TERMINATION

6.1 End of Services

The Contract shall come to an end when, pursuant to the provisions hereof, the Services have been properly and successfully provided and performed and the payment of remunerations for the proper and complete Services have been made.

6.2 Termination by the Procuring Agency

6.2.1 In case of occurrence of any of the following “Event of Default” by the External Auditor, the Procuring Agency may forthwith, in writing, terminate this Contract:

- a) If the External Auditor fails to provide the Services within the stipulated timeframes and in accordance with the provisions of this Contract.
- b) If the External Auditor violates or breaches, or materially fails to fully and completely observe, keep, satisfy, perform and comply with, any agreement, term,

covenant, condition, requirement, restriction or provision of this Contract or any of the Contract Documents and does not cure such violation, breach or failure within 20 days after the Procuring Agency gives External Auditor written notice of such violation, breach or failure, or, if such violation, breach or failure can be cured but not within 20 days with the use of diligent efforts, if the External Auditor does not commence to cure such violation, breach or failure within such 15 days period.

- c) If the Services provided does not conform to any requirements of the Procuring Agency and subject to the same being informed to the External Auditor in writing the same is not replaced or rectified within 15 days or as required.

6.2.2 The Procuring Agency may, by a written notice of thirty (30) days to the External Auditor, terminate this Contract, in whole or in part, without assigning any reason whatsoever. All payable and undisputed accounts for the proper and completed Services, as determined by the Procuring Agency, between the Procuring Agency and the External Auditor shall be settled not later than thirty (30) days of the date of such termination.

6.3 Termination by the External Auditor

The External Auditor may suspend the Contract by a written notice of sixty (60) days only if the External Auditor does not receive payments due under this Contract for the proper and completed Services within 30 days of submission of its accepted invoice. If the payment is still not made to the External Auditor after 30 days of notice of suspension, the External Auditor may terminate this Contract in whole or in part by giving sixty (60) days advance notice of intent to terminate. If the Contract is terminated by the External Auditor under such circumstances, the Procuring Agency shall pay, within a period of thirty (30) days from the date of effect of such notice of intent to terminate as referred above, all payments due to the External Auditor for the properly delivered and completed Services.

ARTICLE 7: FORCE MAJEURE

The term "Force Majeure" as employed herein shall mean acts of God, strikes, lock-out or other industrial disturbances, acts of public enemy, wars, blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosions and any other similar events, not within the control of either Party and which by the exercise of due diligence neither Party is able to overcome.

If either Party is temporarily unable by reason of Force Majeure to meet any of its obligations under the Agreement, and if such Party gives to the other Party written notice, of the event within fifteen (15) days after its occurrence, such obligations of the Party, as it is unable to perform by reason of the event, shall be suspended for as long as the inability continues. Neither Party shall be liable to the other Party for loss or damage

sustained by such other Party arising from any event referred to as Force Majeure or delays arising from such event. Force Majeure shall not include inability to perform due to lack of skills, expertise, insufficiency of funds or failure to make any payment required under the Contract.

ARTICLE 8: RESOLUTION OF DISPUTES

- 8.1** The Parties agree that in case of any dispute regarding the quality of the Services and/or any related services the decision of the Procuring Agency shall be binding and final.
- 8.2** The Parties agree that in all other disputes, differences and questions which has been the subject of a notice of dissatisfaction shall be finally settled as per provisions of Arbitration Act 1940 (Act No. X of 1940) and Rules made there under and any statutory modifications thereto. Arbitration proceedings shall be conducted by a sole arbitrator appointed by mutual consent of the parties. The decision of the arbitrator shall be final and binding on each party.
- 8.3** The venue for arbitration shall be in Pakistan as given in Appendix-D.

ARTICLE 9: APPLICABLE LAW

This Contract shall, in all respects, be read and construed and shall operate in conformity with the applicable Laws of Pakistan. The Parties further consent and submit to the jurisdiction of the Courts in Lahore.

ARTICLE 10: CONTRACT AMENDMENT

No variation in or modifications to the Appendices shall be made, except by a written amendment signed by the Parties hereto, with mutual consent.

