

Quaid e Azam Thermal Power (Pvt) Limited

IFP No.10 -RLNG-POWER PLANT-INTERNAL AUDIT SERVICES

EXPRESSION OF INTEREST (EOI) DOCUMENT

INTERNAL AUDIT SERVICES



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1. INVITATION FOR PREQUALIFICATION

- 1.1. Quaid-e-Azam Thermal Power (Private) Limited (QATPL) (“the Employer”) is a Private Company Limited by Shares incorporated under the aegis of Companies Ordinance, 1984. The QATPL is owned by the Government of Punjab through Energy Department. The objective of the Company is to establish and maintain 1180 MW Re-Gasified Liquefied Natural Gas (RLNG) based Thermal Power Plants in Punjab.
- 1.2. The Public Sector Companies (Corporate Governance) Rules, 2013 requires the establishment of an effective Internal Audit Function under the control and direction of the Audit Committee. This function will be mainly outsourced by the Company and overall setup of this function would consist of an outsourced Internal Audit Firm along with an inhouse Chief Internal Auditor to act as a main liaison person between the Internal Audit Firm and the Management.
- 1.3. QATPL invites Expression of Interest (“EOI”) from entities through National Competitive Bidding (NCB) method to provide the Internal Audit Services on quarterly basis for three financial years i.e.

- 1) for the FY ending on June 30, 2020;
- 2) for the FY ending on June 30, 2021; and
- 3) for the FY ending on June 30, 2022

However, the continuance of Internal Audit Service for the next Financial Year shall be subject to satisfactory performance evaluation of the successful bidder by the Finance and Audit Committee of the Employer at the end of each year. The internal audit services shall include the following:

- Evaluating risk exposure relating to achievement of the organization’s strategic objectives.
- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organization.
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Evaluating the effectiveness and efficiency with which resources are employed.
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- Monitoring and evaluating governance processes.
- Monitoring and evaluating the effectiveness of the organization's risk management processes.
- Performing consulting and advisory services related to governance, risk management and control as appropriate for the organization.
- Reporting periodically on the internal audit activity’s purpose,

authority, responsibility, and performance relative to its plan.

- Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Audit Committee.
- Evaluating specific operations at the request of the Audit Committee or management, as appropriate.
- The Internal Audit Function must assist the Audit Committee in maintaining effective controls by evaluating those controls and by developing recommendations for enhancement or improvement.
- Assisting the Audit Committee, and through them, the BOD and Management in the effective discharge of their responsibilities by furnishing them with the analysis, appraisals, recommendations, counsel and information concerning the activities reviewed and regular follow up.
- The Internal Audit Function must, in consultation with the Audit committee, prepare:
 - a) A one year strategic Internal Audit Plan based on its assessment of key areas of risk for the public entity, having regard to its current operations, the operations proposed in its corporate or strategic plan and its risk management strategy;
 - b) An annual Internal Audit Plan, to be submitted at start of each contract year;
 - c) Plans indicating the scope and timelines of each audit in the annual Internal Audit, to be submitted at start of each contract year;
 - d) Audit Reports directed to the Audit Committee detailing its performance against the plan to allow for effective monitoring and intervention where necessary.

1.4. Interested bidders should provide information with all supporting documents indicating that they are qualified to perform the services on the prescribed forms given in the EOI documents.

1.5. The objective of this request for EOI is to shortlist some suitable independent Internal Audit Service providers who can maintain and support an appropriate Internal Audit Service to the Board and Management of the Company.

1.6. The Employer intends to invite applications from audit firms that meet the Prequalification Criteria (set out below in Section 3 of this document) to provide internal audit services.

1.7. Evaluation of prequalification applications:

- a. An applicant whose application is determined by the Employer to be responsive and meeting the Prequalification Criteria as specified in Section 3 below shall be notified as a "Prequalified Bidder".
- b. An applicant whose application is determined by the Employer to be non-responsive or not meeting the Prequalification Criteria shall be disqualified from the bidding process.

1.8. Requests for Proposal shall be issued only to Prequalified Bidders.

2. INSTRUCTIONS TO APPLICANTS

2.1. Applications for pre-qualification (one original and three [3] hard copies along with soft copy) must be received in sealed envelopes to be delivered by hand or through registered mail to:

Manager Administration

Quaid e Azam Thermal Power (Private) Limited

1st Floor, 7 C-1, Gulberg-III,

Lahore-Pakistan

Email: mgr.admin@qathermal.com

Phone: +92 (42) 35750936-7

2.2. Applications should be delivered no later than 1500 hours on 10th February 2020 and be clearly marked “**Expression of Interest for Hiring of Internal Audit Services**”. Applications will be opened on the same day at 1530 hours.

