

**2016**

# **REQUEST FOR PROPOSAL**


## **SELECTION OF CHARTERED ACCOUNTANT FIRM FOR INTERNAL AUDIT**



**Bihar Urban Infrastructure Development  
Corporation Limited**

**(A Government of Bihar Undertaking)**

**#2<sup>nd</sup> Floor, Khadya Bhawan,  
Road No.-2, Daroga Rai Path,  
R- Block, Patna**

	<b>Bihar Urban Infrastructure Development Corporation Limited</b> <small>A Government of Bihar Undertaking</small>	
	<b>REQUEST FOR PROPOSAL</b> <i>for</i>	
	<b>SELECTION OF CHARTERED ACCOUNTANT FIRM FOR INTERNAL AUDIT</b> <b>FOR THE FINANCIAL YEAR 2016-17 AND 2017-18</b>	
<b>No: BUIDCO/</b>	<b>Gathan-11/10(A) Part-II-60</b>	<b>Date: 06.07.2016</b>
<ol style="list-style-type: none"> <li>1. Bihar Urban Infrastructure Development Corporation Ltd. (BUIDCO) represents a Government company constituted by the Government of Bihar under the Companies Act, 2013 on 16<sup>th</sup> June 2009 and is mandated with the development of various urban infrastructure development schemes in the state. The objective of the company is to provide efficient infrastructure system in the state. It is headquartered at Patna and has offices at different locations. So far various Water Supply, Sewerage, STP, Road &amp; Drain, Lower Cost Housing, Bus Terminal, Led Street Light and various other infrastructure projects across the State of Bihar are under implementation or conceptualization stage.</li> <li>2. BUIDCO is mandated to work on assignments pertaining to all departments of Government of Bihar or any other department, agency, organization or body through Urban Development Department or directly.</li> <li>3. BUIDCO hereby invites Proposal from reputed firm/company to provide quarterly Internal Audit for the financial year 2016-17 and 2017-18. BUIDCO has decided minimum fees Rs 2,00,000/- (excluding service tax) for two years i.e 1,00,000 per annum.</li> <li>4. The RFP will be available for download, free of cost, at <a href="http://www.buidco.in">www.buidco.in</a>. All bidders must submit a sum of <b>Rupees Ten Thousand only (Rs.10,000/-) as the Bidding Fee (Non-Refundable)</b> and <b>Rupees Fifty Thousand (Rs. 50,000/-) as Bid Security (Refundable)</b> along with their Proposal as per the conditions outlined in this RFP.</li> <li>5. Prospective Bidders are advised to read the above in conjunction with each other and are advised to comply with the terms and conditions for submission of their Proposal as defined in this RFP document.</li> <li>6. A Preferred Bidder would be selected through a single-stage two-part competitive bidding process based on evaluation of Proposals submitted by all bidders. Bidders are expected to submit their Proposals in two parts as described below, in accordance with the instructions provided in the RFP: <ul style="list-style-type: none"> <li><b>(i) PART I: TECHNICAL OFFER</b></li> <li><b>(i) PART II: FINANCIAL OFFER</b></li> </ul> </li> <li>7. Interested Bidders may submit their proposals on or before the Due Date and Time of <b>02.08.2016 (04.00 p.m)</b></li> <li>8. RFP Document can be downloaded from tender section on the website <a href="http://buidco.in">http://buidco.in</a> from <b>14.07.2016</b> Onwards. All further communication and notification shall be issued on the website of BUIDCO only.</li> <li>9. No liability will be accepted by BUIDCO for downloading incomplete document(s). BUIDCO reserves the right to accept or reject any or all proposals without incurring any obligation to inform the affected applicant/s of the grounds.</li> </ol>		
<b>Sd/-</b> <b>Managing Director, BUIDCO</b>		
#2nd Floor, Khadya Bhawan, Road No.-2, Daroga Rai Path, R- Block, Patna-800 001 (Tel: 0612-2506213/109, Fax-2506132, Web:- <a href="http://buidco.in">http://buidco.in</a> , Email: <a href="mailto:mdbuidco@gmail.com">mdbuidco@gmail.com</a> )		

## **Disclaimer**

This Request for Proposal (RFP) is issued by Government of Bihar (GoB) through its Bihar Urban Infrastructure Development Corporation (BUIDCo). The intent of this Request for Proposal (RFP) is to solicit proposals from parties (Bidders) who are interested in appointment as Internal Auditor to BUIDCo for the financial year 2016-17 and 2017-18, in line with the terms and conditions described in this RFP.

This RFP is not an agreement and is neither an offer nor invitation by BUIDCo to the prospective Bidders or any other person. The issue of this RFP does not imply that the BUIDCo is bound to select a Bidder or to appoint the Preferred Bidder, as the case may be, for the Project. The BUIDCo reserves the right to reject all or any of the Bidders or Proposals without assigning any reason whatsoever.

Whilst the information in this RFP has been prepared in good faith, it is not and does not purport to be comprehensive or to have been independently verified. It does not, and does not purport to, contain all the information that a recipient may require. The information contained in this RFP is selective and BUIDCo may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information, assessment or assumptions contained in this RFP.

Neither BUIDCo nor any of its officers or employees, nor any of their advisors nor consultants accept any liability or responsibility for the accuracy, reasonableness or completeness of, or for any errors, omissions or misstatements, negligent or otherwise, relating to the proposed proposal, or makes any representation or warranty, express or implied, with respect to the information contained in this RFP or on which this RFP is based or with respect to any written or oral information made or to be made available to any of the recipients or their professional advisors and, so far as permitted by law and except in the case of fraudulent misrepresentation by the party concerned, and liability therefore is hereby expressly disclaimed. Neither BUIDCo nor any of its officers, employees nor any of its advisors nor consultants undertakes to provide any recipient with access to any additional information or to update the information in this RFP or to correct any inaccuracies therein which may become apparent.

Information provided in this RFP to the Bidder(s) is on a wide range of matters, some of which depends upon interpretation of law. The information given is not an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law. BUIDCo accepts no responsibility for the accuracy or otherwise for any interpretation or opinion on law expressed herein.