ARTICLE 11: NOTICE

Failure of a Party to timely and promptly communicate a change in its address shall not affect a communication duly given or made in accordance with Article 11. Any and all notices given by any of the Parties under this Contract shall be in writing and in English:

The mailing address for purpose as deemed suitable are as follow:

To: The Procuring Agency;

General Manager (P&C),
M/s Lahore Waste Management Company,
Office# 4 & 5, 4TH Floor, Shaheen Complex, Egerton
Road, Lahore.

To: **The External Auditor**

Branch Office (if any),

Or to such other address as either of these Parties shall designate by notice given as required herein. Notices shall be effective when delivered. Each Party shall promptly inform other Party for change in address otherwise other Party shall not be responsible for non-delivery of any notice and the same shall be considered as delivered.

ARTICLE 12: VALIDITY AND CHANGE IN LAW

If after the execution of this Contract, any Party cannot perform any of its obligations hereunder, or is adversely and materially affected due to the promulgation or amendment of any law, rules, regulations or policy decisions of their respective Governments or regulators, the Parties shall promptly in good faith consult with each other and use their best endeavors to agree upon and implement any necessary adjustments or amendments to this Contract, which are required for effective performance of their respective obligations. However, this shall not in any way at all affect the validity and / or enforceability of the rest of the Contract between the Parties.

ARTICLE 13: PERFORMANCE SECURITY

13.1 The External Auditor shall furnish to the Employer within Fourteen (14) days after receipt of Letter of Acceptance a Performance Security in shape of Bank Guarantee / CDR of Ten Percent (10%) of Total Contract Price which will be valid for period of contract and beyond one month of the expiry date of the contract/Time Schedule of Services as specified under Article 3.2 of this Contract or as per TORS which will be returned / released after successful completion of contract period.

13.2 The proceeds of the performance security shall be payable to the Procuring Agency as compensation for any loss resulting from the Contractor's failure to complete its obligations under the Contract. The Contractor shall cause the validity period of the performance security to be extended for such period(s) as the contract performance may be extended.

13.3 The Performance Security may be returned upon satisfactory delivery and completion of Services under Contract on request of External Auditor along with 'Satisfactory Performance Completion Certificate' by External Auditor.

ARTICLE 14: SATISFACTORY PERFORMANCE COMPLETION CERTIFICATE

The Procuring Agency shall first determine if the External Auditor has successfully and properly completed the Services and fulfilled all his obligations under the Contract and upon such determination proceed with issuance of the Satisfactory Performance Certificate / Work Completion Certificate to that effect, upon request of the External Auditor.

ARTICLE 15: WARRANTIES AND REPRESENTATIONS

15.1 External Auditor's warranties and representations:

- a) The External Auditor warrants and represents that it has submitted Performance Security as stipulated herein this Contract.
- b) The External Auditor represents and warrants that it has the legal right and capacity to enter into this Contract and the execution and delivery of this Contract has been duly and validly authorized and no proceedings on part of any person are necessary to authorize this Contract or to consummate the transactions contemplated hereby.
- c) The External Auditor is legally entitled, validly existing and carrying on its business under the laws of Pakistan and complies with the eligibility criteria set out in the RFP Document.
- d) The External Auditor warrants and represents that it has the required professional skills, knowledge, expertise technical and financial resources required for the purposes of providing the Services and related services (if any) and carrying out all related activities in relation to this Contract within the stipulated timelines provided in the Contract Documents / TORs.
- e) The External Auditor warrants and represents that it is in the business of providing the Services.
- f) The External Auditor warrants and represents that the Services provided pursuant to this Contract shall be of good quality.
- g) The execution and performance of this Contract does not constitute a violation of any applicable laws of Pakistan and / or any contract / agreement / understandings to which any or each of the said Parties are bound by.

- h) The External Auditor warrants that it possesses all requisite licenses, qualifications, certifications, registrations, regulatory approvals etc. for entering into, and performing its obligations under this Contract.
- i) The External Auditor warrants and represents that there are no proceedings pending, or threatened, (i) for its dissolution or bankruptcy or (ii) that could adversely affect the performance of its respective obligations under this Contract or the transaction contemplated hereby.
- j) The External Auditor warrants that it shall perform its obligations with all due diligence and efficiency and to the satisfaction of the Procuring Agency and shall exercise such skill and care in performance of the same in accordance with the best professional techniques, standards and practices in engagements of similar scope, complexity and duration.
- k) This Contract and all documents to be executed by the External Auditor and to be delivered to the Procuring Agency are / shall be duly authorized, registered, executed and delivered, and are / shall be legal, valid, and binding obligations of the External Auditor.
- l) The External Auditor warrants and represents that no Conflict of Interest exists in carrying out its obligation stipulated in this Contract.
- m) The External Auditor warrants and represents that it shall provide professional, objective and impartial advice and at all-time hold the Procuring Agency's interests paramount, strictly avoid conflicts with other assignments or its own corporate interests and act without any consideration of future work.

