

REQUEST FOR PROPOSALS
FOR
HIRING OF CHARTERED ACCOUNTANT FIRM FOR INTERNAL AUDIT OF
HUBLI-DHARWAD BRTS COMPANY LIMITED

HDBRTSCO/ADMIN/CA/PROC/2016-17/1064

04th October 2016

HUBLI-DHARWAD BRTS COMPANY LIMITED

1ST FLOOR, KSFC BUILDING, RAYAPUR,

DHARWAD-580009, KARNATAKA

Ph: 0836-2222007, Fax: 0836-2322700

CIN :U60200KA2012SGC063887

E-Mail: hdbrts@gmail.com

Website: www.hdbrts.co.in

CONTENTS

ANNEXURE	DESCRIPTION	PAGE NO.
	Letter of Invitation	3
Annexure 1	Terms of Reference	7
Annexure 2	Supplementary Information for bidders Technical Proposal ó Standard Forms Financial Proposal ó Standard Form	11
Annexure 3	Contract for internal audit work	19

SECTION: 1– LETTER OF INVITATION (LOI)

1. Hubli-Dharwad BRTS Company Limited (HDBRTSCO) intends to engage the services of CHARTERED ACCOUNTANTS who are enrolled with the Institute of Chartered Accountant of India for conducting the internal auditing work of the HDBRTSCO for every quarter ending of the financial year and to advise the company on financial discipline, taxation, procedural aspects etc.
2. Bids are invited from eligible **Chartered Accountant firms from within Hubli-Dharwad City**, who are eligible to conduct audit works in India under relevant Indian laws as in force at the time of bidding. The eligibility of the bidder is as per Terms of Reference (ToR).
3. The purpose of the assignment is to:
 - a. Conduct the internal audit of the Company for every quarter ending of the financial year.
 - b. To advise the Company on financial matters like proper utilization of funds, taxation, financial procedural aspects, keeping books of accounts, records, papers as per Indian laws, proper accounting of transactions as per the relevant accounting Standards.
 - c. Preparation of financial statements of the Company like balance sheet, P&L Statement , Cash Flow Statement and relevant notes as per Schedule III to the Companies Act 2013 including depreciation schedule as per Schedule II to the Companies Act 2013 .
4. The following documents are enclosed to enable the bidders to submit the proposal:
 - A. Terms of Reference (TOR) ó **Annexure 1**
 - B. Supplementary Information including suggested formats for the submission of Technical and Financial Proposals ó **Annexure 2**
 - C. Form of Contract for the assignment under which the Services will be performed - **Annexure 3**
5. In order to obtain first hand information on the assignment and local conditions, it is considered desirable that a representative of the bidder firm visit the Company before the proposal is submitted. The representative shall meet the following officials:

Shri. Shrinivas Gouda,
Chief Financial Officer
Cell No: +91-9900081662

6. Submission of Proposals:

The proposals shall be submitted in two parts viz., “**Technical**” and “**Financial**” and should generally follow the Forms given in the “**Supplementary Information to bidders**”. The Technical and Financial proposals shall be submitted in separate envelopes clearly marking the same on the envelopes. Both the envelopes shall be put in a single large envelope with superscription of “**Proposal for hiring of Chartered Accountant firm for internal audit of Hubli-Dharwad BRTS Company Limited.**”

7. EMD: The bidders are required to submit a DD of **Rs. 25,000/-** in the favour of Managing Director, Hubli-Dharwad BRTS Company Limited, payable at Dharwad, along with the bid as a **bid security**. No interest will be paid on EMD. The EMD of the unsuccessful bidder will be returned back once the contract is concluded. The EMD of successful bidder will be retained as performance security for the period of contract.

8. Bid due date: The bidders shall submit their proposals through courier/physical submission to reach the Office on or before **28/10/2016, 17.00 Hrs.** The bids received after the due date will not be considered.

9. Bid Opening: The technical bids will be opened on **02/11/2016** and the bids will be evaluated for their eligibility and compliance as per ToR. The financial proposals of only the bidders who meet the qualification criteria will be opened in the presence of the bidders or their authorised representatives who choose to attend, on a date which will be intimated later to only technically qualified bidders.

