



Bidding Document / RFP

For

Appointment of Statutory Auditors Under Companies Ordinance, 1984

GUJRANWALA WASTE MANAGEMENT COMPANY

(GWMC)

**2nd Floor, Gujranwala Chamber of
Commerce and Industry Building,
Gujranwala.**

Tel: 055- 9200890-92 ,

Email: info@gwmc.com.pk

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1. INVITATION TO BID

Gujranwala Waste Management Company (GWMC) was incorporated on July 12, 2013 under the aegis of Local Government and Community Development Department, Government of the Punjab. GWMC was established with the goal to provide efficient, effective and modern services regarding disposal of solid waste in a modern way in Gujranwala.

The Company intends to appoint its statutory auditors to audit the financial statements of the Company for the Financial Year 2016-17 in accordance with the Companies Ordinance 1984, International Standards on Auditing and Accounting and other applicable regulations. The auditor shall be a Chartered Accountant firm i.e. comprising of Chartered Accountants within the meaning of the Chartered Accountants Ordinance, 1961.

Interested Chartered Accountants Firms are invited to submit their proposals in respect of statutory audit after obtaining and understanding the relevant information for assignment purposes.

2. INSTRUCTION TO APPLICANTS

Submission and Opening of Proposals:

All proposals must be delivered to the office of the Company Secretary on or before 12:00 pm on July 01st, 2017. If the day of submission/opening of the bids is declared as holiday the bids will be opened on the next working day at the same time. The Company will use “Quality and Cost Based Selection method” under “single stage two envelope method” for selection of the auditor under Punjab Procurement Rules, 2014 (www.ppra.punjab.gov.pk). Technical proposals will be publicly opened at 12:30 pm on July 1st, 2017 in the committee room of GWMC. Proposals received after the due time will not be accepted and returned to the bidders unopened. For opening of financial proposals the date, time and venue will be communicated separately via email and telephone.

Note: Firms scoring less than 70/100 points in technical evaluation will be considered as not technically qualified and their financial proposals will be returned un-opened.

The proposals are to be prepared in English. The applicants must provide complete information, including the application letter (Annexure-A), along with supporting documents. Any lapse to provide essential information shall render the applicant non-responsive.

The technical and financials proposals are to be submitted in two separate and sealed envelopes, clearly marked as such, either by hand or courier, in one sealed outer envelope clearly marked “Proposal for Statutory Audit” to the following address:

Company Secretary
Gujranwala Waste Management Company,
2nd Floor, Gujranwala Chamber of Commerce and Industry Building,
Gujranwala
Tel: 055-9200890

Queries and Clarification of Bid:

Queries of the applicants for seeking clarifications must be received in writing or through e-mail to GWMC within 10 days of receipt of invitation to bid offer letter.

Contact details for all correspondence in relation to this bid are as follows:

Mr. Muhammad Qasim Akbar
Chief Financial Officer
Email: finance@gwmc.com.pk
Mobile: 0304-1922633

Applicants are also required to state in their proposals the name, title, phone numbers, fax numbers and e-mail of their authorized representative through whom all communications shall be directed until the process has completed or terminated.

GWMC may reject all proposals at any time prior to the acceptance of a proposal under Rule 35 of the Punjab Procurement Rules, 2014.

The Contract of this audit engagement will be extended, if approved in the AGM.

Disclaimer:

The RFP for appointment of statutory auditors contains brief information about the audit services required and provides the applicants information to assist in the formulation of their proposals. While all efforts have been made to ensure the accuracy of information contained in this document, it may not contain all the information required by the applicants. The applicants should conduct their own independent assessment, investigations and analysis and may prepare their proposals in the light of relevant experience and international best practices. GWMC, or any of its employees or advisors/consultants, shall incur no liability under any law, statute, rules or regulations as to the accuracy or completeness of this document.

GWMC reserves the right to change any or all conditions/information set in this document by way of amendment, revision, deletion, updating or annulment through issuance of appropriate corrigendum as GWMC may deem fit in accordance with Punjab Procurement Rules 2014.

GWMC shall not be responsible for any costs or expenses incurred by interested firms in connection with the preparation or delivery of the proposals.

3. SCOPE OF WORK

The scope of work is to conduct statutory audit of Gujranwala Waste Management Company (GWMC) for the year ending June 30, 2017. The overall scope of the audit is as follows:

1. The audit will cover the period from 1st July 2016 to 30th June 2017.
2. The year subject to audit is fourth year of operations since its incorporation.
3. The duration of the audit is estimated to be 15 working days.
4. Auditor's report is required to be submitted preferably by the mid of October, 2017.
5. The selected audit firm shall conduct the audit in accordance with Companies Law, International Standards on Auditing and any other applicable regulations and standards.

4. EVALUATION CRITERIA

The Company will use “Quality and Cost Based Selection method” under “single stage two envelope method” for selection of the auditor under Punjab Procurement Rules, 2014.

Details of the evaluation criteria for technical and financial evaluation are provided in Section-5. **Scores will be allocated based on evidence available in the proposal only.** The audit engagement will be awarded to the firm with the highest total score based on the following weight ratios:

- ❖ 70% for technical score
- ❖ 30% for financial score

Note: Firms scoring less than 70 points in technical evaluation will be considered non-responsive and financial proposals will be returned un-opened.

5. TECHNICAL AND FINANCIAL EVALUATION

PARAMETERS

i) Initial Screening:

The following documents/ certificates are the pre-requisite and shall be used for initial screening.