The Bidder shall bear all its costs associated with or relating to the preparation and submission of its Proposal including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by BUIDCo or any other costs incurred in connection with or relating to its Proposal. All such costs and expenses will remain with the Bidder and BUIDCo shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by a Bidder in preparation or submission of the Proposal, regardless of the conduct or outcome of the bidding process.

# 1. INTRODUCTION

## 1.1. Background

- 1.1.1. BUIDCO is mandated to work on assignments regarding development of Urban Infrastructure in Bihar and pertaining to all departments of Government of Bihar or any other department, agency, organization or body through Urban Development Department or directly.
- 1.1.2. BUIDCO seeks to invite Proposal from Chartered Accountants firms meeting the minimum eligibility criteria for providing their services for the Internal Audit for the financial year 2016-17 and 2017-18.
- 1.1.3. The role and the scope of services to be provided by the CA firm have been defined in Terms of Reference.

## 1.2. Objective and contents of this RFP

- 1.2.1. This RFP issued by BUIDCO seeks to invite Proposals from interested Bidders for selection of Chartered Accountant firms for providing Internal Audit for the financial year 2016-17 and 2017-18.
- 1.2.2. The objective of the audit is to ascertain that:–
  - a) To ensure that the Financial and operating information is accurate and reliable.
  - b) To review the efficacy, adequacy and application of accounting, financial and operating controls and thereby ensuring the accuracy of the books.
  - c) To verify that the system of internal check and control is effective in design and operation in order to ensure the prevention of and early detection of defalcations, frauds, misappropriations, misapplications and loss of assets of the company.
  - d) To identify areas of significant inefficiencies in existing systems and to suggest necessary remedial measures.
  - e) To verify that the policies, procedures, plan, laws and regulations which is applicable on the company are complied with.
  - f) To ensure that the assets are safeguarded against loss and theft.
  - g) To ensure that the resources are used economically and efficiently and
  - h) To confirm that the established program/operating goals and objectives will be met.

### 1.2.3. Standards

- a. The audit will be carried out in accordance with the Standards of Internal Audit (Internal Auditing Standards Board) issued by the Institute of Chartered Accountants of India in this regard. The auditor should accordingly plan and perform the audit to reduce the risk to an acceptable level that is consistent with the objective of the audit.
- b. In conducting the audit special attention should be paid to the following:
  - i. An assessment of adequacy of the project financial systems, including financial controls. This should include aspects such as adequacy and effectiveness of accounting, financial and operational controls, level of compliance with established policies, plans and procedures, reliability of accounting systems, data and financial reports, methods of remedying weak controls, verification of

assets and liabilities, a specific report on these aspects would be provided by the auditor as part of the management letter.

- ii. Funds have been spent in accordance with the conditions laid down by BUIDCo from time to time with due attention to economy and efficiency, and only for the purpose for which the financing was provided.
- iii. All necessary supporting documents, records and accounts have been kept in respect of all financial and non financial transactions.

**1.2.4 Instructions to Bidders** of the RFP (this document) is the first part of this RFP, and specifies procedures to be followed by Bidders in preparation and submission of their Proposals and provides information on submission, opening, evaluation of Proposals.

**1.2.5 Terms of Reference** contain the scope of work, payment terms and deliverables.

**1.2.6** Bidders are advised to read and review the information contained in the RFP and adhere to terms and conditions prescribed while submitting their Proposals. In the event of any discrepancy or conflicts between the documents regarding the terms and obligations, the terms mentioned in TOR shall prevail.

**1.2.7** Bidders may note that BUIDCo will not entertain any deviations to the conditions specified in the RFP at the time of submission of the Proposal or thereafter. The Proposal to be submitted by the Bidders will be unconditional and unqualified and the Bidders would be deemed to have accepted the terms and conditions of the RFP with all its contents including the Terms of Reference. Any conditional Proposal shall be regarded as non-responsive and would be liable for rejection at the sole discretion of BUIDCo.

### **1.3. Overview of the Bidding Process**

**1.3.1.** Bidders are called upon to submit their Proposals in respect of the Project, in accordance with the formats, terms and conditions of the RFP.

**1.3.2.** All bidders must submit a sum of **Rs.10,000/- (Rupees Ten Thousand only)** as the Bidding Fee in the form of Demand Draft and

**Rs.50,000 (Rupees Fifty Thousand Only)** as Bid Security along with their Proposal as per the conditions outlined in this RFP. The Bid Security should be submitted in the form of a Demand Draft or Bank Guarantee from any Nationalised Bank or Scheduled Bank payable to **“Managing Director, Bihar Urban Infrastructure Development Corporation Ltd”**

**1.3.3.** The selection of the Preferred Bidder for this project is envisaged through a single-stage process involving evaluation of **two-part Proposals** received from Bidders covering:

a. Part I – Technical Offer

b. Part II – Financial Offer

1.3.4. The Proposals would be evaluated in two steps in line with the Evaluation process

a. The **first step** involves opening and evaluation of **Part I - Technical Offers** of the Proposals of Bidders. Financial Offers of Bidders who do not qualify at this step will be returned unopened at the end of the Bid process.

b. The **second step** involves opening and evaluation of **Part II - Financial Offers** of the Proposals of those Bidders whose Technical Offers have been qualified and who have submitted the Financial Offer in accordance with criteria laid down in this RFP document.

#### 1.4. Indicative schedule of bidding process

1.4.1. While BUIDCo reserves the right to change / modify the steps and the timelines of the bidding schedule as necessary, it shall endeavour to adhere to the bidding schedule provided below in Exhibit 2.