10. Evaluation of the proposals:

The Company adopts Quality and Cost Based System (QCBS) for the evaluation of the proposals. The weightage given for technical and financial proposals are given as below.

- Technical proposal (T) ó 70%
- Financial proposal (P) ó 30%

The technical proposal submitted by the bidder will be evaluated by a Committee formed by the competent authority. Technical scores will be given as per the ToR.

Request for Proposal for hiring of Chartered Accountant firm for internal audit

The formula for determining the financial scores is the following:

The lowest evaluated Financial Proposal (Fm) is given the maximum financial score (Sf) of 100.

The formula for determining the financial scores (Sf) of all other Proposals is calculated as following:

$Sf = 100 \times Fm / F$, in which Sf is the financial score, Fm is the lowest price, and F the price of the proposal under consideration.

The weights given to the Technical (T) and Financial (P) Proposals are: T = 70, and P = 30 Proposals are ranked according to their combined technical (St) and financial (Sf) scores using the weights (T = the weight given to the Technical Proposal; P = the weight given to the Financial Proposal; T + P = 1) as following: **S = St x T% + Sf x P%.**

- 11. Award of contract:** The contract will be awarded after negotiations, to the bidder who scores highest combined score as per sl no 10.
- 12.** Please note that (i) the costs of preparing the proposal and of negotiating the contract, including a visit to the Company, are not reimbursable as a direct cost of the Assignment; and (ii) the Company is not bound to accept any of the Proposals submitted.
- 13.** The bidder shall have to hold the proposal valid for **120 days** from the date of submission without change in the personnel proposed for the assignment and the proposed price. The Company will make its best efforts to conclude the Contract within this period.
- 14.** Assuming that the contract can be satisfactorily concluded in **November 2016**, the successful bidder should be expected to take up/commence the audit work for the quarter ending **December 2016**.
- 15.** Please note that the remuneration which the bidder would receive from this assignment will be subject to normal tax liability as per rules. Kindly contact the concerned tax authorities for further information in this regard, if required.
- 16.** The Joint venture/association with other Chartered Accountant firms in any form will not be allowed.
- 17.** At any time prior to the deadline for submission of bids, the Company may amend the Bidding Documents by issuing an addendum which will be published on HDBRTS website. All such amendments shall be part of the binding documents.
- 18.** Notwithstanding anything contained in this LoI, the authority reserves the right to accept or reject any bid and to annul the bidding process and reject all bids at any time without any liability or any obligation for such acceptance, rejection or annulment and without assigning any reasons thereof.

Request for Proposal for hiring of Chartered Accountant firm for internal audit

19. The minimum fee fixed for the assignment is of lump sum **Rs. 25,000/-** per quarter which is inclusive of all taxes and other expenditures. The final fee will be decided based on the competitive bids received.

Yours faithfully

Managing Director
Hubli-Dharwad BRTS Co. Ltd

Annexure:

1. Terms of Reference (TOR)
2. Supplementary Information to bidders
3. Contract format under which Assignment will be performed

TERMS OF REFERENCE (TOR)

1. Introduction

Hubli-Dharwad BRTS Company Limited (HDBRTSCO) is a wholly owned Government of Karnataka Undertaking established under the Companies Act 1956. It is a Special Purpose Vehicle (SPV) entrusted with the responsibility of implementation of Hubli óDharwad Bus Rapid Transit System Project under the Sustainable Urban Transport Project of the Ministry of Urban Development, Government of India and the World Bank.

HDBRTSCO intends to engage the services of Chartered Accountants who are enrolled with the Institute of Chartered Accountant of India for conducting the internal auditing work of the HDBRTS CO. Ltd and to advise the company on financial discipline, taxation, procedural aspects etc.

2. Objectives

Hubli-Dharwad BRTS Company is engaged in various activities like acquisition of land required for the project, payment of compensation to land losers, providing Rehabilitation & Resettlement Assistance to project affected persons, implementation of various infrastructure works, procurement of buses and various other activities needed for the implementation of Bus Rapid Transit System between Hubli-Dharwad. All these activities involve lot of financial transactions.

