



REQUEST FOR PROPOSALS FOR APPOINTMENT OF EXTERNAL AUDITORS

Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) is the Guarantee Limited company incorporated under the Companies Ordinance 1984. CPPA-G as a Market Operator for the power market currently performs the (a) the role of a facilitator for developing and implementing wholesale competitive power market, (b) billing and settlement, (c) procurement of electric power on behalf of the DISCOs, (d) generation invoice verification, (e) billing to the DISCOs and collection, (f) settlement to the Market Participants, (g) management of cash flow, treasury and other relevant banking functions for the purposes of collection and disbursement in Power sector of Pakistan.

CPPA-G intends to invite sealed quotations for appointment of External Auditors to carry out CPPA-G Statutory Audit, Compliance of Public Sector Companies Corporate Governance Rules, 2013, Employees Contributory Provident Fund & Employees Gratuity Fund Audit for the Financial years 2020-21.

A single stage (2 envelopes) procedure will be adopted. One envelope containing technical detail etc. of bidders shall clearly be marked "Technical Proposal" and the other containing the fee structure shall clearly be marked "Financial Proposal". The outer envelope should clearly be marked "Appointment of Statutory / External Auditors".

The bids document should be addressed to Company Secretary CPPA-G, and be dropped on below mentioned address on or before **24th February 2020 at 02:00 P.M.** Technical Proposals including profile of Audit Firm will be opened in presence of firms' authorized representatives; on the same date at **02:30 PM**. Technically compliant proposals will qualify for opening of financial bids.

CPPA-G reserves the right to accept or reject any or all the bids as per PPRA rules. The RFP document can be obtained from the undersigned during office hours or can be downloaded from CPPA-G website (www.cppa.gov.pk) or from PPRA website (www.ppra.org.pk).

**Company Secretary, CPPA-G
73-West, Shaheen Plaza, Fazal-e-Haq Road
Blue Area Islamabad**

REQUEST FOR PROPOSAL (RFP) FOR AUDIT SERVICES

No. EA 12-2020

**STATUTORY AUDIT,
COMPLIANCE AUDIT OF PUBLIC SECTOR COMPANIES CORPORATE GOVERNANCE
RULES, 2013,
EMPLOYEES CONTRIBUTORY PROVIDENT FUND AUDIT AND,
EMPLOYEES GRATUITY FUND AUDIT
FOR
(FINANCIAL YEAR 2020-21)**



CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

Shaheen Plaza, Fazal-e-Haq Road
Blue Area Islamabad
Pakistan

Tel: +92 51 9213619

Fax: +92 51 9213617

Letter No: _____

Date: _____

To _____

SUBJECT: **LETTER OF INVITATION FOR AUDIT SERVICES**

Central Power Purchasing Agency (Guarantee) Limited (hereinafter referred “CPPA-G”) is a Company Limited by Guarantee incorporated under the Companies Ordinance, 1984. The objective of the Company is to implement and administer market mechanisms for electric power procurement and sale, by undertaking and performing functions and discharging responsibilities as are or may be laid down from time to time for the Company to undertake or perform in or pursuant to and in the manner prescribed under or pursuant to the provisions of the Regulation of Generation, Transmission and Distribution of Electric Power (Act No. XL of 1997).

1. CPPA-G invites proposals from the External Audit Firms to provide Audit Services for Statutory Audit, Compliance of Public Sector Companies Corporate Governance Rules, 2013, CPPA-G Employees Contributory Provident Fund & CPPA-G Employees Gratuity Fund for the FY 2020-21. More information about the eligibility criteria & services are provided in the Terms of Reference annexed with the RFP documents. Interested bidders should provide information indicating that they are qualified to perform the services on the prescribed forms given in the RFP documents.

2. The RFP includes the following documents:

- Letter of Invitation
- Terms of Reference
- Type of Contract
- Instructions to Audit Firms
- Evaluation Criteria
- Payment Mode

3. Bidder for conducting statutory audit of CPPA-G shall be engaged via Quality and Cost Based Selection as provided for under the Public Procurement Rules.