#### EXHIBIT 2 INDICATIVE BIDDING SCHEDULE

SI. No	EVENT DESCRIPTIONS	TENTATIVE TIMELINE
1	Notice Inviting Advertisement in dailies and Upload of Request for Proposal (RFP) document	14.07.2016
2	Last date for receiving queries to the e-mail id	19.07.2016
4	Issue of Clarifications by BUIDCo	22.07.2016
6	Opening of Part I – Technical Offer of short listed Bidders	02.08.2016 (04.30 p.m)
8	Opening of Financial Offers	10.08.2016 (03.00 p.m)
9	Issue of Letter of Award to the successful Bidder	12.08.2016
10	Signing of Management Agreement	16.08.2016

#### 1.5. Clarifications on RFP

1.5.1. Bidders may submit a list of queries, if any, to the RFP. Any queries or request for additional information concerning this RFP shall be submitted in writing by e-mail to tenders@buidco.in, addressing the Managing Director, Bihar Urban Infrastructure Development Corporation Ltd, #2nd Floor, Khadya Bhawan, Road No.-2, Daroga Rai Path, R- Block, Patna-800 001, on or before ..... The communications shall clearly bear the following identification/ title: "**Request for Clarification – RFP for Selection of Chartered Accountant Firm for providing Internal Audit for the financial year 2016-17and 2017-18**".

1.5.2. BUIDCo reserves the right not to respond to any question or provide any clarification, in its sole discretion. Nothing in this clause shall be taken or read as compelling or

requiring BUIDCo to respond to any question or to provide any clarification. BUIDCo will not respond to the question raised by Bidder if it is going to affect the outcome of the bidding process as well as affect the different qualification criteria in this bidding document. BUIDCo will upload all the queries and its responses on [www.buidco.in](http://www.buidco.in).

- 1.5.4. To facilitate evaluation of Proposals, BUIDCo may, at its sole discretion, seek written clarifications from any Bidder regarding its proposal through electronic mail or facsimile. Such clarification(s) shall be provided within the time specified by the BUIDCo for this purpose. If a Bidder does not provide clarifications sought within the prescribed time, such Bidder's Proposal shall be liable to be rejected. In case the Proposal is not rejected, BUIDCo may proceed to evaluate the Proposal by construing the particulars requiring clarification to the best of its understanding and that of its advisors. The Bidder shall not have the right to subsequently question such interpretation of BUIDCo.
- 1.5.5. BUIDCo shall not entertain any correspondence with any Bidder in relation to the acceptance or rejection of any Proposal.

## **1.6. Amendment of RFP**

- 1.6.1. At any time prior to the deadline for submission of Proposal, BUIDCo may, for any reason, whether at its own initiative or in response to queries requested by a Bidder, modify the RFP by the issuance of Addendum to the RFP. BUIDCo may also on its own initiative, issue interpretations and clarifications to all Bidders.
- 1.6.2. Any Addendum thus issued will be uploaded on [www.buidco.in](http://www.buidco.in). All clarifications and interpretations issued by BUIDCo thus shall be deemed to be part of the RFP.
- 1.6.3. Verbal clarifications and information given by BUIDCo or its employees or representatives shall not in any way or manner be binding on BUIDCo.
- 1.6.4. In order to afford the Bidders a reasonable time for taking an Addendum into account, or for any other reason, the BUIDCo may, at its own discretion, extend the Proposal Due Date.

## 2. GENERAL CONDITIONS

### 2.1. General responsibilities of Bidders

- 2.1.1. As far as possible, the Bidder shall consider information provided in the RFP for preparing the Technical and Financial Offers. However it is strongly recommended that the Bidders carry out their own due diligence and make their own assumptions for preparation and submission of their respective Proposals.
- 2.1.2. Prior to submitting the Proposal, the Bidder may seek any relevant information/data from BUIDCo. BUIDCo will provide such information/data in its total discretion to all the bidders.
- 2.1.3. The Proposals would be evaluated based on the details and data furnished in the Proposal. Mere submission of information does not entitle the Bidder to meet an eligibility criterion. BUIDCo or any of its consultants/advisors reserves the right to verify any or all information submitted by the Bidder. BUIDCo decision regarding any Bidder's eligibility or otherwise shall be final and binding and BUIDCo or any of its consultants/ advisors would be under no obligation to inform any Bidder of the grounds of such decision.
- 2.1.4. Bidders shall provide evidence of their continued eligibility; in accordance with the Prequalification requirements" which is satisfactory to BUIDCo. BUIDCo may request additional information from the Bidder till signing of the Management Agreement. A Bidder may be disqualified if it is determined by BUIDCo at any stage of the bidding process that the Bidder will be unable to fulfil the requirements and objectives of the Audit or fails to continue to satisfy the Prequalification requirement. Supplementary information or documentation regarding qualifications may be sought from the Bidders at any time and must be provided within time frame period stipulated in such requests. If the Bidder is unable to provide the information within the stipulated timeframe then the Bidder may be disqualified.
- 2.1.5. Information relating to the examination, clarification, evaluation and comparison of Proposals and recommendations for the award of a contract shall not be disclosed to Bidders or any other persons not officially concerned with such process until the award to the "Successful Bidder" has been announced. Any effort by a Bidder to influence BUIDCo or any of its consultants/advisors processing of Proposals or award decisions may result in the rejection of its Proposal.
- 2.1.6. BUIDCo or any of its consultants/advisors will check Bids determined to be substantially responsive in terms of any arithmetic errors. Wherever there is discrepancy between the amounts in figures and in words, the amount in words will govern. In case of difference between original and copies, the information/data/Proposal provided in the original would be considered correct and binding. Any such corrections made by BUIDCo shall be considered as binding upon the Bidder and will be duly notified to the Bidder in writing. If the Bidder does not



accept the corrections in Proposal, BUIDCo may reject the Proposal and forfeit the Bid Security.

- 2.1.7. It would be deemed that prior to the submission of the Proposal, the Bidder has:
- a. made a complete and careful examination of requirements and other information set forth in this RFP;
  - b. made a complete and careful examination of the various aspects of the company including but not limited to all the succeeding points
  - c. all other matters that might affect the Bidder's performance under the terms of this RFP and
  - d. Acquainting itself with local and central laws and rules and regulations thereto as well as other applicable rules and regulations relevant to the company.

