



Government of Jammu & Kashmir
Empowered Officer PMGSY (JKRRDA)
Civil Secretariat Jammu/Srinagar

REQUEST FOR PROPOSAL
FOR
ENGAGEMENT
OF
INTERNAL AUDITOR TO CONDUCT THE AUDIT
OF THE VARIOUS UNITS OF THE ORGNIASATION
FOR THE YEAR 2020-21 ON HALF YEARLY BASIS

1. Introduction and Overview

Background

- The Jammu and Kashmir Rural Road Development (JKRRDA) is a Government Organisation for implementation of Pradhan Mantri Gram Sadak Yojana (PMGSY), in Jammu and Kashmir. The Programme was launched by the Govt. of India to provide connectivity to unconnected Habitations as part of a poverty reduction strategy. Govt. of India is endeavoring to set high and uniform technical and management standards and facilitating policy development and planning at State level in order to ensure sustainable management of the rural roads network.

The Organization have 37 units with PMU, headed by Empowered Officer, 2 CEs at divisional level 6 SEs and 28 PIU at division level for implementation of the programme in the state. The nature of account operated by each unit is hereunder:

S.No	Name of the PIU/DPIU	Nature of Account
1	C.E PMGSY Kashmir	Administrative Expenses Fund
2	S.E PMGSY Circle Srinagar, Baramulla,	
3	PMGSY Division Anantnag, Kulgam, Pulwama, Budgam, Ganderbal, Bandipora, Baramulla, Uri, Kupwara, Handwara,	Programme Fund and Administrative Expenses Fund
4	S.E Rural Engineering Wing Kashmir	Programme Fund
5	C.E PMGSY Jammu	Administrative Expenses Fund
6	S.E PMGSY Circle, Jammu, Batote, Reasi	
6	PMGSY Division Jammu, Kathua, Billawar, Poonch, Mendhar, Rajouri, Budhal, Udhampur, Reasi, Mahore, Ramnagar, Ramban, Doda, Kishtwar, Chatroo, Thathri, Marwah and Banihal	Programme Fund and Administrative Expenses Fund
8	Financial Controller JKRRDA	Administrative Expenses Fund

3. Invitation for Bids:

This invitation is to tender for:

“Engagement of Internal Auditor for JKRRDA for the year, 2020-21 to conduct of internal audit of all units of the organization on half yearly basis”.

Bidders are advised to study the RFP document carefully. Submission of RFP shall be deemed to have been done after careful study and examination of the tender document with full understanding of its implications.

Bidders are required to submit bids by e-Tendering process only i.e. <http://pmgsytenders.jk.gov.in>. EMD and Documents fees should be submitted to the office of Chief Engineer PMGSY, Jammu, not later than the date and time laid down for the bid submission.

The address is:

Chief Engineer J&K RRDA (PMGSY)
4th Floor, JKPC Complex Railhead Complex, Jammu - 180012

4. Key Events & Dates

The schedules of activities for the purpose of RFP are outlined below: -

	Key Activities	Date
1.	Date for issue of RFP	23-04-2020
2.	Last date of submission of Proposal (RFP)	20-05-2020
3.	Date of opening of Prequalification Bids	23-05-2020
4.	Date of opening the Commercial Bids	To be communicated

Note:

1. The organization shall not be responsible for any postal delay about non-receipt/ non- delivery of the EMD & document fees.
2. Complete bid (excluding EMD & document fees) will only be accepted online i.e. by e- Tendering process <http://pmgsytenders.jk.gov.in>. Any document submitted in hardcopy shall not be considered in the bid evaluation.
3. The terms & conditions are tentative and subject to change.
4. Any modification of the RFP document which may become necessary shall be made by the office of Empowered Officer, Jammu/ Srinagar exclusively through the issue of an addendum/ corrigendum on the official website.