Internal auditing is an independent, objective assurance and consulting activity to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the risk management, control and governance. With commitment to integrity and accountability, internal auditing provides value to governing bodies and senior management as an objective source of independent advice.

3. Eligibility Criteria

The bidders with the following qualification criteria will be considered as eligible to take up the assignment.

- a) The bidder shall have a registered head office/branch Office in Hubli-Dharwad for **not less than 5 financial years**.
- b) The bidder shall have a minimum **experience of 5 years** in statutory audit of companies /internal audit of companies or financial/accounting consultancy of any entity.
- c) The bidder should have minimum average annual turnover of **Rs. 100 Lakh** for the last three financial years i.e. 2013-14, 14-15, 15-16.

Request for Proposal for hiring of Chartered Accountant firm for internal audit

- d) The bidder shall have minimum **5 partners** out of which at least 3 shall have FCA as on the date of invitation of tender.
- e) The bidder shall be a firm which is empanelled with C & AG.
- f) The bidder with experience in Statutory Audit/ Internal Audit/ System Audit or Management Audit of Infrastructure/Construction Companies/Firms having turnover of Rs. 10 Crore or more during any of the last 5 years will have an additional weightage.
- g) No orders should have been issued and there should not be any proceedings pending against the bidder with respect to professional matters of conduct before the Institute of Chartered Accountants of India or any competent authority or any court under any law.

4. Scope of Work

The scope of work under this assignment includes the following.

- a) To conduct auditing of all financial transactions on quarterly basis as per Internal Auditing Standards and submit audit reports along with recommendations for future course of action.
- b) Advice on all financial requirements, including conducting internal auditing as may be required under various provisions of Government Acts, so as to ensure that business of Company is conducted in a proper and effective manner. Also ensure that all the accounting principles and procedures are followed and attended to.
- c) Preparation of annual financial statements like balance sheet, profit and loss account etc.
- d) Guide in Filing all the tax returns/forms that are required to be filed under various tax authorities on timely basis and ensure that the Company is compliant with various tax matters
- e) To guide in Maintenance of books of accounts, registers and other statutory books.
- f) Auditing of procurement procedures as per the procurement guidelines under KTPP Act and World Bank.
- g) Any other related functions under internal auditing works.

5. Specific tasks to be carried out.

- a) The auditor shall start the audit of the Company within 1 week from the end of every financial year quarter and submit the audit reports within 15 days from the end of each quarter.
- b) The auditors shall give his recommendations regarding the procedures to be followed in case of any lapses.
- c) The auditors shall give their recommendations about the maintenance of registers to enable the Company to have good control over the transactions.
- d) They shall prepare the financial statements within one month from the end of every financial year.

Request for Proposal for hiring of Chartered Accountant firm for internal audit

- e) Advising the Company regarding taxation on case to case basis.
- f) Any other related function under internal auditing works.

6. Key Staff requirement.

The firm shall have minimum 5 partners to carry out the assignment under this contract out of which at least 3 shall have FCA. The required experience of the staff is given as below.

Position	Qualification	Experience
Team Leader	FCA	<ul style="list-style-type: none">• Minimum 10 years experience in auditing and financial advice• Experience in auditing of Government organisations will be preferred
Asst team leader	CA/FCA	<ul style="list-style-type: none">• Minimum 10 years experience in auditing and financial advice• Experience in auditing of Government organisations will be preferred
Support staff (minimum 3 staffs)	CA/CA Articles	<ul style="list-style-type: none">• Minimum 2 years experience in auditing and financial advice.

For the evaluation purpose, the qualification and experience of only 5 staffs as mentioned above shall be considered. However, the firm may propose additional support staffs of up to 3 members with CA/CA Articles qualification and minimum experience of 2 years.

Please note that the firm shall depute only the staffs mentioned in their proposal for conducting the Company audit works.