4. Two sets of “Technical Proposal” and “Financial Proposal” on the prescribed forms given in the RFP, separately sealed, signed & stamped, must be delivered to the address given below by no later than **23rd February 2020 at 02:00 P.M.** The Technical Bids will be opened on the same day at **02:30 PM** in the presence of the representatives of the firms who may wish to attend whereas Financial Bids will be retained unopened. Date of opening of financial proposal of technically qualified bidders will be announced later. Financial proposals of technically unsuccessful bidders will be returned un-opened on the financial proposal opening day.

5. RFP document is available on CPPA-G website www.cppa.gov.pk.

Regards,

Noman Rafiq
Company Secretary CPPA-G

Instructions to Audit Firms

Definitions:

- (a) “Agreement” means the Agreement signed by the Parties and all the attached documents.
- (b) “Client” means Central Power Purchasing Agency (Guarantee) Limited with which the selected Bidder signs the Agreement for the Services.
- (c) “Bidder” means a firm of Chartered Accountants duly registered with Institute of Chartered Accountants of Pakistan that may provide or provides the Services to the Client under the Agreement.
- (d) “Day” means calendar day.
- (e) “Government” means the Federal Government and all its associated departments, agencies, autonomous/semi-autonomous bodies, local governments, boards, universities and similar other organizations.
- (f) “Instructions to Bidders” means the document which provides shortlisted Bidders with all information needed to prepare their Proposals.
- (g) “LOI” means the Letter of Invitation included in the RFP being sent by the Client to the shortlisted Bidders.
- (h) “Personnel” means professionals and support staff provided by the Bidder 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.
- (i) “Proposal” means the Technical Proposal and the Financial Proposal.
- (j) “RFP” means the Request for Proposal to be prepared by the Client for the selection of Bidders, based on the Standard RFP.
- (k) “Services” means the work to be performed by the Bidder pursuant to the Agreement.
- (l) “SRFP” means the Standard Request for Proposals, which must be used by the Client as a guide for the preparation of the RFP.
- (m) “Terms of Reference” (TOR) means the document included in the RFP which explains the objectives, scope of work, activities, tasks to be performed, respective responsibilities of the Client and the Bidder, and expected results and deliverables of the assignment.

General Provisions:

- a) Audit Firm should be enlisted in Category-A of the Auditors on the panel of state Bank of Pakistan and should have satisfactory QCR rating by ICAP
- b) Company Detail and Profile showing experience in similar field.
- c) Copy of registration with ICAP.
- d) Copy of certificate with regard to satisfactory QCR Rating of ICAP/.
- e) Copy of list of approved Auditors having Category “A” as per State Bank of Pakistan.
- f) Certificate of Registration from Audit Oversight Board (AOB)
- g) Copy of NTN certificate. And STRN certificate.

Special Provisions:

- 1. Evidence of number of partners working in the Chartered Accountant Firm (names & addresses etc of partners).
- 2. Evidence of number of qualified Chartered Accountants hired by the firm (Provide list)
- 3. Evidence of External Audit services clients (Relevant evidence)
- 4. Evidence of external audit services clients within energy sector (Relevant evidence)
- 5. Profile of Staff Deployed including their qualification & experience
- 6. Evidence of membership with global audit firm(Affiliation status letter)
- 7. Evidence of Large Scale / Public Sector Companies IT based Audit Services
- 8. Names and addresses of offices in Pakistan (at least 2 including Lahore office) including key contact person in those offices.
- 9. Proposals should be addressed to the Company Secretary, CPPA-G, ENERCON Building, Sector G-5/2, Islamabad.
- 10. Affidavit on Rs.100/- stamp paper to the effect that the firm is not blacklisted and has no dispute with any Government Organization, shall be furnished.
- 11. All the pages of Bidding documents and in case having any Erasing/ cutting/ crossing or over writing etc., therein, must be properly signed by the signing person of the bidder by the authorized signatory, who have been given power of attorney on company letter head (be enclosed with bidding documents, if any), along with attested copy of his CNIC.
- 12. Offer shall not be considered if received after the time and date fixed for its receipt.
- 13. A Bidder (including its Personnel and Sub-Contractor) 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 Bidder to be executed for the same or for another Client. Conflicting Assignment.