5. If the above said schedule falls on any gazette holiday then next working day will be treated as per schedule.

5. Objectives of Internal Audit:

The broad objectives of Internal Audit shall be as under:-

- a. To ensure that the accounting and financial management systems remain reliable and effective in design and to assess the extent to which they are being followed;
- 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 is effective in design and operation in order to ensure the prevention of and early detection of defalcations, frauds, misappropriations and misapplications;
- d. To identify areas of significant inefficiencies in existing systems and to suggest necessary remedial measures; e. to confirm the existence of financial propriety in all decisions and verify compliance to Government and statutory requirements; f. to review the performance of various functions in the light of performance budgeting;
- e. To associate with Superintending Engineers, Executives of the SRRDA, and Vigilance etc., in their surprise checks and inspections in one of their visits to the unit whenever asked for;
- f. To ensure that the units have obtained confirmation and prepared statements of reconciliation of balances as on 30th June, and 31st January, under outstanding advances to contractors, and of creditors; In this context, internal auditors shall analyse the advances to the contractors into (1) good and fully recoverable, (2) requiring adjustment entries to be passed, (3) doubtful of recovery, and (4) bad with supporting documents/ explanations and reasons as for each and every account. The analysis will be of the accounts as per the ledgers and schedules to the accounts as at beginning of the year whose audit is taken up. This analysis shall be furnished along with the Phase I audit report for the first six months;
- g. To report compliance of guidelines issued from time to time by the Ministry of Rural Development, Government of India, National Rural Roads Development Agency, the State Rural Development Department, Executive Agency and the State Rural Roads Development Agency;
- h. To report compliance of internal audit observations outstanding as at the end of the year; k. to report that tax deduction at source are being made in all cases, as applicable under the Income Tax Act, 1961, and other statues at prescribed rates and that TDS deposits are being made within the prescribed time and also that the unit is complying with all statutory requirements under Income Tax Act and other laws; and

- i. Routine errors of omissions or commissions noticed during the course of internal audit may be got rectified on the spot.

6. Extent and Scope of Internal Audit:

The extent and scope of internal audit will be as follows:

This is only indicative. The internal auditor is free to extend any area and to any extent to cover within his review as required or as may be necessary to achieve the objectives.

- a. Award of Contracts Award of contracts for construction of new roads: 100 per cent; Award of contracts for up-gradation of roads : 100 per cent; All other contracts : 20 per cent. 79 National Rural Roads Development Agency
- b. Accounts (i) 100% vouching of Cash Payment Vouchers, Bank Adjustment Vouchers and Transfer Entry Vouchers. Cheque payments may be vouched to cover 50% of the transactions in each of the months selected. (ii) Works: A list of the cases audited should be mentioned in the report while in case of "Accounts" (vouching of cash, bank and transfer entry), the name of the months for which vouching has been reviewed shall be mentioned in the report.
- c. Compliance while conducting internal audit in a subsequent phase, the auditor will ensure that the compliance report on audit observations pointed out in the reports relating to earlier audits is made and corrective action taken on those points are furnished in the Audit Report of the subsequent phase. In other words it may be ensured while conducting the audit Phase-II, that compliance report on audit observations pointed out in earlier report of Phase-I is made and corrective action taken on those points are furnished in Phase-II audit report.

7. Reports

Auditor should discuss results of audit with the Divisional Officer of the PIU in each phase and important observations should be brought to his notice for taking timely corrective action. The reports should be prepared after duly taking into account the facts brought out in discussion. These should be couched in polite language. Offensive or strong words, sarcastic language etc. should on no account figure in the report. No suppositions, assumptions or allegations should be included in the report. Only facts should be mentioned and inevitable conclusions drawn. There should be no reference to responsibility being fixed for any irregularity; the administrative authorities have to take action for this. 16.5.6 Internal Audit Reports should be divided into three main portions namely: PART-I IMPORTANT OBSERVATIONS, OBJECTIONS AND RESERVATIONS This part should contain all such irregularities which auditors want to bring to the notice of

management, specifying the financial implications. This part should also bring out deviations by site from policies, systems and procedures prescribed by NRRDA, MoRD and SRRDA. The observations should be arranged into self-contained audit paragraphs with a suitable title. PART-II COMPLIANCE AND REPORT This part should contain actions taken for rectification of errors pointed out by previous auditor or by the current auditors in earlier phase/phases. It should also contain the confirmations by the PIU about implementations of policies, system etc. to avoid the recurrence of such irregularities in future. PART-III DETAILED REPORT: This part shall comprise of auditors' points on confirmations on matters or areas specified in the guidelines for audit. The report should be supplemented, in each Phase, by a statement indicating:

- I . Particulars of records along with their volume and value checked as compared to the total volume and value of transactions.
- ii. A summary report indicating the important observations for each phase and for each area.
- iii. A statement indicating the audit personnel deployed, their designation and the period of deployment for each phase. The report should also contain reference to areas where no adverse observation have been noted. In respect of other areas specific suggestion for improvement may also be highlighted for each area.

8. Submission of Internal Audit Report

The reports are to be submitted in triplicate for each phase of audit to the Chief Executive Officer (Empowered Officer) of the SRRDA, with two CDs of the report. Internal auditor will send two copies to the Divisional Officer.

9. Eligibility Criteria:

- 9.1. The Bidder should meet the following eligibility criteria for technical evaluation and thereafter for opening of their financial bids:
 - i. The interested parties should be an auditor registered with Institute of Chartered Accountant of India. In case of a Partnership firm or a Limited Liability Partners or a company, the Partner or Designated Partner or a Director/ Managing Director/Whole-time Director of such entity, respectively, should be an Auditor registered with the above mentioned Authorities; and having experience of at least 5 years for providing similar auditing services.
 - ii. The interested party should also be empanelled with the Comptroller and Auditor General of India and should have completed at least three such audits in the last 5 years of similar nature.
 - iii. The interested party should have minimum average turnover of Rs. 2.00 lakh during last three each financial year.