## 2.2. Fraud and Corrupt Practices

2.2.1. The Bidders and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the Bidding Process. Notwithstanding anything to the contrary contained herein, the BUIDCo shall reject an Proposal without being liable in any manner whatsoever to the Bidder if it determines that the Bidder has, directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice in the Bidding Process.

2.2.2. Without prejudice to the rights of the BUIDCo, if an Bidder is found by BUIDCo to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice during the Bidding Process, such Bidder shall not be eligible to participate in any tender or RFP issued by the BUIDCo during a period of subsequent 2 (two) years from the due date of this RFP. Furthermore, the bidder should not have been debarred by any Central or State Government or PSU or Regulatory body for participation in the tenders.

2.2.3. For the purposes of **Clause 2.2.2**, the following terms shall have the meaning hereinafter respectively assigned to them:

a. **“corrupt practice”** means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any person connected with the Bidding Process (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official of the BUIDCo who is or has been associated in any manner, directly or indirectly with the Bidding Process or the LOA or has dealt with matters concerning the Management Agreement or arising there from, before or after the execution thereof, at any time prior to the expiry of one year from the date such official resigns or retires from or otherwise ceases to be in the service of the BUIDCo, shall be deemed to constitute influencing the actions of a person connected with the Bidding Process); or (ii) engaging in any manner whatsoever, whether during the Bidding Process or after the issue of the LOA or after the execution of the Agreements, as the case may be, any

person in respect of any matter relating to the Project or the LOA or the Agreements, who at any time has been or is a legal, financial or technical adviser of the BUIDCo in relation to any matter concerning the Project;

b. **“fraudulent practice”** means a misrepresentation or omission of facts or suppression of facts or disclosure of incomplete facts, in order to influence the Bidding Process;

c. **“coercive practice”** means impairing or harming or threatening to impair or harm, directly or indirectly, any person or property to influence any person’s participation or action in the Bidding Process;

d. **“undesirable practice”** means (i) establishing contact with any person connected with or employed or engaged by the BUIDCo with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the Bidding Process; or (ii) having a Conflict of Interest; and

e. **“restrictive practice”** means forming a cartel or arriving at any understanding or arrangement among Bidders with the objective of restricting or manipulating a full and fair competition in the Bidding Process.

**2.3 Conflict of Interest:** Neither the Bidder nor any of its officer/ employees should have any association with BUIDCo or its officials or consultants in any way.

**2.4 C.A. Firm must have a Branch at Patna.**

## 3. CONTENTS AND SUBMISSION OF PROPOSAL

### 3.1. Cost of Proposal

- 3.1.1. The Bidder shall bear all costs associated with the preparation and submission of its Proposal, including data collection, analysis, design, etc. Neither BUIDCo nor any of its consultants/advisors will be responsible or liable for any such costs, regardless of the conduct or outcome of the bidding process.

### 3.2. Language and Currency

- 3.2.1. The Proposal and all related correspondence and documents in relation to the Bidding Process shall be in English language.
- 3.2.2. The currency for the purpose of the Proposal shall be Indian Rupee only.

### 3.3. Number of Proposals

- 3.3.1. A Bidder shall submit only one Proposal as part of this bidding process (either individually or as part of Consortium of entities). Any entity that submits or participates in more than one Proposal will cause all the Proposals in which the entity has participated to be disqualified.

### 3.4 Association with other Firms

No association or consortium with other firms for the purpose of this assignment shall be allowed.

### 3.5. Eligibility and Pre-qualification

- 3.5.1. The Bidder should submit the Proposal in accordance with the guidelines and formats prescribed in the RFP document and ensure that the Proposal is complete in all aspects. BUIDCo reserves the right to reject Proposals that do not conform to the guidelines prescribed.

### 3.6. Bid Security

- 3.6.1. Each Proposal shall be accompanied by a **Bid Security of Rs.50,000 (Rupees Fifty Thousand Only)**. The Bid Security should be submitted in the form of a Demand Draft or Bank Guarantee from any Nationalised Bank or Scheduled Bank payable to **“Managing Director, Bihar Urban Infrastructure Development Corporation Ltd”**. BUIDCo shall reject the Bids that are not accompanied by the Bid Security.
- 3.6.2. The Bid Security amount shall be valid for a period of 180 days from the Proposal Due Date. Further extension in the validity of the Bid Security if required, maybe done if it is mutually agreed to between BUIDCo and the Bidders. Any extension of the validity of the Bid Security as requested by BUIDCo shall be provided to BUIDCo,

prior to the expiry of the validity of the Bid Security, being extended. When an extension of the Bid Validity Period is requested, Bidders shall not be permitted to change the terms and conditions of their Bids. BUIDCo reserves the right to reject the Proposal submitted by any Bidder who fails to extend the validity of the Bid Security in line with the provisions of this clause.

- 3.6.3. The **Bid Security** of every unsuccessful Bidder would be returned within a period of four weeks from the date of issue of Letter of Award by BUIDCo to the successful Bidder.
- 3.6.4. The **Bid Security** submitted by the Successful Bidder would be released upon furnishing of the **Performance Security** by the Successful Bidder.
- 3.6.5. The entire Bid Security shall be forfeited in the following cases:
- If the Bidder withdraws its Proposal during the course of the bid process after the Proposal Due Date.
  - If the Successful Bidder fails to submit the Performance Guarantee in favour of BUIDCo and sign the Management Agreement within stipulated time.

### 3.7. Submission of Proposals – Instructions

- 3.7.1. The Bidder should submit the Proposal in accordance with the guidelines prescribed in this RFP and ensure that the Proposal is complete in all aspects. BUIDCo reserves the right to reject Proposals that do not conform to the guidelines prescribed.
- 3.7.2. The Proposal shall be submitted in two parts, viz., **a) Part I - Technical Offer and b) Part II – Financial Offer** as described below. The Financial Offer should be contained in Part II only. **Inclusion of any Financial Offer in other parts would lead to disqualification of the Proposal.**
- 3.7.3. The packing, sealing and marking of Proposal should be done as per instructions given below.