15.2 Procuring Agency's warranties and representations

- a) This Contract and all documents executed or to be executed by the Procuring Agency and to be delivered to the External Auditor in connection herewith are / shall be duly authorized, executed and delivered, are legal, valid and binding obligations of the Procuring Agency and enforceable in accordance with their respective terms, and do not violate the provisions of any agreement, judicial order, governmental ruling or applicable state or federal law or regulation to which the Procuring Agency is a party or to which the Procuring Agency is subject.

ARTICLE 16: INDEMNITIES AND LIABILITIES

16.1 Indemnities and Liabilities of the External Auditor

- a) The External Auditor shall be fully liable for the obligations arising out of or in connection with this Contract.

- b) The External Auditor shall defend, indemnify and hold safe and harmless the Procuring Agency and its respective owners, employees, representatives and affiliates from and against any and all claims, demands, complaints or actions, including those by third parties (including employees of the External Auditor, its Sub-External Auditors and government agencies), arising from or relating to this Contract (including personal injury, death, property damage or damage to the environment) to the extent arising out of or in connection with any breach of this Contract or violation of law by the External Auditor or any External Auditor thereof, and including claims of or actual joint or concurrent negligence, but not including any sole or gross negligence, or willful misconduct of the Procuring Agency. The claims, demands, complaints and actions covered hereunder include but are not limited to all settlements, losses, liabilities, judgments, court costs, reasonable attorneys' fees, fines, penalties and other litigation costs and expenses arising from or related to such claims, demands, complaints or actions.

16.2 Indemnities and Liabilities of the Procuring Agency

- a) Except for a breach of this Contract, in no event shall the Procuring Agency be liable to the External Auditor for any loss of profits, loss of business, interruption of business, or for indirect, special, incidental or consequential damages of any kind, even if such External Auditor received advance notice of the possibility of such damages.
- b) The External Auditor shall have no claim against the Procuring Agency for any liability whatsoever unless expressly provided in this Contract. In this regard, the Procuring Agency's liability shall be excluded to the fullest extent permitted under law and to the extent it cannot be excluded under law; the maximum overall liability of the Procuring Agency shall not exceed value of the Contract for any and all claims and losses.

ARTICLE 17: ENTIRE CONTRACT

This Contract Document (Article 1) constitute the entire Contract and supersedes and cancels any prior representation, commitment, undertaking or agreement between the parties, whether oral or written, with respect to or in connection with any of the matters or things to which such Contract applies or refers.

ARTICLE 18: WAIVER

Neither the failure by either Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Contract, nor time or other indulgence granted by one Party to the other, shall act as a waiver of such breach or acceptance of any variation or the relinquishment of any such right or any other right hereunder, which shall remain in full force and effect.

ARTICLE 19: SEVERABILITY

In the event that any provision of this Contract shall be found to be void or unenforceable, such findings shall not be construed to render any other provision of this Contract either void or unenforceable, and all other provisions shall remain in full force and effect unless the provision(s) that is/are invalid or unenforceable shall substantially affect the rights or obligations granted to or undertaken by either Party.

ARTICLE 20: CONFIDENTIALITY

20.1 Except as otherwise permitted by this Contract, neither of the parties to this Contract may disclose to third parties the contents of this Contract or any information provided by or on behalf of the other that ought reasonably to be treated as confidential and / or proprietary. Either of the Parties may, however, disclose such information to the extent that it;

- a) Is or becomes public other than through a breach of this Contract;
- b) Is subsequently received by the recipient from a third party who, to the recipient's knowledge, owes no obligation of confidentiality to the disclosing party with respect to that information;
- c) Was known to the recipient at the time of disclosure or is thereafter created independently;
- d) Is disclosed as necessary to enforce the recipient's rights under this Contract; or
- e) Must be disclosed under applicable law, legal process or professional regulations.