- iv. Consortium bids will not be allowed.
- v. The tenderer must not be blacklisted by any Govt. Department/ PSU/Bank/ FI's. A notarized affidavit in this regard is to be provided.

10. Evaluation criteria for appointment of internal auditor:

- (i) Profile of the auditor
- (ii) Capability, capacity, experience and expertise in handling similar assignments
- (iii) Details of domestic/international assignments handled
- (iv) Demonstrate ability to work with the Company and in coordination with the Transaction/Legal Advisor and other intermediaries as part of a team
- (v) Bidder meeting eligibility criteria would be required to make a presentation of their credentials& understanding in accordance with above details.
- (vi) The Evaluation Committee would evaluate the Bidders on the criteria mentioned above based on their presentation and Proposals received and shortlist them for opening of their Financial Bids.

11. Payment Schedule

The payment shall be made to the auditor on the completion of the internal audit of the accounts of the Organization for the financial year.

12. General Information and Terms and Conditions:

The JKRRDA reserves the right to withdraw/ cancel/ modify any action to this invitation without any prior notice. Notwithstanding anything contained in this document, JKRRDA reserves the right to accept or reject any request/proposal, or to annul the Tender process or reject all requests/proposals, at any time without any liability or any obligation for such rejection or annulment, without assigning any reasons thereof.

13. Cost of proposal:

- (i) The RFP document is available for download from website <http://pmgsytenders.jk.gov.in> and payment of tender document fee of Rs.1000/- (Rupees one thousand only) can be submitted in the form of demand draft in favor of Chief Engineer PMGSY Jammu payable at Jammu.
- (ii) The tender document is not transferable to any other bidder.
- (iii) The Bidder will bear all the cost associated with the conduct of internal audit

of each unit and preparation and submission of report.

14. Earnest Money Deposit (EMD):

- (i) Bidder shall submit along with their bids, EMD of Rs.10000.00 (Ten thousand only) in the form of FDR/CDR pledged in favour of “Chief Engineer PMGSY Jammu.
- (ii) The EMD would be released to all unsuccessful bidders after the placement of order to the selected auditor.
- (iii) The EMD will be forfeited, if the bidder;
 - a. Withdraws from the bidding process at any time for any reasons,
 - b. does not respond to requests for clarification of its Proposal,
 - c. fails to provide required information during the evaluation process or is found to be non-responsive; and
 - d. In case of being successful bidder, it fails to sign the Agreement in time; or furnish Performance Bank Guarantee.

15. Proposal, Opening and Evaluation:

- (i) Bidder has to submit bid by e-Tendering process (<http://pmgsytenders.jk.gov.in>) only.
- (ii) The bid shall consist of Pre-Qualification/Technical Bid and Financial Bid.
- (iii) No Financial details on the bid components should be present in the Pre-Qualification/ Technical Bid.
- (iv) Bidders to submit Financial bid by filling, uploading BOQ (Bill of Quantity) only.
- (v) On the tender opening day the bid will be opened and the committee will check all the documents, whether EMD has been furnished, documents have been properly submitted and whether the bids are generally in order.
- (vi) If the bidder meets the eligibility criteria as well as meet other technical parameters mentioned in the RFP, the bidder will become eligible for financial bid opening.
- (vii) The bid will be awarded to L1 bidder. It will be the responsibility of the L1 bidder to execute the task.
- (viii) If L1 bidder refuses to take up the project, the cost of re-tendering will be borne

by L1 bidder and the corporation may take any action against that company under the chairmanship of Empowered Officer JKRRDA.

16. Award of Contract

After evaluation of all accepted proposals by the evaluation committee, a contract may be awarded to the successful Bidder whose proposal meets the requirements of this RFP i.e. the bid submitted by him is able to qualify technically as explained in this RFP and has the lowest value for the financial bid, hence providing the best value to the Corporation.

17. Signing of Contract

The Bidder/Bidders shall be required to enter into a contract incorporating all agreements between the bidder & JKRRDA, including any agreements reached during the negotiation process, if any with the Authorized Representative/Committee, within five (5) days of the award of the contract or within such extended period, as may be specified by the Authorized Representative, of JKRRDA.

This contract shall be on the basis of this document, the bid of the bidder, the letter of intent and such other terms and conditions as may be determined by the authorized representative of JKRRDA to be necessary for the due performance of the work, as envisaged herein and in accordance with the Bid and the acceptance thereof.

18. Failure to agree with the Terms & Conditions of the RFP/ Contract

Failure of the successful bidder to agree with the terms & conditions of the RFP/ contract shall constitute sufficient grounds for the annulment of the award, in which event JKRRDA may make the award to the next best value bidder or call for new bids.

19. Liquidation Damages

In the event Bidder fails to provide the Services in accordance with the Service Standard, Bidder shall be liable for penalty to be agreed between the Bidder and

the administration of JKRRDA.

JKRRDA shall be entitled to withhold (deduct) from the purchase price or the Performance Bank Guarantee the liquidated damages that have become due.

20. Termination of Contract

The department may, without prejudice to any other remedy for breach of contract, by written notice of default sent to the bidder, terminate the contract in whole or part:

- I. If the bidder, in the judgment of the department has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.
 - a. **“Corrupt practice”** means the offering, giving, receiving, or soliciting of anything of value of influence the action of a public official in the procurement process or in contract execution.
 - b. **“Fraudulent practice”**: a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the purchaser, and includes collusive practice among Bidders (prior to or after bid submission) designed to establish bid prices at artificial noncompetitive levels and to deprive the purchaser of the benefits of free and open competition.
- II. If the bidder stop performing the contract or withdraw the activity to perform the contract.
- III. If the bidder breach any terms & conditions of the contract or do not perform the contract in whole or part.
- IV. If the bidder does not follow the written instructions given by the department from time to time.
- V. If the bidder does not perform the contract up to the satisfactory level even after regular feedback from the department.
- VI. In the event that the bidder shall cease conducting business.

- VII. In any other event that is detrimental to the working of the department and if the breach of the contract takes place.

21. Resolution of disputes

- (i) JKRRDA and the selected Bidder shall make every effort to resolve amicably by direct informal negotiation any disagreement or dispute arising between them under or in connection with the Contract.
- (ii) If, after thirty (30) days from the commencement of such informal negotiations, JKRRDA and the selected Bidder have been unable to amicably resolve dispute, either party may require that the dispute be referred for resolution to the formal mechanisms, which may include, but are not restricted to, conciliation mediated by Empowered Officer JKRRDA, or in accordance with the Arbitration and Conciliation Act, 1996.

19. Force Majeure

The successful Bidder shall not be liable for forfeiture of its implementation guarantee, performance security, liquidated damages, or termination of contract, if and to the extent that its delay in performance or other failure to perform its obligations under the contract is the result of an event of force majeure.

For the purpose of this clause, "Force Majeure" means an event beyond the control of the bidder and not involving the successful bidder fault or negligence, and not foreseeable. Such events may include, but are not restricted to, acts of the JKRRDA in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

If a force majeure situation arises, the bidder shall promptly notify the Financial Controller in writing of such condition and the cause thereof. Unless otherwise directed by JKRRDA in writing, the Bidder shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.

Annexure-A: Details of the Bidder

General Information of the Principal Bidder	
Name of the firm	
Address of Registered Office	Location
	Street
	City
	Pin code
	Telephone
	Email
Other (URL etc.)	
Year of Incorporation	Photocopy of Certificate of Incorporation must be attached
Legal Status	Public Ltd. Co/Private Ltd. Co./ Partnership firm etc.
Technological Collaborations	
Name of the contact	
Contact's designation	
Contact's Phone No.	
Details of EMD furnished	No.
	Amount
	Date
	Bank and Branch

Annexure-B: Financial Capabilities

Particulars of Turnover:				
Financial Year	Turnover from System Integration	Others – Turnover/ Income	Total Turnover Income	Net Profit
2015-16				
2016-17				
2017-18				
2018-19				

Note: Please attach audited Balance Sheets to support figures provided above.

Annexure-C

Scanned copies of following documents are to be uploaded along with the bid proposal:

- a. Covering letter on Letter Head of Company/Firm for Bid submission by the Bidder
- b. Authority letter authorizing the person of the bidder to sign the proposal and other documents
- c. Technical Bid along with all schedules, certificates & Annexure, duly filled & signed, by authorized signatory of Bidder as per Format
- d. Affidavit regarding no conviction, no conflict as per standard formats
- e. Copy of auditor registered Institute of Chartered Accountant of India and copy of the empanelment with CAG.
- f. Copies of Work Order's secured and performance certificates in support of experience enclosed.
- g. Statement of Confirmation that all technical and commercial terms and conditions is acceptable.
- h. Kindly attach duly signed photocopies of the following documents also:- i) PAN card. ii) GST Registration Number iii) Registration Certificate iv) Empanelment for statutory audit / work assignment for Branch / Head Office Audit of at least one PSU/ Bank. v) Proof of empanelment with relevant authorities vi) Details of Qualified Staff (Chartered Accountants) (Kindly provide a self-attested copy of
- i. Any other information the bidder may desire to furnish:
- j. Verification statement to the effect that; Verified that to the best of my knowledge and belief all the above information is correct and nothing has been concealed. Seal with Signature of the author.