Envelope 1 – ‘ORIGINAL’	
<b>Envelope A</b>	Bid Security And Fees for RFP
<b>Envelope B</b>	Part I - Technical Offer
<b>Envelope C</b>	Part II – Financial Offer

- 3.7.4 Each of the three parts of the **Proposal** should be spiral bound or hard-bound and enclosed in separate sealed envelopes with respective marking as shown above.
- 3.7.5 All envelopes, both outer and inner, should be addressed to: Managing Director, Bihar Urban Infrastructure Development Corporation Ltd, #2nd Floor, Khadya Bhawan, Road No.-2, Daroga Rai Path, R- Block, Patna-800 001.

- 3.7.6 All envelopes must also be super scribed with the following information:
- a. Name and Address of Bidder
  - b. Authorized Contact person and Designation,
  - c. Phone number, Fax number and Email id.
- 3.7.7. Bidders should strictly adhere to the formats prescribed in this RFP Document while submitting their Proposals. BUIDCo reserves the right to reject any Proposal, which does not meet this requirement.
- 3.7.8 BUIDCo expects Bidders to adhere to the sealing and marking instructions given above and assumes no responsibility for the misplacement or premature opening of the contents of the Proposal submitted. If the envelope is not sealed and marked as instructed above, such Proposal, may, at the sole discretion of BUIDCo, be rejected.
- 3.7.9. Proposal must be in Hard Copies. Bids submitted by fax, telex, telegram or e-mail shall not be entertained and shall be rejected.

### **3.8. Submission of Proposals – Content and Formats**

#### **A. Part I – Technical Offer**

- 3.8.1. ‘Part I – Technical Offer’ should be submitted in line with the formats prescribed

#### **B Part II – Financial Offer**

- 3.8.2. ‘Part II – Financial Offer’ should be submitted in line with the formats prescribed

### **3.9. Proposal Due Date**

- 3.9.1. Proposals should be submitted through registered post / speed post on or before **on 02.08.2016 (04.00 p.m) IST** at the following address:

Managing Director, Bihar Urban Infrastructure Development Corporation Ltd, #2nd Floor, Khadya Bhawan, Road No.-2, Daroga Rai Path, R- Block, Patna-800 001, adhering to the terms and conditions outlined in this RFP.

- 3.9.2. BUIDCo may, in its sole discretion, extend the Proposal Due Date by issuing an Addendum to this RFP to all Bidders.
- 3.9.3. BUIDCo will not accept any Proposal received by it after the Proposal Due Date for any reason whatsoever.
- 3.9.4. Bidders should obtain a signature of the designated authority (ies) on a copy of Form 1A – Covering letter as a mark of acknowledgment of receipt of submitted Proposal by BUIDCo.

### **3.10. Validity Period**

3.10.1. Proposal shall remain valid for a period **not less than 180 days from the Proposal Due Date**. BUIDCo reserves the right to reject any Proposal, which does not meet the requirement.

### **3.11. Withdrawal of Proposals**

3.11.1. The Bidder may withdraw its Proposal after submission, provided that written notice of withdrawal is received by BUIDCo within the Proposal Due Date. The withdrawal notice shall be prepared, sealed, marked, and delivered with the envelopes being additionally marked "WITHDRAWAL".

3.11.2. Withdrawal of Proposal by the Bidder after the Proposal Due Date will lead to forfeiture of the Bid Security.

### **3.12. Other terms**

3.12.1. It shall be deemed that by submitting the Proposal, the Bidder has:

- a. made a complete and careful examination of the RFP;
- b. received all relevant information requested from BUIDCo;
- c. acknowledged and accepted the risk of inadequacy, error or mistake in the information provided in the RFP or furnished by or on behalf of BUIDCo and
- d. agreed to be bound by the undertakings provided by it under and in terms hereof.

3.12.2. BUIDCo will not entertain any deviations to the RFP at the time of submission of the Proposal or thereafter. The Proposal to be submitted by the Bidders will be unconditional and unqualified and the Bidders would be deemed to have accepted the terms and conditions of the RFP with all its contents including the Terms of Reference. Any conditional Proposal shall be regarded as non-responsive and would be liable for rejection.

3.12.3. BUIDCo shall not be liable for any omission, mistake or error on the part of the Bidder in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to the RFP or the Bidding Process, including any error or mistake therein or in any information or data given by BUIDCo.

3.12.4. Notwithstanding anything contained in this RFP, BUIDCo reserves the right to accept or reject any Proposal and to annul the Bidding Process and reject all Proposals, at any time without any liability or any obligation for such acceptance, rejection or annulment, and without assigning any reasons thereof.

3.12.5. BUIDCo reserves the right to reject any Proposal, if at any time a material misrepresentation is made or uncovered or if the Bidder does not provide, within the time specified by BUIDCo, the supplemental information sought by BUIDCo for evaluation of the Proposal. Such misrepresentation/ improper response shall lead to the disqualification of the Bidder. If such disqualification/ rejection occur after the

Proposals have been opened and the selected Bidder gets disqualified/ rejected, then BUIDCo reserves the right to:

- a. decide on the basis of the evaluate Proposals submitted by the remaining Bidders in accordance with the RFP; or
- b. take any such measure as may be deemed fit in the sole discretion of BUIDCo, including annulment of the Bidding Process.

## 4. ELIGIBILITY

### 4.1. Eligibility & Qualification Requirements

#### A. Technical qualifications

4.1.1. The technical qualifications are as under:

- The firm is registered with Controller and Auditor General of India. **(Proof must be attached with technical bid) and** having Branch at Patna.
- The CA firm should have experience of conducting Internal Audit of similar type of Government / Semi Government organisation. **(Proof must be attached with technical bid).**
- Engagement Manager should have experience of handling Internal Audit of at least 3 infrastructure companies. **(Proof must be attached with technical bid).**
- Engagement team should have a mix of at least 2 CAs and 2 Semi qualified CAs who has previous internal audit experience in infrastructure businesses.
- The Team Leader should not change in one financial year.
- The engagement team should have knowledge of -infrastructure business, Government laws and procedures. This should be demonstrated by scope of work at other infrastructure clients.
- Employees referred in above should be full time employees of the CA firm, registered with ICAI through which the RFP is being responded [For this purpose, only full time regular employees shall be considered].