2.3. Applications shall be submitted using Application Forms (A-1 to A-4) annexed with this document.

2.4. The name and mailing address of the applicant shall be clearly marked on the envelope.

2.5. Applications shall be prepared in English language and all relevant forms shall be filled out in English. Information in any other language shall be accompanied by its certified translation in English. Non-compliance of the above requirement may result in disqualification of the relevant Applicants.

2.6. Applicants must respond to all questions and provide complete information as advised in this document (Application Forms A-1 to A-4 annexed with this document). Failure or omission to provide the aforementioned essential information may result in disqualification of the applicant.

2.7. Prequalification is open to all entities duly incorporated under the laws of Pakistan.

2.8. The Employer reserves the right to annul the prequalification process and reject all Applications at any time as per Punjab Procurement Rules, 2014.

2.9. Prequalified Bidders may participate only in one bid for the project. If a Prequalified Bidder submits more than one bid for the project, all bids that include that bidder shall be rejected.

3. PREQUALIFICATION CRITERIA

3.1. Applicants that meet the minimum eligibility criteria set out below regarding financial soundness and technical strength (as demonstrated by the Applicant’s responses in the Application Letter and Application Forms A-1 to A-4 annexed with this document) shall stand prequalified.

3.2. Mandatory Criteria:

	Firm
Legal status of Firm (registered with any of the following): <ul style="list-style-type: none"> • SECP; • Registrar of Firms; • Recognized by Govt. of Pakistan; • Relevant registration forum; 	Must Meet Requirement
NTN Certificate (registration with Federal Board of Revenue)	Must Meet Requirement
Registration certificate from Punjab Revenue Authority (if not already registered with PRA then, if awarded the work, the Firm will have to get registered with PRA before signing of the contract)	Must Meet Requirement
Undertaking on stamp paper from the bidder that all requirements of " Mandatory Criteria and Evaluation Criteria as per Clause 3.2 and 3.3 " of prequalification criteria have been met.	Must Meet Requirement
List of clients within Government Sector / Private Sector to whom similar services have been rendered having total assets of at least 5 billion or more.	Must Meet Requirement
Declaration on stamp paper regarding non-black listing / delisting of bidder and all of its sub- contractors, if any.	Must Meet Requirement
At least for 10 years the firm has been in practice in Pakistan.	Must Meet Requirement
Rated “A” on the State Bank of Pakistan List of eligible auditors	Must Meet Requirement
Satisfactory QCR rating with ICAP and membership of	Must Meet

global firm/collaboration	Requirement
Must have a full-time partner overseeing Lahore Office	Must Meet Requirement
Must have at least 2 fully functional Offices in Pakistan	Must Meet Requirement
Must have at least 10 qualified chartered accountants working as a full time resource of the Firm	Must Meet Requirement

3.3. Subject to above, applicants that meet the minimum Evaluation Criteria set out below regarding their Financial Position, Qualifications and Managerial Capabilities (as demonstrated by the Applicant's responses in the Application Letter and Application Forms A-1 to A-5 and Templates annexed with this document) and attain sixty-five (65) percent marks shall stand prequalified.

Sr. No.	Evaluation Criteria	Marks
1.	Financial Position: 1.1 Average annual turnover in <i>last three financial years</i> (Supported by FYs 2016-17, 2017-18 and 2018-19) (form A-2)	Total – 25
	Minimum 15 Million to 30 Million	10
	More than 30 to 50 Million	15
	More than 50 Million	25
2.	Firm Experience: 2.1 Number of Qualified Chartered Accountants Employed by Firm in Pakistan	Total – 25
	Minimum 2 to 5	10
	More than 6 to 10	15
	More than 10	25
	2.2 Number of Partners of the Firm in Pakistan	Total – 15
	Minimum 2 to 3	5

	More than 4 to 6	10
	More than 6	15
	2.3 Current Internal Audit Clients within Energy Sector	Total - 15
	At least 2	5
	More than 3 to 5	10
	More than 5	15
3.	Managerial Experience:	Total - 10
	3.1 Years of Existence in Pakistan	
	At least 10	5
	More than 11 to 20	7.5
	More than 20	10
	3.2 Number of Offices in Pakistan	Total - 10
	At least 2	5
More than 2	10	