20.2 Either of the Parties to this Contract may use electronic media to correspond or transmit information and such use will not in itself constitute a breach of any confidentiality obligations under this Contract.
to the extent of Non-Disclosure Agreement.

ARTICLE 21: COUNTERPARTS

This Contract may be entered into in any number of counterparts and by the Parties to it on separate counterparts and each of the executed counterparts, when duly exchanged or delivered, shall be deemed to be an original, but taken together, they shall constitute one and the same instrument.

ARTICLE 22: INDEMNIFICATION

The External Auditor shall fully indemnify the Procuring Agency (vide an undertaking) from any of the losses, damages and accidental casualty taken place during the performance of their duty.

ARTICLE 24: DEDUCTIONS & PENALTIES

The Procuring Agency reserves the right to deduct due amount from invoice, as penalty if the External Auditor any time fails to observe or comply with any of the requirements of Terms of References / Scope of Services and obligations of the Contract on the recommendations of concerned user department of LWMC.

ARTICLE 25: ASSIGNMENT

- 25.1** Either Party shall not assign, transfer or in any other way alienate any of its rights or obligations under this Contract whether in whole or in part without the prior written consent of the other Party.
- 25.2** The External Auditor shall not sub-contract the provisioning of the Services or any related services without the express written permission of the Procuring Agency.

ARTICLE 27: END OF TERM

The External Auditor shall ensure to settle all pending unresolved performance issues, deliverables, documents and claims within one month of expiry date of the Contract and shall ensure to facilitate Procuring Agency with contract close-out as per standard applicable procedures and protocols. The External Auditor shall ensure to retain relevant records for two years and shall be liable to present for future audits by Procuring Agency, its representative or Government department. In case of non-compliance to contract close-out activity, the legal recourse be adopted but not limited to stoppage of Satisfactory Performance Completion Certificate.

ARTICLE 28: RIGHT TO AUDIT

The External Auditor will keep accurate and complete records and accounts pertaining to the performance of the Services including record of agents and their attendance. Procuring Agency may audit, or nominate a reputable accounting firm to audit, External Auditor's records relating to its performance under this Contract, including amounts claimed, during the term of the Contract. If any difference is found, the same shall amicably be settled.

ARTICLE 29: NO CLAIM

The External Auditor shall not claim any additional allowance in any manner including gazetted holidays working except as defined in price schedule (if permissive).

IN WITNESS WHEREOF, the Parties have executed this Agreement, in two (2) identical counterparts, each of which shall be deemed as original, as of the day, month and year first above written.

FOR AND ON BEHALF OF

FOR AND ON BEHALF OF

Name of Consultant Firm

M/s Lahore Waste Management Company

Signed by: _____

Signed by: _____

Designation: _____

Designation: _____

(Seal)

(Seal)

Date: _____

Date: _____

Witness:

Witness:

Signed by: _____

Signed by: _____

Full Name: _____

Full Name: _____

APPENDIX A: THE PROJECT & SCOPE OF SERVICES

TERMS OF REFERENCE

A-1 THE SERVICES

Audit of Financial year 2017-18, 2018-19, 2019-20, and 2020-21

A-2 SCOPE OF SERVICES

I. Objective

- a) The major objective of the assignment is to conduct the audit of the Annual Financial Statement (AFS) of the Company for enabling the Auditor to express his opinion on the Company's financial position, its state of affairs and the funds received, income generated & expenditures incurred for the accounting period as specified in A-1.
- b) The audit opinion would enable all the stakeholders including management, government (local or provincial), funding institutions and citizens to perform oversight, decision making and accountability functions effectively.

