

## APPOINTMENT OF EXTERNAL AUDITORS

Neelum Jhelum Hydropower Company (Private) Limited is Public Sector Company incorporated as private limited company by WAPDA/Government of Pakistan on 18<sup>th</sup> November 2004 under companies ordinance 1984, (repealed with the enactment of Companies Act -2017). The Company's main objective is the development of Neelum Jhelum Hydropower Project for generation and sale of hydel electricity. The Company wholly owned subsidiary of Pakistan Water and Power Development Authority (WAPDA). The head office is located at WAPDA Administrative Staff College, Sector H-8/1 Islamabad. The power house of the company is located in Azad Kashmir, 22 KM south of Muzaffarabad.

NJHPC intends to invite sealed quotations for appointment of External Auditors to carry out NJHPC Statutory Audit, Compliance of Public Sector Companies Corporate Governance Rules, 2013 for the financial year 2021-22.

Audit Firm should be enlisted in Category-A of the Auditors issued by state Bank of Pakistan and should have satisfactory QCR rating by ICAP.

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 quotes / bids should be addressed to Chief Financial Officer Islamabad, and be dropped at 1<sup>st</sup> Floor, WAPDA Administrative Staff College, Sector H-8/1 Islamabad on or before **September 24, 2021 at 10:00 A.M** and will be opened on the same day at **10:30 A.M.**

Only Technical Proposals including profile of Audit Firm will be opened in presence of firms' authorized representatives; on the bids opening date. Technically compliant proposals will qualify for opening of financial bids.

NJHPC reserves the right to accept or reject any or all the bids as per PPRA rules. The selection criteria / other details of notice along with scope of work can be obtained from the under signed during office hours or can be downloaded from WAPDA / NJHPC website ([www.wapda.gov.pk/](http://www.wapda.gov.pk/)) ([www.njhpc.org](http://www.njhpc.org).) This advertisement is also available on PPRA website ([www.ppra.org.pk](http://www.ppra.org.pk)).

**Chief Financial Officer**  
**Neelum Jhelum Hydropower Company (Pvt) Limited,**  
**1st Floor, WAPDA Administrative Staff College, Sector –H -8/1 Islamabad.**  
**Ph: 051-4863117, 4939264, 4939260**

**REQUEST FOR PROPOSAL (RFP) FOR AUDIT SERVICES**

**No. EA 08-2021**

**STATUTORY AUDIT FY 2021-22  
COMPLIANCE AUDIT OF PUBLIC SECTOR COMPANIES CORPORATE GOVERNANCE  
RULES, 2013**

**(FINANCIAL YEAR 2021-22)**



**Neelum Jhelum Hydropower Company (Pvt) Limited**

1<sup>st</sup> Floor, WAPDA Administrative Staff College  
Sector H-8/1 Islamabad  
Pakistan

**Tel: 051-4863117, 4939264, 4939260**

Date: September 07, 2021

To (BIDDERS EXTERNAL AUDITOR'S)

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

Neelum Jhelum Hydropower Company (Pvt) Limited (hereinafter referred "NJHPC") is a Public Sector Company Limited by shares incorporated under the Companies Ordinance, 1984 (repealed with the enactment of Companies Act 2017). The objective of the Company is development of Neelum Jhelum Hydropower Project for generation and sale of hydel electricity. The company is generating and injecting hydel electricity in National grid electricity since April 2018.

1. NJHPC invites proposals from the External Audit Firms to provide Audit Services for Statutory Audit, Compliance of Public Sector Companies Corporate Governance Rules, 2013 for FY 2021-22. 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 NJHPC 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 24-09-2021 before 10:00 AM. The Technical Bids will be opened on the same day at 10:30 AM 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.

Regards,

Saqlain Manzoor  
Chief Financial Officer NJHPC

## **Instructions to Audit Firms**

### **Definitions:**

- (a) “Agreement” means the Agreement signed by the Parties and all the attached documents.
- (b) “Client” means Neelum Jhelum Hydropower Company (Private) 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) Company Detail and Profile showing experience in similar field.
- b) Copy of registration with ICAP.
- c) Copy of certificate with regard to satisfactory QCR Rating of ICAP/.
- d) Copy of list of approved Auditors having Category “A” as per State Bank of Pakistan.
- e) Copy of NTN 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 Islamabad office) including key contact person in those offices.
9. Proposals should be addressed to the Chief Financial Officer, NJHPC WAPDA  
Administrative Staff College Sector-H 8/1 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 NJHPC in which the completion of work will be ensured as per **Annex-A**.
- 12 NJHPC 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 Auditor of NJHPC under the SECP Act, 2017 for the Financial Year 2021-22
- II. Compliance Audit of NJHPC under the SECP Corporate Governance Rules 2013 for the Financial 2021-22

## **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:

- 70% for Technical Score
- 30% 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 5. NTN 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 Commercial Bank Audit
7. Experience of IT based Audit of Large Scale Organizations / Public Sector Organizations
8. 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	15	3	8
			4 - 8	12
			9 & above	15
6	Experience of at least 1 Commercial Bank Audit (Singularly) in last 5 years	10	1	6
			2 & above	10
7	Experience of IT based Audit of at least 2 Large Scale Organizations / Public Sector Organizations	10	2	6
			3 & above	10
8	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 70-30 weight age (70% for Technical and 30% 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:

$$T = 0.70 \text{ and } F = 0.30$$

**Type of Contract**

The Company (NJHPC) will enter into a lump sum contract with the successful bidder. The duration of the Contract is for one year i.e. FY 2021-22

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 28-09-2021 for provision of following services**

- I. Statutory Audit of NJHPC under the SECP Act, 2017 for the Financial Year 2021-22
- II. Compliance Audit of NJHPC under the SECP Corporate Governance Rules 2013 for the Financial Year 2021-22

**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,  
Neelum Jhelum Hydropower Company (Pvt) Limited  
WAPDA Administrative Staff College, Sector H-8/1  
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	Out of Pocket	Total Fee
1.	Statutory Audit of NJHPC under the SECP Act, 2017 for the <b>Financial Year 2021-22</b>			
2.	Compliance Audit of NJHPC under SECP Corporate Governance Rules for the Financial Year 2021-22			
	<b>Total</b>			

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: \_\_\_\_\_

\_\_\_\_\_