#### B. Financial qualifications

4.1.2. The Average Annual turnover of the Audit Firm shall be at least Rs.25 lacs based on the turnover of last three years ending on FY 2014-15. For this audited financial statements of last three years ending on FY 2014-15 will be required to be submitted.



## 5. TERMS OF REFERENCE

### 5.1. Scope of Services

5.1.1 The broad scope of work is to manage operations as given below, however, not limited to the following:

- a. Review and analyze existing accounting systems in BUIDCo;
- b. Examine the relevant Accounting Standards and accounting practices being adopted in similar organizations wherein double entry accrual accounting has been implemented;
- c. Review the Accounting Policies and Accounting procedures for BUIDCo;
- d. Review and analyze internal audit reports and C&AG audit reports and incorporate recommendations provided in these reports to update financial statements and rules and chart of accounts etc.;
- e. Assist in strengthening the accounting system and assist in preparation of Financial Statements for Financial Years under scope;
- f. Design the formats for different accounting requirements;
- g. To ensure that objectives as mentioned under clause 1.2.2 of this RFP has been met.
- h. A Quarterly report on the system and status of Bank Guarantees after Physical Verification of the same.

### 5.2 Deliverables

5.1.2 The deliverables shall include the following:

- a. Internal audit reports
- b. Action Taken Report on the previous year's audit observations.

The audit reports should include the observation on the internal control issues (other than those which materially affect his opinion on the financial statements) as under:

- a. Give comments and observations on the accounting records, systems and internal controls that were examined during the course of the audit;
- b. Identify specific deficiencies and area of weakness in the system and internal controls and make recommendations for their improvement;
- c. Report on the level of compliance with the financial internal control and procedures;
- d. Report on the scope of services as mentioned under clause 5.1.1.
- e. Communicate matters that have come to the attention during the audit which might have significant impact on the implementation of the projects and on the Company; and
- f. Bring to BUIDCo's attention any other matter that the auditor considers pertinent.

### 5.3 Reporting and Timing

5.3.1 The audit shall be conducted on a Quarterly basis and final Audit Report for each quarter shall be submitted within one month from end of the quarter.

The draft internal audit report for first quarter of FY 2016-17 should be submitted to BUIDCo within 30 days of issue of Letter of Intent / Award of Contract.

#### **5.4 Payments**

The payment terms shall be as under:

The Annual fee shall be split over 2 half years and paid after the submission of two quarter final reports.

#### **5.6 General**

The auditor would be given access to any information relevant for the purpose of conducting the audit. This will normally include (other than all financial and procurement records) the contracts and agreements signed, instructions issued by BUIDCo regarding scheme guidelines, administrative orders and respective state department.

#### **5.7 Dispute Resolution**

In Case of any dispute arising out of this RFP/Contract between the parties, the same shall be decided by Managing Director, BUIDCo. and his decision in this respect shall be final and binding upon both the parties.

#### **5.8 Jurisdiction.**

The Courts of Patna shall have exclusive jurisdiction with respect to this RFP/ Contract Agreement.

## **6. EVALUATION OF BIDS**

### **6.1. Confidentiality**

- 6.1.1. BUIDCo shall ensure that the rules for the bidding proceedings are applied in a non-discriminatory, transparent and objective manner. BUIDCo shall not provide any information with regard to the bidding proceedings to any Bidder, which may have the effect of restricting competition in any manner.
- 6.1.2. Information relating to the examination, clarification, evaluation, and recommendation for the short-listed responsive Bidders shall not be disclosed to any person or entity that is not officially involved with the process or is not a retained professional advisor advising BUIDCo in relation to or matters arising out of, or concerning the Bidding Process. BUIDCo will treat all information, submitted as part of Proposal, in confidence and will require all those who have access to such material to treat the same.
- 6.1.3. BUIDCo may not divulge any such information unless it is directed to do so by any statutory entity that has the power under law to require its disclosure or is to enforce or assert any right or privilege of the statutory entity and/ or BUIDCo.

### **6.2. Clarifications**

- 6.2.1. To facilitate evaluation of Proposals BUIDCo may at its sole discretion seek clarifications from any Bidder during the evaluation period or thereafter at any time. Such clarification(s) shall be provided within the time specified by BUIDCo for this purpose. Any request for clarification(s) and all clarification(s) shall be in writing. If a Bidder does not provide clarifications sought within the prescribed time, its Proposal shall be liable to be rejected. In case the Proposal is not rejected, BUIDCo may proceed to evaluate the Proposal by construing the particulars requiring clarification to the best of its understanding, and the Bidder shall be barred from subsequently questioning such interpretation of BUIDCo.
- 6.2.2. Bidders are advised that the evaluation of Proposals will be entirely at the discretion of BUIDCo. BUIDCo is not obligated to provide any explanation or justification on any aspect of the Bidding Process or selection will be given.
- 6.2.3. BUIDCo reserves the right not to proceed with the Bidding Process at any time without notice or liability and to reject any Proposal without assigning any reasons. No Bidder shall have a claim on BUIDCo of any kind in the case of such cancellation.

### **6.3. Evaluation - Part I – Technical Offer**

- 6.3.1. Prior to evaluation of Part-I, BUIDCo shall determine whether the Proposal is responsive to the requirements of the RFP. Part I of a Proposal received shall be considered responsive if it meets the stipulated conditions including the following:
  - a. it contains the Demand Draft for Bid fees and Bid Security

- b. it is received as per marking and sealing instructions specified
- c. it is received by the Proposal Due Date including any extension thereof pursuant to Section 3.8.
- d. it is signed, sealed, hard bound and marked as stipulated in the RFP
- e. it is accompanied by Power(s) of Attorney as specified in the RFP
- f. it contains all the information (complete in all respects) as requested in this RFP
- g. it contains information in formats same as those specified in this RFP

6.3.2 BUIDCo reserves the right to reject any Proposal which has a non-responsive Part-I and no request for alteration, modification, substitution or withdrawal shall be entertained by BUIDCo in respect of such Proposal.