FORM OF BID AND THE BIDDING PROCESS

Bids will be selected in accordance with the Public Procurement Rules, as a Single Stage – Two Envelope procedure. The bidding process will be as under:

- 1 The bid shall comprise a single package containing two separate envelopes. The envelopes shall be marked as “TECHNICAL PROPOSAL” and “FINANCIAL PROPOSAL” in bold and legible letters;
- 2 The envelope No.1 should contain the complete Technical Bid and undertaking for technical proposal submission. **Annex-B**
- 3 The envelope No. 2 will contain only the financial bid.
- 4 Both the above mentioned envelopes should be put in one large envelope, super scribed “This envelope contains two duly sealed envelopes containing Tender Document and the Price Bid for providing External Audit Services – in two separate duly sealed envelopes clearly marked so”.
- 5 The bidder must quote his price as per format **Annex-C**. The rate(s) quoted should be inclusive of all kind of taxes and must be quoted in figure as well as in words. Out of pocket expenses for the assignment shall be quoted separately.
- 6 In the first stage, only the envelope marked “TECHNICAL PROPOSAL” shall be opened and the envelope marked as “FINANCIAL PROPOSAL” shall be retained without being opened;
- 7 The technical proposals of all the bidders shall be evaluated. The proposals which meet all the technical eligibility criteria laid down in this document shall be accepted for the second stage.
- 8 During technical evaluation no amendments in the technical proposal shall be permitted;
- 9 The financial proposals of selected bidders shall be opened publicly at a time, date and venue announced and communicated to the bidders in advance. The financial proposals of the rejected bidders shall be returned un-opened;
- 10 Both the proposals will be evaluated according to the evaluation criteria and the bidder scoring highest points shall be declared as successful and a written Contract Offer will be made to the successful bidder after a minimum of 10 working days of the evaluation of bids.
- 11 The service provider will also sign an undertaking with the CPPA-G in which the completion of work will be ensured as per **Annex-A**.
- 12 CPPA-G will not entertain or be liable for any claim for costs and expenses in relation to the preparation of the bid / proposal to be submitted in terms of this document.

Terms of Reference

Brief scope of work

The overall scope and purpose of the audit will be as follow:

- I. Statutory Audit of CPPA-G under Companies Act 2017, for the Financial Year 2020-21.
- II. Compliance Audit of CPPA-G under the SECP Public Sector Companies (Corporate Governance) Rules, 2013 for the Financial Year 2020-21.
- III. Audit of CPPA-G Employees Gratuity Fund Trust for the Financial Year 2020-21.
- IV. Audit of CPPA-G Employees Gratuity Fund Trust for the Financial Year 2020-21.

Evaluation Criteria

The Company will use “**Quality Cost Based Selection Method**” under “**Single Stage Two Envelope Methods**” of selection of External Auditors under Public Procurement Rules. Criteria for Technical and Financial Evaluation are enclosed. Scores will be allocated based on evidence available in the proposal only. The Statutory Audit Assignment will be awarded to the firm with the highest total score based on the following weight ratios:

- 80% for Technical Score
- 20% for Financial Score

Technical and Financial Evaluation

(A) Initial Screening

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

1. The firm must be “A” ranking as per State Bank of Pakistan
2. The firm must have affiliation with one of the global audit firms
3. Declaration on stamp paper regarding non-black listing / delisting
4. Satisfactory QCR Rating of ICAP
6. Registration certificate from Audit Oversight Board (AOB)
7. NTN Certificate & STRN certificate

(B) Technical Evaluation:

The Firms will be evaluated as per following criteria:

1. Number of Partners in the firm within Pakistan
2. Number of ICAP qualified Chartered Accountants employed by the firm in Pakistan
3. Number of Audit Staff
4. Experience of Govt. / Semi Govt. Organization Audits
5. Experience of Audit in the Power Sector
6. Experience of IT based Audit of Large Scale Organizations / Public Sector Organizations
7. Number of Offices in Pakistan

Minimum score for competing in the next stage is 70%. The Financial Proposal of only that Audit Firm will be opened which secured 70% or more in the Technical Evaluation.