Request for Proposal for hiring of Chartered Accountant firm for internal audit

7. Evaluation criteria

The technical bids received from the eligible firms shall be scored as per the criteria given below.

SI No	Criteria	Marks allotted	Total Marks	
01	General Experience of the firm (as given in F-1)		30	
	A. Experience of the firm in internal audit	20		
	Less than 5 projects	5		
	More than 5 less than or equal to 10	10		
	More than 10 less than or equal to 15	15		
	More than 15	20		
	B. Similar experience in Government Organisations	5		
	More than 1 and less than or equal to 2	3		
	More than 2	5		
	C. Experience in auditing of Construction Company	5		
02	A description of the manner in which bidder would plan to execute the assignment, work-plan, time schedule and approach or methodology proposed for carrying out the assignment (as given in F-3)		20	
02	Curricula Vitae of the individual key staff members		50	
	A. Team Leader	20		
	Experience in years	10		
	Experience in no of similar assignments	10		
	B. Asst. Team Leader	15		
	Experience in years	10		
	Experience in no of similar assignments	10		
	C. Support staff			
		1		5
		2		5
		3	5	
	Total		100	

8. Other Conditions

- a) In order to have efficiency and continuity of audit, the team identified for a particular division shall not be changed quarter to quarter. The same team shall conduct audit for the entire financial year.
- b) The Internal Auditor should attend all Audit Committee meetings

SUPPLEMENTARY INFORMATION FOR THE BIDDERS

Proposals:

1. Proposals shall be submitted as per the following.
 - A. The documentary evidences to establish the eligibility criteria.
 - B. Technical Proposal:**
 - a. Technical and Financial Proposal Submission in Form **F-1**.
 - b. A brief description of the firm/organization and an outline of recent experience on assignments/projects of similar nature executed during the last five years in the format given in Form **F-2**.
 - c. Any comments or suggestions of the Chartered Accountant on the TOR.
 - d. A description of the manner in which Chartered Accountant would plan to execute the assignment, work-plan, time schedule in Form **F-3** and approach or methodology proposed for carrying out the assignment;
 - e. The composition of the team of personnel which the Chartered Accountants would propose to provide and the tasks which would be assigned to each team member in Form **F-4**;
 - f. Curricula Vitae of the individual key staff members to be assigned for the assignment and of the team leader who would be responsible for supervision of the team. The curricula Vitae should be in Form **F-5** and signed by the concerned personnel.
 - g. The bidder's comments, if any, on the data, services and facilities to be provided by the Company as indicated in the TOR.
 - C. Financial Proposal:**

The financial proposal to be submitted as per **F-6**
2. **Two copies** of the Proposals should be submitted to the Company.
3. The bidder should note that the Contract for this Assignment will be with the Hubli-Dharwad BRTS Company Limited. Payments under this contract shall be made in accordance with the agreed payment schedule and incorporated in the Contract. The Company proposes the following payment schedule for consideration of the bidder.

Payment will be made for every quarter ending of the financial year after satisfactory completion of audit work, within 10 days from the date of submission of audit reports/financial statements and recommendations for improvement.

FORM F – 1
FORM OF SUBMISSION OF TECHNICAL/FINANCIAL PROPOSAL

From: í í í í í í í í í í í í . í í í í í í í í í í í í . í í í í í í í í í í í í . í í í í í í í í í í í í . í í í í í í í í í í í í . (Name of Chartered Accountants)	To: í í í í í í í í í í í í í í . í í í í í í í í í í í í í í . í í í í í í í í í í í í í í .. í í í í í í í í í í í í í í . í í í í í í í í í í í í í í . (Name of Company)
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Dear Sir,

Sub: hiring of Chartered Accountant firm for internal audit of Hubli-Dharwad
BRTS Company Limited.

Ref: RFP No.

We herewith enclose Technical/Financial Proposals for the above assignment

We undertake that, in competing for (and, if award is made to us, in executing) the contract for the above assignment, we will strictly observe the laws against fraud and corruption in force in India, namely the Prevention of Corruption Act 1988

Yours faithfully,

Signature: í í í í í í í í í í í ..