II. SCOPE OF THE SERVICES

The audit will be carried out in accordance with Companies Act 2017 and applicable Standards on Auditing and will include such test and controls, as the Auditor considers necessary under the circumstances. In conducting the audit, special attention should be paid to the following:

- (a) All the Company accounts, AFS and accounting records have been prepared & maintained as prescribed in accordance with applicable Accounting & Reporting Standards, Company's Regulations and the Companies Act 2017.
- (b) The financial statements together with the notes forming part thereof have been drawn up in conformity with the Companies Act 2017, the regulations/standards and are in agreement with the books of account and are further in accordance with accounting policies consistently applied as well as other laws, to the extent these are applicable; and give a true and fair view of the financial position of the Company at the end of financial year and of resources and expenditures for the year ended;
- (c) All Own Source Revenue and internal funds (OSR) have been raised as mandated; accounted for and disbursed for the intended purposes in accordance with the Memorandum & the Articles, Company's Regulations, Government Financial Rules and specific procedure governing the OSR;

- (d) All external funds have been accounted for and used in accordance with the rules & procedures and relevant financing agreements, if any, with due attention to economy and efficiency, and only for the purposes for which the financing was provided.
- (e) The internal controls are adequately & effectively designed, directed & implemented and compliance to the Companies Act 2017, Memorandum & Articles of Associations and the regulations is strictly complied during the conduct of the Company's business.
- (f) The Company is observing the code of corporate governance, ethics, and cannons of financial propriety and deriving towards the achievement of its objectives.
- (g) The auditor shall make a report to the members of the Company on the books of accounts of the Company and on statement of financial position and income statement or income and expenditure account and on every other document forming part of the statement of financial position and income statement or income and expenditure account, including notes, statements or schedules appended thereto, which are laid before the Company in general meeting during his tenure of office, and the report shall state-
 - (I) Whether or not they have obtained all the information and explanations which to the best of their knowledge and belief were necessary for the purposes of the audit;
 - (II) Whether or not in their opinion the statement of financial position and income statement or income and expenditure account have been drawn up in conformity with this Companies Act 2017, and are in agreement with the books of accounts;
 - (III) Whether or not in their opinion and to the best of their information and according to the explanations given to them, the said accounts give the information required by Companies Act 2017 in the manner so required and give a true and fair view
 - In case of statement of financial position the state of the Company's affairs as at the end of its financial year;
 - In case of income statement or income and expenditure account, the profit or loss or surplus or deficit, as the case may be, for its financial year; and
 - In case of the statement of changes in equity and cash flows of a Company for its financial year;
 - (IV) Whether or not in their opinion –
 - The expenditure incurred during the year was for the purpose of the Company's business; and
 - The business conducted, investments made and expenditure incurred during the year were in accordance with the object of the Company.

- (V) Whether or not in their opinion the non-current assets are properly recorded & managed and system of asset management is in place effectively.

III. ADDITIONAL SERVICES

For the purpose of Audit for **FY 2018-19**, following additional services will be performed by the Auditor:

- I. Bank reconciliation of all own source bank accounts since inception (i.e. FY 2011-2012).
- II. Ensure ALL expenditure claimed are properly approved, classified and supported by adequate documentation (no sampling bases).
- III. Carry out a physical verification of assets purchased during 2018-2019 and use for specified purposes.

A-III DELIVERABLE

(a) AUDITOR'S REPORT

The Auditor shall submit Audit Reports on prescribed format along with audited AFS, accompanying notes thereto and evidences as proof of the Report in printed form, duly signed & stamped, after the completion of audit activity.

The Auditor's Report along with other deliverables should be received as per timelines. The auditor should submit the report to the designated forum of the Company.

(b) MANAGEMENT LETTER

In addition to the audit report, the Auditor will prepare and submit to the Company and designated forum a "management letter", along with Auditor's Report, in which the Auditor will:

- (i) Give comments and observations on the accounting records, systems, and internal controls of the Company as were examined during the course of audit;
- (ii) Identify specific weaknesses, bottlenecks, deficiencies, contingencies and critical areas in the operations, system &

- internal controls of the Company and make recommendations for their improvement;
- (iii) Comment on the financial viability and sustainability of the Company and suggest recommendations to improve the financial position of the Company.
 - (iv) Report on the degree of compliance of each of the financial covenants on the financing agreement and give comments, if any, on the internal and external matters affecting such compliance;
 - (v) Communicate matters that have come to attention during the audit which might have a significant impact on the objectives, functions & operations of the Company; and
 - (vi) Disclose and bring to the attention of the management any other matters that the Auditor consider pertinent and material.

(c) FRAUD & MATERIALITY MEMO (if necessary)

The auditor is liable to submit a written report along with evidence, in confidential, to the Board of Directors of the Company immediately, if it comes to his notice during or after the audit that there occurred or likely to occur any material & substantial deviation, variation, embezzlement, misappropriation or concealment in the books of accounts and/or in physical appearance, after getting reasonable assurance thereon.