S. No.	Particulars	Total Marks	Range of Partners	Marks
1	No. of Partners At least 6 (List of Partners attached)	15	6 – 10	5
			11 – 20	10
			21 & above	15
2	No. of Qualified Chartered Accountants Employed by Firm At least 20 (List of Partners attached)	15	20-40	5
			41-80	10
			81 & above	15
3	No. of Audit Staff / Trainees At least 100 (List of Staff / Trainees attached)	10	100-200	5
			201 & above	10
4	Experience of at least 5 Govt. / Semi Govt. Organization's Audit (Singularly) in last 5 years	15	5	8
			6 – 10	12
			11 & above	15
5	Experience of at least 3 Power Sector Companies Audit (Singularly) in last 5 years	20	3	8
			4 – 8	14
			9 & above	20
6	Experience of IT based Audit of at least 2 Large Scale Organizations / Public Sector Organizations	15	2	6
			3 – 5	10
			5 & above	15
7	No. of Offices in Pakistan (At least 2)	10	2	6
			3 & above	10

(C) Financial Evaluation:

Financial Proposals of only Technically Qualified Audit Firm will be opened. The Audit Firm getting maximum marks on 80-20 weight age (80% for Technical and 20% for Financial) will be selected as Auditors.

Max 20 Points:

The formula for determining the Financial Score is the following:

$$FS = 100 \times LP / F$$

(Where, FS is the Financial Score; LP is the Lowest Price and F the Price of the Proposal under consideration.)

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

$$T = 0.80 \text{ and } F = 0.20$$

Type of Contract

The Company (CPPA-G) will enter into a lump sum contract with the successful bidder. The duration of the Contract is for One year i.e. FY 2020-21.

Payment Mode

The Company undertakes to pay valid invoice in full within thirty (30) days from the providing of Audited Accounts and Report.

CERTIFICATE

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

I/We hereby confirm to have read carefully all the terms & conditions of your Request for Proposal, due for opening on (Time) for provision of following services

- I. Statutory Audit of CPPA-G under the SECP Act, 2017 for the Financial Year 2020-21.
- II. Compliance Audit of CPPA-G under the SECP Corporate Governance Rules 2013 for the Financial Year 2020-21.
- III. Audit of CPPA-G Employees Gratuity Fund Trust for the Financial Year 2020-21.
- IV. Audit of CPPA-G Employees Gratuity Fund Trust for the Financial Year 2020-21.

In addition to the conditions we also agree to abide by all the special instructions mentioned in tender document. We also hereby categorically confirm that we are fully capable to provide services of External auditors as laid down in the RFP document.

Signature: _____

Name & Address of Tenderer _____
Designation & ID Card No. _____

NTN _____ GST No. _____

Date: _____ Official Seal: _____

I. WITNESS

Signature: _____

Designation & ID Card No. _____

II. WITNESS

Signature: _____

Designation & ID Card No. _____

Technical Proposal Submission Form

The Chief Executive Officer,
Central Power Purchasing Agency (Guarantee) Limited
ENERCON Building, Sector G-5/2
Islamabad

Subject: **Provision of Audit Services**

Dear Sir,

We, the undersigned, offer to provide the External Audit Services in accordance with your Request for Proposal dated _____ we are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate 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., we undertake to negotiate on the basis of the proposed staff/facilities. Our Proposal is binding upon us and subject to the modifications resulting from Agreement negotiations.

We undertake, if our Proposal is accepted, to initiate the required services not later than the date indicated in RFP.

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

Yours sincerely,

Authorized Signature :

Name and Title of Signatory:

Name of Firm:

Address:

FINANCIAL BID PROFORMA

SR.NO.	PARTICULARS AMOUNT	External Audit Fee	Out of Pocket Expenses	Total Fee
1	Statutory Audit of CPPA-G under the SECP Act, 2017 for the Financial Year 2020-21			
2.	Compliance Audit of CPPA-G under the SECP Corporate Governance Rules 2013 for the Financial Year 2020-21			
3	Audit of CPPA-G Employees Gratuity Fund Trust for the Financial Year 2020-21			
4	Audit of CPPA-G Employees Gratuity Fund Trust for the Financial Year 2020-21			

TOTAL (in words)

Note: (Quoted Rate must be inclusive of all kind of taxes and quoted in figure as well as in words).

Signature of the Bidder with seal)

Address: _____