6.3.3 While BUIDCo would notify also the other Bidders who have not been short-listed, it will not entertain any query or clarification from Bidders who fail to qualify for the second stage of evaluation, namely opening and evaluation of Technical Offers.

6.3.4. The areas of scrutiny and the weightage of evaluation of different aspects of Part II – Technical Offer are given below.

Sl. No.	Technical Evaluation – Areas of Scrutiny	Weights
1	<ul style="list-style-type: none"> <li>• Firm's existence in years after its registration: (Copy of Registration Certificate)</li> <li>5 years – 10 years: 70%</li> <li>&gt;10 years – 15 years: 85%</li> <li>&gt; 15 years: 100%</li> </ul>	<b>25%</b>
2	<ul style="list-style-type: none"> <li>• Total number of Partners in the Firm:</li> <li>3 – 5: 70%</li> <li>&gt; 5– 10: 85%</li> <li>&gt; 10: 100%</li> </ul>	<b>25%</b>
3	<ul style="list-style-type: none"> <li>• Firm's Average Turnover in last 3 Financial Years:</li> <li>25 lacs – 1 crores: 70%</li> <li>&gt; 1 – 3 crores: 85%</li> <li>&gt; More than 3 crores: 100%</li> </ul>	<b>25%</b>
4	<ul style="list-style-type: none"> <li>• No. of audit assignments of Internal /Statutory Audit of Corporate/PSUs entities (except Bank Branch Audit having for the years) for which the audit has been done in last 3 years :</li> <li>5 – 10: 70%</li> <li>&gt; 10– 15: 85%</li> <li>&gt; 15: 100%</li> </ul>	<b>25%</b>

- 6.3.5 Only Bidders scoring more than 70 marks in the Technical Evaluation would qualify for opening of Part II - Financial Offer. Part II – Financial Offer of Bidders not qualifying post evaluation of Part I-Technical Offer would be returned unopened to the Bidders.

#### **6.4 Evaluation - Part II - Financial Offer**

- a. The shortlisted Bidders at the end of the evaluation of Part I – Technical Offer shall be notified and informed of the date and time of opening of Part II - Financial Offers
- b. Bid/financial offer shall be submitted for the consolidated professional (audit) fee to be charged by the firm. This audit fee shall be inclusive of the all fees, expenses and taxes, except for the service tax & cess on service tax, which shall be paid by BUIDCo

#### **6.5 Notification and Issue of Letter of Intent**

- 6.5.1 Following the Evaluation of Part II – Financial Proposal, BUIDCo will ascertain the following with respect to the Successful Bidder (one with the lowest Bid Tariff following the evaluation process)
- a. Continues to meet the eligibility criteria as given in this RFP;
  - b. Is in complete compliance with the Technical Proposal and Qualifying criteria requirements set out in this RFP document;
  - c. Conforms to all terms, conditions, and specifications of the bidding documents without material deviation or reservation. A material deviation or reservation includes the following:
    - i. It affects in any substantial way the scope, quality, or performance of the Project;
    - ii. It limits in any substantial way, inconsistent with the bidding documents, BUIDCo's rights or the Bidder's obligations under the Management Agreement;
    - iii. Its rectification would affect unfairly the competitive provision of other Bidders presenting substantially responsive Proposals.
- 6.5.2 The Successful Bidder would be notified in writing by BUIDCo as evidenced by issue of a Letter of Intent (LOI) to the Successful Bidder.

#### **6.6 Issue of Letter of Award and signing of Agreements**

- 6.6.1. The BUIDCo shall issue a Letter of Award to the firm upon compliance of the above Conditions Precedent by the Preferred Bidder.
- 6.6.2. BUIDCo and the Firm shall endeavour to sign the Agreement within 15 days of issue of LoA.

## 7. FORMATS FOR PROPOSAL

### Form 1A - Covering Letter for Proposal

*[On Letterhead of the Bidder]*

*Date / Location*

To

#### **Managing Director**

Bihar Urban Infrastructure Development Corporation  
Government of Bihar

**Sub: RFP Reference No. \_\_\_\_\_ dated \_\_\_\_\_ for Selection of Chartered Accountant Firm for Internal Audit of BUIDCO for the Financial Year 2016-17 and 2017-18**

Dear Sir,

We, the undersigned, offer to provide the services for *[Insert title of assignment]* in accordance with your Request for Proposal dated *[Insert Date]* and our Proposal. We are hereby submitting our Proposal for the same.

We are submitting our Proposal in our own individual capacity without entering into any association / as a Joint Venture. 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.

Our Proposal is binding upon us and subject to the modifications resulting from project specific contract and contract negotiations.

We understand that you may cancel the Selection Process at any time and that you are neither bound to accept any Proposal you receive nor to select the firm, without incurring any liability to the Applicants. We acknowledge the right of BUIDCO to reject our application without assigning any reason or otherwise and hereby waive our right to challenge the same on any account whatsoever.

We shall make available to BUIDCO any additional information it may find necessary or require to supplement or authenticate the Proposal.

We certify that in the last three years, we/ any of the members have neither failed to perform on any contract, as evidenced by imposition of a penalty or a judicial pronouncement or arbitration award, nor been expelled from any project or contract nor have had any contract terminated for breach on our part.

We declare that:

- a. We have examined and have no reservations to the RFP Documents issued by BUIDCO;

- b. We have not directly or indirectly or through an agent engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice in respect of any tender or request for proposal issued by or any agreement entered into with any public sector enterprise or any government, Central or State; and
- c. We hereby certify that we have taken steps to ensure that no person acting for us or on our behalf will engage in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice.

We declare that We/any member of the firm, are/is not a Member of a/any other firm applying for Selection.

We certify that we have not been convicted by a Court of Law or indicted or adverse orders passed by a regulatory authority which would cast a doubt on our ability to undertake the services for the assignment or which relates to a grave offence that outrages the moral sense of the community.