Name: í í í í í í í í í í í í .

Address: í í í í í í í í í í í í ..

í í í í í í í í í í í í í í í í

í í í í í í í í í í í í í í í í
(Authorized representative)

FORM F – 2

**ASSIGNMENTS OF SIMILAR NATURE SUCCESSFULLY COMPLETED DURING
LAST FIVE YEARS**

1. Brief description of the Bidder Firm (bidder has to submit the firm's registration certificate, financial statements including IT returns for the last 3 financial years, PAN card along with brief note about the firm)

2. Outline of the recent experience on assignments of similar nature:

Sl. No	Name of assignment	Name of organisation	Authorised share capital and turnover of the organisation	Cost of assignment	Date of commencement	Date of completion	Was assignment satisfactorily completed
1	2	3	4	5	6	7	8

Request for Proposal for hiring of Chartered Accountant firm for internal audit

[Note: Please attach certificates from the Company by way of documentary proof]

FORM F – 3
WORK PLAN AND TIME SCHEDULE

- A. A Note on the bidders understanding of the scope of work and Approach and Methodology outlining various steps for performing the Assignments.

- B. Time schedule proposed by the bidder for conducting the audit work and submission of reports.

- C. Comments/Suggestions on Terms of Reference

- D. Comments on the data, services and facilities to be provided by the Company.

FORM F – 4
COMPOSITION OF THE TEAM PERSONNEL AND THE TASK ASSIGNED TO
EACH TEAM MEMBER

1. Key Staff

Sl.No.	Name	Position	Task assignment
1			
2			
3			
4			
5			

2. Additional Support Staff

Sl.No.	Name	Position	Task assignment
1			
2			
3			

FORM F – 5

**SUGGESTED FORMAT OF CURRICULA VITAE
FOR MEMBERS OF CHARTERED ACCOUNTANT FIRM**

1) Name:

í í í í í í í í í í í í í í í í í í í í í í í í í í í í í í

2) Profession/Present Designation:

í í í í í í í í í í í í í í í í í í í í í í í

3) Years with Firm/Organization:

4) Nationality: í í í í í í í ..

5) Area of Specialization: -----

6) Proposed Position on Team: í í í í í í í í í í í í í í í í í í í í í

7) Education:

(Under this heading, summarize college/university and other specialized education of Staff member, giving names of schools/colleges, etc., dates attended and degrees obtained)

8) Experience:

(Under this heading, list all positions held by staff member since graduation, giving dates, names of employing organization, title of positions held and location of assignments. For experience in last ten years, also give types of activities performed and Company references, where appropriate.)

9) Languages:

(Indicate proficiency in speaking, reading and writing of each language by 'excellent', 'good' or 'poor'.)

Signature of Staff Member

Date: í í í í í

Place: í í í í í

FORM F – 6

FINANCIAL PROPOSAL

To,

The Managing Director
Hubli-Dharwad BRTS Company Limited
Rayapur, Dharwad-09.

Dear Sir,

Sub: Hiring of Chartered Accountant firm for internal audit of Hubli-Dharwad
BRTS Company Limited.

Ref: RFP No.

We herewith submit our financial proposal for the above assignment as given below.

Total lump sum amount/quarter, for the completion of scope of work as per RFP	INR.....
--------------------------------------------------------------------------------------	-----------------

1. The above amount is lump sum inclusive of all taxes and any other incidental expenditure like transportation, stationery for the preparation of reports, insurance etc.

Signature of the bidder

Date:í í í í í

Placeí í í í í

CONTRACT FOR CONSULTING SERVICES

THIS CONTRACT (öContractö) is entered into this [insert starting date of assignment], by and between [insert Company's name] (öthe Companyö) having its principal place of business at [insert Company's address], and [insert Chartered Accountant's name] (öthe Chartered Accountantö) having its principal office located at [insert Chartered Accountant's address].