The applicant 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” ranked as per State Bank of Pakistan
2. The firm must have affiliation with one of the global audit firms
3. Declaration on stamp paper that the firm has never been blacklisted by any Government department/authority/agency/company
4. Satisfactory most recent QCR Rating of ICAP
5. Taxpayer Registration Certificate (Income Tax and Sales Tax, if applicable)
6. Partnership registration certificate (ICAP and Registrar of Firms).
7. Affidavit from the firm, to the effect, that all the documents, statements and information provided with the proposal are complete, true and correct in all aspects.

ii) Technical Evaluation:

The firms cleared from initial screening will be evaluated as per following criteria:

1. Number of partners in Pakistan.
2. Number of ICAP qualified Chartered Accountants employed by the firm in Pakistan.
3. Number of audit staff in Pakistan registered with ICAP.
4. Experience of Govt. / Semi Govt. organization audits.
5. Experience of Commercial Banks audit
6. Number of offices in Pakistan.

The financial proposal of only those audit firms will be opened which secure a score of 70% or more in the technical evaluation. Supporting documents in respect of each criteria must be submitted by the bidding firm.

1. Number of Partners	Total Marks	Range of Partners	Marks
At least 5 (List of Partners attached)	20	5 – 10	5
		11 – 15	10
		16 – 20	15
		21 & above	20
2. Number of ICAP Qualified Chartered Accountants	Total Marks	Range of Staff	Marks
At least 10 (List attached)	20	10 – 20	10
		21 – 30	15
		31 & above	20
3. Number of Audit Staff	Total Marks	Range of Staff	Marks
At least 50 Staff (List of Audit Staff attached)	20	50 – 100	5
		101 – 150	10
		151 – 200	15
		201 – 250	20
4. Govt. / Semi Govt. Experience	Total Marks	No. of Organizations	Marks
Experience of at least 5 Govt. / Semi Govt. Organization's Audit in last 5-years	20	5	10
		6 - 10	15
		11 & above	20
5. Banking Sector Experience	Total Marks	No. of Organizations	Marks
Experience of at least 1 Commercial Bank Audit in last 5 years	10	1	5
		2 & above	10
6. Number of Offices in Pakistan	Total Marks	No. of Offices	Marks
At least 2	10	2	6
		3	8
		4 & above	10

iii) Financial Evaluation:

Financial Proposals of only Technically Qualified Audit Firm will be opened. The Audit Firm getting maximum marks on 70-30 weightage (70% for technical and 30% for financial) will be selected as Auditors.

Max 30 Points:

The formula for determining the Financial Score is the following:

$$Sf = 100 \times Fm / F$$

Where, **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 Proposals (F) are:

$$T = 0.7 \text{ and } F = 0.30$$

6. Terms and Conditions

The audit firm is expected to examine the RFP thoroughly, including all terms and conditions. The audit firm shall bear all costs / expenses associated with the preparation and submission of the proposal and GWMC shall in no case be responsible / liable for those costs / expenses. The prospective audit firms may solicit clarification as mentioned in the RFP in writing.

Audit Fee

The fee for audit of financial statements for the period July 01, 2016 - June 30, 2017 must be inclusive of all costs and taxes applicable in Pakistan. There will be no price negotiations with the lowest evaluated responsive bidders. Audit firms are therefore requested to submit their lowest and best prices with their proposals.

Validity of Proposal

The proposal validity period shall be three (3) months from the last date for submission of the same.

Invoicing and Payments

Payment will be released after 30 days of submission of invoice by the auditors after completion of the audit assignment/ engagement. Payment will be made through cross-cheque after deduction of all applicable taxes in Pakistan.

Arbitration and Dispute Resolution

In case of any difference or dispute arising between the parties relating to this proposal or contract, same shall be referred to resolution to the Managing Director of GWMC or his duly authorized nominee whose decision shall be final and binding on both the parties and shall not be challenged in any court of law.

Annexure A - Application for Appointment as Statutory Auditors

(Letter head paper of the Applicant including full
postal address telephone no. and fax no.)

Date: _____

To:

Company Secretary

Gujranwala Waste Management Company

2nd Floor, Gujranwala Chamber of Commerce and Industry Building

Gujranwala.

Dear Sir,

1. Being duly authorized to represent and act on behalf of _____ (hereinafter referred to as “the Applicant”), and having reviewed and fully understood all of the information provided in this RFP for appointment of statutory auditors, the undersigned hereby expresses its interest in and applies to be appointed by your organization for the audit of financial statements for the period 1st July 2016 to 30th June 2017 of Gujranwala Waste Management Company.

2. Attached to this proposal/bid are copies of original documents specifying:

- Name, title, phone numbers, fax number and email of authorized representative.
- “A” ranked as per State Bank of Pakistan.
- Affiliation with the international audit firm.
- Declaration on stamp paper that the firm has never been blacklisted by any Government department/ authority/ agency/ company.
- Satisfactory most recent QCR rating of ICAP.
- Taxpayer registration certificates (Income Tax and Sales Tax).
- Partnership registration certificate (with ICAP and Registrar of Firms)
- Other documents as required in the proposal for evaluation purposes.

3. The client and its authorized representatives are hereby authorized to conduct any inquiries or investigations to verify the statements, documents and information submitted in connection with this application, and to seek clarification from our bankers and others regarding any financial and technical aspects. The letter of application will also serve as authorization to any individual or authorized representative of any institution referred to in the supporting information, to provide such information as deemed necessary and requested by the client or its authorized representative in order to verify statements and information provided in this application, or with regard to the resources, experience, and competence of the firm.

4. The undersigned declares that the statements made and the information provided in the proposal are complete, true and correct in all aspects.

Signed:

Name:

For and on behalf of

(Firms Name)