3.4. Applicants shall submit, with appropriate referencing in Application Form where required, the following documents as proof of its eligibility:

Documentary Evidence	
<i>D1.</i>	Certificate of Incorporation or registration
<i>D2.</i>	Memorandum and Articles of Association (if applicable)
<i>D3.</i>	Financial statements of Chartered Accountant firms. <ul style="list-style-type: none"> ▪ FY 2016-17 ▪ FY 2017-18 ▪ FY 2018-19
<i>D4.</i>	National Tax Number (NTN) certificate
<i>D5.</i>	Income tax returns <ul style="list-style-type: none"> ▪ FY 2016-17 ▪ FY 2017-18 ▪ FY 2018-19
<i>D6.</i>	Sales Tax Registration certificate

D7.	List 10 number of qualified chartered accountants working as full time resource of the Firm.
D8.	Complete list of addresses atleast 2 number of offices in Pakistan.
D9.	Rating report of State Bank of Pakistan having rated “A”
D10.	Satisfactory QCR rating with ICAP and membership of global firm/collaboration.
D11.	List of addresses and Contact numbers of full-time partner overseeing Lahore Office.
D12.	At least 2 internal Audit Clients having total assets of at least 5 billion or more during last 3 years.

3.5. Applicants shall also be required to submit an affidavit affirming and declaring on oath that the Applicant:

- a. is not in bankruptcy or liquidation proceedings;
- b. is not making any misrepresentations or concealing any material fact and detail;
- c. has not been convicted of, fraud, corruption, collusion or money laundering;
- d. has no conflict of interest or potential conflict of interest arising from prior or existing contracts or relationships which could materially affect its capability to comply with its obligations; and
- e. does not fall within any of the circumstances for ineligibility or disqualifications
- f. has not been blacklisted by Government / Semi-Government / Agency or Authority

3.6. To assist in the evaluation of Applications, the Employer may, at any stage during the course of the prequalification process, ask any Applicant for clarification in respect of any matter associated with the documentation submitted by the Applicant in its Application.

3.7. The Employer reserves the right to waive minor deviations, if these do not materially affect the capability of an Applicant to perform the contract. In such case, similar relaxation shall be extended to all Applicants similarly affected.

3.8. Applicants shall be required to update the financial and technical information used for prequalification at the time of submission of their bids to confirm continued compliance with the Prequalification Criteria. A bid shall be

rejected if the Applicant's qualification thresholds are no longer met at the time of bidding.

- 3.9. The Employer may verify information provided in prequalification documents through any means necessary and reserves the right to disqualify a bid at any stage of the bidding process if the Applicant is found to have willfully misrepresented information.

Letter of Application

[Letterhead paper of the Applicant, including full postal address, telephone no., fax no. and e-mail address]

Date:.....

To: Manager Admin
Quaid e Azam Thermal Power (Private) Limited

Dear Sir,

1. Being duly authorized to represent and act on behalf of (hereinafter “the Applicant”), and having reviewed and fully understood all the prequalification information provided, the undersigned hereby applies to be prequalified as a bidder for the following contract(s) under the **Expression of Interest for Hiring of Internal Audit Services.**
2. QATPL or 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 clients regarding any financial and technical aspects. This 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 deemed necessary and requested by yourselves or the authorized representative to verify statements and information provided in this application, or with regard to the resources, experience, and competence of the Applicant.
3. QATPL or its authorized representatives may contact the following persons for further information, if needed.

General, Financial and Managerial Inquiries	
Contact 1 (Full Name and Designation)	Telephone 1
Contact 2 (Full Name and Designation)	Telephone 2

4. This Application is made with the full understanding that:
 - (a) Bids by Prequalified Applicants will be subject to verification of all information submitted for prequalification at the time of bidding;

- (b) QATPL reserves the right to cancel the prequalification process, and reject all applications; and
 - (c) QATPL shall not be liable for any such actions or consequence of, and shall be under no obligation to inform us of the grounds for actions at 5(b) hereabove.
5. Appended to this application, we give details of the participation of each party, including capital contribution and profit/loss agreements. We also specify the financial commitment in terms of the percentage of the value of the contract, and the responsibilities for execution of the contract.