WHEREAS, the Company wishes to have the Chartered Accountant performing the services hereinafter referred to, and

WHEREAS, the Chartered Accountant is willing to perform these services,

NOW THEREFORE THE PARTIES hereby agree as follows:

1. Services:

- i. The Chartered Accountant shall perform the services specified in Attachment A, öTerms of Reference and Scope of Services,ö which is made an integral part of this Contract (öthe Servicesö).
- ii. The Chartered Accountant shall provide the personnel listed in Attachment B, öChartered Accountant's Personnelö to perform the Services.
- iii. The Chartered Accountant shall submit to the Company the reports in the form and within the time periods specified in Attachment C, öChartered Accountant's Reporting Obligationsö.

2. Term:

The Chartered Accountant shall perform the audit work for the financial year **2016-17** and **2017-18** and this may be extended for further **One** year based on the satisfactory services.

3. Payment:

Payment will be made for every quarter ending of the financial year after satisfactory completion of audit work, within 10 days from the date of submission of audit reports/required financial statements and recommendations for improvement.

4. Contract Administration:

A. Coordinator:

The Company designates Mr. /Ms. í í í í í í í . As Company's Coordinator; The Coordinator shall be responsible for the coordination of activities under the Contract, for acceptance and approval of the reports and other deliverables by the Company and for receiving and approving invoices for the payment.

B. Reports:

The Reports listed in Attachment C, "Chartered Accountant's Reporting Obligations" shall be submitted in the course of the assignment, and will constitute the basis for the payments to be made under Clause 3.

5. Performance Standards:

The Chartered Accountant undertakes to perform the Services with the highest standards of professional and ethical competence and integrity. The Chartered Accountant firm shall promptly replace any employees assigned under this Contract that the Company considers unsatisfactory.

6. Confidentiality:

The Chartered Accountant shall not, during the term of the Contract and within two years after its expiration, disclose any proprietary or confidential information relating to the Services, this Contract or the Company's business or operations without the prior written consent of the Company.

7. Ownership of Material:

Any studies, reports or other material, graphic, software or otherwise, prepared by the Chartered Accountant for the Company under the Contract shall belong and remain the property of the Company. The Chartered Accountant may retain a copy of such documents and software; but shall not use them for purposes unrelated to this Contract without prior written approval of the Company.

8. Chartered Accountants not to be engaged in certain activities:

The Chartered Accountant agree that during the term of this Contract and after its termination, the Chartered Accountant and any entity affiliated with the firm, shall be

Request for Proposal for hiring of Chartered Accountant firm for internal audit

disqualified from providing goods, works or services (other than the Services or any continuation thereof) for any project resulting from or closely related to the Services.

9. Insurance:

The Chartered Accountant will be responsible for appropriate insurance coverage. In this regard, the Chartered Accountant shall maintain workers compensation, employment liability insurance for their staff on the assignment. The Chartered Accountant shall also maintain comprehensive general liability insurance, including contractual liability coverage adequate to cover the indemnity of obligation against all damages, costs, and charges and expenses for injury to any person or damage to any property arising out of, or in connection with the services which result from the fault of the Chartered Accountant or its staff. The Chartered Accountant shall provide the Company with certification thereof upon request.

10. Assignment:

The Chartered Accountant shall not assign this Contract or to sub-contract any portion without the Company's prior written consent.

11. Law governing the Contract:

The contract shall be governed by the Laws of India.

12. Indemnify the Company:

The Chartered Accountant shall indemnify and hold harmless the Company against any and all claims, demands and/or judgements of any nature brought against the Company arising out of the Services by the Chartered Accountant and its staff under the Contract. The obligation under this Clause shall survive the termination of the Contract.

13. Taxes:

The Chartered Accountant shall pay the taxes, duties, fees, levies and other impositions payable under the Applicable Law. The Company will perform such duties in this regard to the deduction of such tax as may be lawfully imposed.

Request for Proposal for hiring of Chartered Accountant firm for internal audit

For the Company

for the Chartered Accountant

Signed by:
Name and designation
Date:
Place

Signed by:
Name and designation
Date:
Place:

List of Attachments to the Contract:

Attachment A: Scope of work

Attachment B: List of Key and support staffs

Attachment C: Chartered Accountant Reporting Obligations