We further certify that in regard to matters relating to security and integrity of the country, we have not been charge-sheeted by any agency of the Government or convicted by a Court of Law for any offence committed by us or by any of our member.

We further certify that no investigation by a regulatory authority is pending against us or against any of our Partners/ employees.

We hereby irrevocably waives any right which we may have at any stage at law or howsoever otherwise arising to challenge or question any decision taken by BUIDCO in connection with the Selection of Firm or in connection with the Selection Process itself in respect of the above mentioned Project.

We agree and understand that the proposal is subject to the provisions of the RFP document. In no case, I/We shall have any claim or right of whatsoever nature if the Assignment is not awarded to me/us or our proposal is not opened.

We agree to keep this offer valid for 180 days from the Proposal Due Date specified in RFP.

In the event of my/our Firm being selected, I/We agree to enter into an Agreement for the assignment awarded to us by the BUIDCO.

We agree and undertake to abide by all the terms and conditions of the RFP Document. In witness thereof, I/we submit this Proposal under and in accordance with the terms of the RFP Document.

We remain,

Yours sincerely,

Authorized Signature [*In full and initials*]:

Name and Title of Signatory: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_

**Form 1 b - Details and Proof of Technical Capacity\***

- All Experience quoted to demonstrate Technical Capacity should be backed by relevant testimonials / proof such as award letters, completion letters etc.
- All Experience quoted to demonstrate Technical Capacity should mention references of Client contacts

**FORM TECH I**

- a. [Provide here a brief description of the background of your firm for this Assignment/job. The brief description should include both functional and sectoral experiences of the applicants. **It should not exceed more than 6 pages.**]

S.No.	Particulars	Supporting Documents required to submitted along with this Form
1	Name of the Firm	
2	Addresses of the Firm:	
3	Head Office	Phone No: Fax No: Mobile of Head Office In-charge:
4	Branch Office 1, 2, 3..... (Particulars of each branch to be given)	Phone No: Fax No: Mobile of Branch Office In-charge:
5	Firm Income Tax PAN No.	Attach copy of PAN card
6	Firm service Tax Registration No.	Attach copy of Registration
7	Registration No. with ICAI	
8	Empanelment with C&AG	Attach copy of empanelment certificate
9	No. of Years of Firm Existence & Date of establishment of Firm	Attach copy of registration certificate
10	Turnover of the Firm in three years	FY 2012-13 FY 2013-14 FY 2014-15 Attach Audited Financial Statements of the last three years or a C.A. Certificate with copies of Profit & Loss Account.
11	Audit Experience of the Firm: No. of audit assignments of Internal /Statutory Audit of Corporate/PSUs entities except Bank Branch Audit <i>for the years for which</i> the audit has been done in the last 3 years.	A list of audit assignments of last three years must be submitted (except bank Audit) along with Copies of the Offer Letters.
12	Details of Partners: Provide following details: <input type="checkbox"/> <input type="checkbox"/> Number of Full Time Fellow Partners associated with the firm. <input type="checkbox"/> <input type="checkbox"/> Name of each partner, <input type="checkbox"/> <input type="checkbox"/> Date of becoming ACA and FCA	Attested copy of Certificate of ICAI as on 1.1.2016.



<input type="checkbox"/> Date of joining the firm, <input type="checkbox"/> Membership No., <input type="checkbox"/> Qualification <input type="checkbox"/> Experience <input type="checkbox"/> Whether the partners are engaged full time or part time with the firm.	
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**Form 1 C - Details of Full Time Partners / Semi-qualified Staffs of the firm**

**(A) Details of Full Time Partners of the firm**

S.No	Name of the Partner /	Membe rship No.	Wheth er FCA / ACA	Date of Joining the firm (full time)	Date of becomin g CA	Educational Qualification	Area of Key Expertise	Relevant Experience

[Documentary proof, as previously indicated, to be submitted]

**(B) Details of Semi-qualified Staff (including Article Clerks etc)**

S.No	Name of the staff	Length of Association with the Firm	Educational Qualification	Area of Key Expertise	Relevant Experience	Remarks

[Documentary proof, as previously indicated, to be submitted]

**Form 1 D Company's Professional Income**

[Using the format below, provide the company's Average Annual turnover in the last 3 financial years ended on 31<sup>st</sup> March 2015.]

<b>Particulars</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Average Annual turnover</b>
Annual turnover* (in Rs. lakhs)				

\*i.e. Gross Professional Fees earned during the year

## Fin 1 - Financial Proposal Covering Letter

(To be placed in the sealed cover containing financial bid)

[Location, Date]

To,

**Managing Director**

**Bihar Urban Infrastructure Development Corporation Limited**

**2nd Floor, Khadya Bhawan,**

**Road No.-2, Daroga Rai Path, R- Block,**

**Patna-800 001** Dear Sir,

We, the undersigned, offer to conduct “**Internal Audit of Bihar Urban Infrastructure Development Corporation Limited for Financial Year 2016-17 and 2017-18**” in accordance with your Request for Proposal [*Insert Date*] and our Technical Proposal. Our attached Financial Proposal is for the sum of [*Insert amount(s) in words and figures*<sup>1</sup>] is fee for the services to be provided. This amount is inclusive of Service Tax.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal, i.e. before the date indicated in Clause 1.5 of the Data Sheet.

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

Thanking you,

Sincerely,

Authorised Signature [In full]:

Name and Title of Signatory:

Name of Applicant:

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<sup>1</sup> Amounts must coincide with the ones indicated under Total in Form FIN- 2 – i.e. Total Fees including Service Tax.

**Fin 2- Summary of Costs**

Sr. No.	Description of Services	Fees	
		Rs. (in figures)	Rs.( in words )
A.	Fees for Conducting Internal Audit		
B.	Add Service Tax as per prevailing rates		
C.	<b>Total Fees including Service Tax</b>		

**Note:**

While quoting financial offers, applicants are requested to refer Clause No. 9 of Data Sheet to Section 2 of RFP document.