

# **TERMS OF REFERENCE FOR APPOINTMENT OF EXTERNAL AUDITOR**

## **1. BACKGROUND OF QUAID E AZAM SOLAR POWER PVT LTD**

Quaid-e-Azam Solar Power (Pvt.) Limited (QASPL) was incorporated on 16<sup>th</sup> September 2013 as a private limited company wholly owned by Government of the Punjab. QASPL is established under Companies Ordinance 1984. The Company has set up 100 MW Solar Power Plant in Bahawalpur.

## **2. EXTERNAL AUDITORS**

QASPL intends to appoint its external auditors to conduct its Annual & Half year (optional) audit and services for issuance of certificate for compliance with Public sector code of corporate governance rules for financial year 2018-2019, 2019-2020 & 2020-2021 as per Companies Act 2017.

## **3. COVERING LETTERS**

Covering letter must be addressed to Mr. Muhammad Badar Ul Munir, Chief Executive Officer, Quaid-e-Azam Solar Power (Pvt.) Limited, Lahore.

## **4. QUERIES**

For any queries or additional information, please contact Mr. Muhammad Badar Ul Munir, CEO on 042-35790363-66.

## **5. BID VALIDITY PERIOD**

Bids validity period will be 90 days from the due date for submission of Technical and Financial bids.

## **6. BID SECURITY**

The bidder should submit bid security amounting to Rs. 50,000/- (within 5% of estimated price in the form of CDR, Demand Draft/Pay order or Cheque in favor of Quaid e Azam Solar Power (Pvt) Ltd.

## **7. CRITERIA OF EVALUATION**

The company will use quality and cost based selection and single stage two envelope method of selection of consultants under the Punjab Procurement Rules 2014.

Evaluation criteria for technical and financial evaluations are enclosed. Scores will be allocated based on evidence available in proposal only. The assignment will be awarded to the firm with the highest total score based on following weighted ratios

- 80 % of Technical Score

- 20 % of Financial Score

**OPENING OF PROPOSALS**

All proposals shall be delivered to the company’s office on or before 03:00 pm, 28<sup>th</sup> day of November 2018 at the office of QASPL. Technical proposals will be opened at 03:30 pm on the same day in the Conference Room, 3rd Floor, 83-A/E-1, Main Boulevard, Gulberg-III Lahore in the presence of the bidders who choose to be present. Financial proposals of only technically qualified bidders will be opened on the day notified by QASPL

**Technical & Financial Evaluation criteria**

**A. INITIAL SCREENING**

The following documents/ certificates are the pre-requisites and shall be used for initial screening. The Audit firm shall be technically evaluated only if it fulfills all the requirements of initial screening which are as under:

- i. The firm must be “A” ranked as per State Bank of Pakistan.
- ii. The firm must be registered in Pakistan and should also have an affiliation with some large and renowned international audit firm.
- iii. Declaration in shape of an affidavit on attested stamp paper that the firm has never been blacklisted/de-listed as per the laws of Pakistan.
- iv. Satisfactory QCR rating from ICAP.
- v. National Tax Number and Punjab Sales Tax Registration Certificates from the relevant local provincial authority.

**B. TECHNICAL EVALUATION:**

**Eligibility Criteria:** Firms scoring less than 65 points in Technical Evaluation will be considered non-responsive and financial proposals will be returned un-opened.

The firm fulfilling criteria of initial screening will be eligible for technical evaluation as per the following criteria:

**I. Number of Partners (CVs must be attached) 20 Marks**

|  |  | <b>Range of Partners</b> | <b>Marks</b> |
|--|--|--------------------------|--------------|
|  |  | 10-20                    | 5            |

|                    |                    |            |    |
|--------------------|--------------------|------------|----|
| <b>At least 10</b> | <b>Total Marks</b> |            |    |
|                    | 20                 | 21-30      | 10 |
|                    |                    | 31-40      | 15 |
|                    |                    | 41 & Above | 20 |

**II. Number of Audit Staff (list of audit staff showing qualification) 20 Marks**

|                           |                    |                             |              |
|---------------------------|--------------------|-----------------------------|--------------|
| <b>At least 100 staff</b> | <b>Total Marks</b> | <b>Range of Audit Staff</b> | <b>Marks</b> |
|                           |                    | 100-175                     | 5            |
|                           | 20                 | 176-250                     | 10           |
|                           |                    | 251-300                     | 15           |
|                           |                    | 301 & Above                 | 20           |

**III. Govt./ Semi Govt. Experience 15 Marks**

|   |                    |                                    |              |
|---|--------------------|------------------------------------|--------------|
| <b>Experience of at least 5 Govt. / Semi Govt. Organization's Audit (singularly) in last 5-years (attach Engagement Letters/ Proof of Experience of External Audit)</b> | <b>Total Marks</b> | <b>Govt./Semi Govt. Experience</b> | <b>Marks</b> |
|   |                    | 05                                 | 5            |
|   | 15                 | 06-10                              | 8            |
|   |                    | 11-14                              | 12           |
|   |                    | 15 & Above                         | 15           |

**IV. Power Sector Experience 15 Marks**

|  |                    |                        |              |
|--|--------------------|------------------------|--------------|
| <b>Experience of at least 5 Independent Power Producer (IPPs) Audit (singularly) in last 5-years (attach Engagement Letters/Proof of Experience of External Audit)</b> | <b>Total Marks</b> | <b>IPPs Experience</b> | <b>Marks</b> |
|  |                    | 05                     | 5            |
|  | 15                 | 06-10                  | 8            |
|  |                    | 11-14                  | 12           |
|  |                    | 15 & Above             | 15           |

| Years of Existence<br>(Partnership deed) | Total Marks | Years of Existence | Marks |
|--|-------------|--------------------|-------|
|  |             | 10                 | 5     |
|  | 15          | 15                 | 10    |
| 20 & Above                               |             | 15                 |       |

V. Years of Existence 15 Marks

VI. Financial Worth 15 Marks

| Total Marks | Head of Account | Marks | Marks Allocation                          |
|-------------|-----------------|-------|---|
| 15          | Current Assets  | 3     | 1 Mark for each 10 million (Max. 3 marks) |
|             | Working Capital | 4     | 1 Mark for each 05 million (Max. 4 marks) |
| 15          | Income          | 4     | 1 Mark for each 20 million (Max. 4 marks) |
|             | Fixed Assets    | 4     | 1 Mark for each 05 million (Max. marks)   |

### **Financial Evaluation Criteria**

Financial Proposals of only technically qualified audit firms will be opened. The audit firm getting maximum marks on 80-20 weight age (80% for technical and 20% for financial) will be selected as auditors.

#### **Max 20 points**

The formula for determining the financial scores is the following:

$S_f = 100 \times F_m / F$ , in which  $S_f$  is the financial score,  $F_m$  is the lowest price and  $F$  the price of the proposal under consideration.

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

$T = 0.80$ , and  $F = 0.20$