A-IV GENERAL

- a) The Auditor would be given access to all accounting records, legal documents, correspondence, sites and any other information associated with the Company and deemed necessary by the Auditor to form an audit opinion. The Auditor should be given all opportunities to complete the assignment independently and objectively.
- b) It is highly desirable that the Auditor becomes familiar with the International Financial Reporting and Auditing Standards applicable in Pakistan, Manuals and SOPs of Company / Government and other relevant updates, which entail financial rules, procedure, reporting and auditing requirements.
- c) The Auditor should observe professional ethics and be committed with confidentiality of information and high level of integrity.

Timelines for Deliverables and Payment Terms:

| Sr. | Activity | Duration | Payment Terms |
|-----|---|----------|---------------|
| | | Week | |
| 1 | Finalization of Audit Report FY 2017-18 | 08 weeks | 20% |
| 2 | Finalization of Audit Report FY 2018-19 | 10 weeks | 25% |
| 3 | Finalization of Audit Report FY 2019-20 | 08 weeks | 20% |
| 4 | Finalization of Audit Report FY 2020-21 | 08 weeks | 35% |

Signature:

Consultant's Signature along with seal

APPENDIX B: TIME SCHEDULE

B-1 EFFECTIVE DATE OF COMMENCEMENT OF SERVICES.

Effective date of commencement of services shall be the date of signing of the contract agreement.

B-2 TIME SCHEDULE OF SERVICES

1. The External Auditor shall provide the consultancy services within 07 days after the signing of contract agreement / issuance of Commencement Letter.
2. Payments and Deliverables shall be in accordance with TORs.

APPENDIX C: REMUNERATION FOR SERVICES & SCHEDULE OF PAYMENT (With reference to Article 5)

C-1 TOTAL REMUNERATION

Total Cost = Rs. _____/- (Including all applicable taxes)

Total Cost in Words (Inclusive of All Applicable Taxes):

C-2 COST BREAK-UP

| Item (As Per TORs) | Costs / Consultancy Fees (PKR) |
|--|--------------------------------|
| External Audit of FY 2017-18* (Inclusive of all applicable Taxes) | |
| External Audit of FY 2018-19* (Inclusive of all applicable Taxes) | |
| Additional Services during Audit of FY 2018-19* (Inclusive of all applicable Taxes) | |
| External Audit of FY 2019-20* (Inclusive of all applicable Taxes) | |
| External Audit of FY 2020-21* (Inclusive of all applicable Taxes) | |
| Total Cost (PKR) (Inclusive of all applicable Taxes) | |
| Total Cost (PKR) in words: | |

C-3 SCHEDULE OF PAYMENTS

1. The payments due to the External Auditor under this Contract shall be inclusive of all applicable taxes, duties, charges etc.

2. Payment will be made by the Procuring Agency for services rendered under this Contract by External Auditor in Pak Rupees through Cross Cheques.
3. After successful delivery of required services as per Payment Schedule mentioned in TORs / Scope of Services given under Appendix A of this agreement, the External Auditor shall issue invoices for the said services to LWMC for payments. LWMC may process these invoices for payments within 30 days as per company policy.

C-4 INVOICING & PAYMENTS TO EXTERNAL AUDITOR

Invoicing, from the External Auditor, shall be done on quarterly basis. The Procuring Agency shall make payment, after deducting penalties (if any) under clause 17, of this Agreement, within thirty days from the receipt of quarterly invoice from External Auditor.

C-5 PRICE VALIDITY

All the prices provided under C-2 Price Breakup, shall remain valid for the term of this agreement as provide under B-2.

APPENDIX D: SPECIAL CONDITIONS

D-1 REPRESENTATIVE OF THE EXTERNAL AUDITOR(Refer Article 4.1)

D-2 REPRESENTATIVE OF THE PROCURING AGENCY (Refer Article 4.2)

Managing Director / or any one nominated by him.

D-3 FACILITIES (Refer Article 4.2)

The Procuring Agency shall provide the Consultancy Firms with:

- Access to office premises & facilities relevant to the Service.
- Assistance to External Auditor in other matters relating to engagement.

D-4 VENUE OF ARBITRATION (Refer Article 9)

Lahore, Pakistan.