Documents Checklist	
<p><i>D1.</i> Certificate of Incorporation or registration</p> <p><i>D2.</i> Memorandum and Articles of Association (if applicable)</p> <p><i>D3.</i> Financial Statements by Chartered Accountants firms</p> <ul style="list-style-type: none"> ▪ FY 2016-17 ▪ FY 2017-18 ▪ FY 2018-19 <p><i>D4.</i> National Tax Number certificate</p> <p><i>D5.</i> Income tax returns</p> <ul style="list-style-type: none"> ▪ FY 2016-17 ▪ FY 2017-18 ▪ FY 2018-19 <p><i>D6.</i> Sales Tax Registration certificate</p> <p><i>D7.</i> List 10 number of qualified chartered accountants working as full time resource of the Firm.</p> <p><i>D8.</i> Complete list of addresses atleast 2 number of offices in Pakistan.</p> <p><i>D9.</i> Rating report of State Bank of Pakistan having rated “A”</p> <p><i>D10.</i> Satisfactory QCR rating with ICAP and membership of global firm/collaboration.</p> <p><i>D11.</i> List of addresses and Contact numbers of full time partner overseeing Lahore Office.</p> <p><i>D12.</i> Atleast 2 internal Audit Clients within Power Sector having total assets of atleast 5 billion or more.</p>	

8. The undersigned declare that the statements made and the information provided in the duly completed application are complete, true, and correct in every detail.

Signed
For and on behalf of (name of Applicant) (Designation)

General Information

[Applicant applying for prequalification is required to complete the information in this form.]

1.	Name of Firm	
2.	Head Office Address	
3.	Telephone	Contact Person: Name: Title:
4.	Fax	Telex
5.	Place of Incorporation/Registration	Year of incorporation/registration
6.	No. of permanent employees	No. of full-time technical resource persons

Financial Information

Name of Applicant

[The information supplied should be supported with audited financial statements of the Applicant]

(PKR)	FY 2018-19	Reference
Total Assets		
Total Liabilities		
Net Worth		

Year	Annual Turnover (PKR)	Reference
FY 2016-17		
FY 2017-18		
FY 2018-19		

Year	Net Profit (PKR)	Reference
FY 2016-17		
FY 2017-18		
FY 2018-19		

Details of Contracts of Experience

Name of Applicant

[Use a separate sheet for each contract]

1.	Name of Contract
	Location
2.	Name of Employer
3.	Employer Address
4.	Nature of work and similarity to this project
5.	Contract Role (Tick One) (a) Sole Contractor (b) Sub- Contractor
6.	Value of the total contract (in PKR) at completion, or at date of award for current contract

8.	Date of Award
9.	Date of Completion
10.	Contract Duration (Years and Months) <p style="text-align: center;">_____ Years _____ Months</p>
11.	Contract Requirements
12.	Reference ¹

¹Each copy of form A-4 must be accompanied by a reference letter from respective employer

Permanent Technical Staff

Details of full-time employees serving as technical resource				
	Name	Designation	Qualification	Years since employed
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				

Affidavit for Non-Blacklisting

The Applicant/Partner of the Firm shall attach original affidavit on non-judicial stamp paper duly attested by the Oath Commissioner (with a value of Rs. 100) that the Applicant has not been declared ineligible/blacklisted by any of its employers till date due to the reasons including but not limited to corrupt practices, influencing the Employer in evaluation of the Bids or contract award decisions etc.

Witnessing Form:

Witness # 1:

Signature: _____

Signed by: _____

Designation: _____

Date: _____

Seal: _____

Witness # 2:

Signature: _____

Signed by: _____

Designation: _____

Date: _____

Seal: _____

TEMPLATE FOR AFFIDAVIT OF CORRECTNESS OF INFORMATION²

(ON NON-JUDICIAL STAMP PAPER OF RS. 100 DULY ATTESTED BY THE OATH COMMISSIONER)

We do hereby declare and undertake that all the information, warranties, statements and representations provided within this application are true and correct; and we also understand that in case any of the aforesaid are found to be false then we are liable to be disqualified, without prejudice to any other rights and actions the Employer may exercise under the applicable laws.

For & on Behalf of the Applicant

Name:

Designation:

Date:

Witness # 1:

Signature:
Signed By:
Designation:
Date:

Witness # 2:

Signature:
Signed By:
Designation:
Date: