



Government of Jammu & Kashmir

Empowered Officer PMGSY (JKRRDA)

Civil Secretariat Jammu/Srinagar

REQUEST FOR PROPOSAL

FOR

ENGAGEMENT

OF

**STATUTORY AUDITOR TO CONDUCT THE AUDIT OF THE ACCOUNTS
OF THE ORGNIASATION INCLUDING ALL ITS UNITS FOR THE YEAR**

2019-20

1. Introduction and Overview

1.1. Background

The Jammu and Kashmir Rural Road Development (JKRRDA) is a Government Organization 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

2. Invitation for Bids:

This invitation is to tender for:

“Engagement of Statutory Auditor for JKRRDA to audit its accounts including those of PIUs for the Year 2019-20.”

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 JKRRDA (PMGSY)
4th Floor, JKPCC Complex Railhead Complex, Jammu - 180012

3. Key Events & Dates

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

S No	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.

4. Statutory Audit

4.1 JKRRDA is considering the appoint a Chartered Accountant to audit its accounts including those of PIUs. It will select the auditor from the panel of chartered accountants prepared by the Comptroller and Auditor General of India.

4.2. Objectives

The objective of the statutory audit of the PMGSY Programme Fund is to obtain the professional opinion of the auditor on the annual financial accounts of SRRDA, including the PIUs who work for it.

4.3. Scope

The audit will be carried out in accordance with the relevant national standards of auditing, and will include such tests and controls as the auditor considers necessary under the circumstances. In conducting the audit, special attention should be paid to the following:

- (i) That the JKRRDA faithfully followed conditions laid down in the PMGSY guidelines / operational manual /Accounts manual in spending the funds it received from MoRD for the Programme.
- (ii) That JKRRDA used all the funds in accordance with the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which they were provided.
- (iii) That all the expenditure have the necessary supporting documentation; and that it has been incurred in accordance with the PMGSY guidelines, Operational Manual and the Accounts Manual.
- (iv) Those proper and complete records have been kept as prescribed in the Accounts Manual, and the Operational Manual.
- (v) That the PIUs have used the funds for the PMGSY programme; and that the auditor, after visiting the PIUs and conducting audit is satisfied on this count.
- (vi) That the accounts have been prepared in accordance with consistently applied relevant principles laid down in the Accounts

Manual and give a true and fair view of the financial year of receipts, payments, assets and liabilities.

- (vii) That in respect of the works taken up under aid from the World Bank, Asian Development Bank and others, the schedules to the Balance Sheet depict the correct figures of expenditure on their projects.

4.4. Audit Report

Besides a primary opinion on the Financial Statements, the audit report should include a separate paragraph commenting on the accuracy and propriety of expenditures shown in the Schedules to the Balance Sheet on expenditure on roads, and others, and the extent to which World Bank and the Asian Development Bank can rely on these as a basis for reimbursement.

In case a qualified opinion or disclaimer is given by the auditor, the audit report should state in a clear and informative manner all the reasons for such an opinion.

Audit report to be accompanied by:

- i. Management Letter.
- ii. In respect of works funded by the World Bank or the ADB.
- iii. Listing on ineligible claims, if any.
- iv. Reconciliation of Statement of Expenditure claims with the actual expenditure as reported in the audited financial statements.

4.5 Time Period for Submission

The audited financial statements including the audit report should be sent to the JKRRDA by July, 2020.

4.6. Management Letter

In addition to the audit reports, the auditor should prepare a “management letter” in which the auditor should:

- (i) give comments and observations, if any, on the accounting records, systems and controls that were examined during the course of the audit;
- (ii) identify specific deficiencies and areas of weakness (if any) in systems and controls and make recommendations for their improvement;

- (iii) report on the degree of compliance with the financial/ internal control procedures as documented in the financial manual of the project;
- (iv) communicate matters that have come to attention during the audit which might have a significant impact of the implementation on the society; and
- (v) bring to attention any other matter that the auditor considers pertinent.

4.7. The Observations in the Management Letter must be accompanied by a suggested recommendation from the auditors. The audit report and the Management Letter shall be placed before the audit committee for its recommendations to the Executive Committee.

4.8. Access to Records and Documents

The JKRRDA and PIUs shall provide the auditor access to all legal documents, correspondence, financial manual, transaction records and any other information associated with the Programme Fund as deemed necessary by the auditor.

5. Eligibility Criteria:

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. 5.00 lakh during last three each financial year.
- iv. The auditor will not take up any other work of JKRRDA to ensure his independence. No auditor will continue to be JKRRDA auditor for a period exceeding three years.
- v. Consortium bids will not be allowed.

- vi. The tenderer must not be blacklisted by any Govt. Department/ PSU/Bank/ FI's. A notarized affidavit in this regard is to be provided.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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.