

# PUNJAB SKILLS DEVELOPMENT FUND

## Request for Proposal (RFP)

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### Hiring of Firm for Internal Audit

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**April, 2020**



**Submission Date: May 06, 2020 on or before 11:30 AM**

21 A, H-Block, Dr. Mateen Fatima Road, Gulberg II, Lahore – Pakistan.

UAN: 042-111-11-PSDF(7733) | Toll Free:0800-48627 (HUNAR) | Website: [psdf.org.pk](http://psdf.org.pk)

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## 1) Invitation for Proposal

1. Punjab Skills Development Fund (PSDF) invites Technical & Financial proposals to provide consulting services towards the assignment titled:

# HIRING OF A FIRM FOR INTERNAL AUDIT

Details on the assignment are provided in the Terms of Reference to this proposal.

2. The Consulting firm submitting its proposals should have the following **eligibility** for qualification:
  - Be a legal entity and must have a corporate office in Pakistan (Copy of registration).
  - Must be listed on category A panel of State Bank of Pakistan. Evidence Required (Proof.)
  - Active taxpayer in FBR and registration in PRA (if applicable) in the name of the firm (Copy required).
  - **Affidavit on stamp paper** declaring that company is not blacklisted by any Government agency/ semi-government / authority / organization. (Original required)

Any, failure to provide information as per the above mentioned or fulfilment under the requirement of "Eligibility Criteria Checklist" (FormTECH-8) shall deemed to be or declared to be ineligible for the bidding process and technical evaluation shall not be carried out.

3. The consultant will be selected under **Least cost selection method** and procedures described in this proposal.
4. The proposal includes following additional documents:

Section 2 - Instructions to Consultants (including Data Sheet)

Section 3 - Technical Proposal - Standard Forms

Section 4 - Financial Proposal - Standard Forms

Section 5 - Terms of Reference

Section 6 - Structure and Flow of Final Report

5. It is mandatory for proposals to be made using the Standard Forms of the proposal. Proposals that are not in the prescribed format may be discarded. If any information required in the form is found missing, or written elsewhere, no credit will be given in the relevant section of the evaluation.
6. CVs of key members of the professional team highlighting their prior experience on relevant / similar assignments should be provided by the Firm.
7. Technical and Financial proposals (to be provided in separately sealed envelope, open or provision of financial proposal in the technical proposal will lead to the rejection of Proposal) should be sent to the following address, so as to reach latest on **May 06, 2020 before 11:30 AM**:

## Procurement Department



Skills For Success

Punjab Skills Development Fund

21-A, H-Block, Dr. Mateen Fatima Road,

Gulberg-II Lahore –Pakistan

Technical Proposals shall be opened on **May 06, 2020 at 12:00 PM** by Committee in Board Room, PSDF, 21-A, H-Block, Dr. Mateen Fatima Road, Gulberg-II Lahore in the presence of bidders. For this purpose, you are invited to attend the meeting on above mentioned date, time and venue.

Your sincerely,

**For Procurement Committee**

## 2) Instruction to Consultants

- Definitions**
- (a) “Agreement” means the Agreement signed by the Parties and all the attached documents.
  - (b) “Client” means the organization with which the selected Consultant signs the Agreement for the Services.
  - (c) “Consultant” means any entity or person that may provide or provides the Services to the Client under the Agreement.
  - (d) “Data Sheet” means such part of the Instructions to Consultants used to reflect specific conditions.
  - (e) “Day” means calendar day.
  - (f) “Government” means the Government of the Punjab and all its associated departments, agencies, autonomous/semi-autonomous bodies, local governments, boards, universities and similar other organizations.
  - (g) “Instructions to Consultants” means the document which provides Consultants with all information needed to prepare their Proposals.
  - (h) “Proposal” means the Technical Proposal and the Financial Proposal.
  - (i) “Terms of Reference” (TOR) means the document included in the proposal as Section 5 which explains the objectives, scope of work, activities, tasks to be performed, respective responsibilities of the Client and the Consultant, and expected results and deliverables of the assignment.

- 1. Introduction**
- 1.1 The Client named in the Data Sheet will select a consulting firm/organization (the Consultant) from any firm who will be eligible as per the eligibility criteria, Technical evaluation and in accordance with the method of selection specified in the Data Sheet.
  - 1.2 Consultants are required to submit a Technical Proposal and a Financial Proposal for consulting services required for the assignment named in the Data Sheet. The proposals should be in separate marked and sealed envelopes. The Proposal will be the basis for agreement negotiations and ultimately for a signed Agreement with the selected Consultant.
  - 1.3 Consultants shall bear all costs associated with the preparation and submission of their proposals and agreement negotiation. The Client is not bound to accept any proposal and reserves the right to annul the selection process at any time prior to Agreement award, without thereby incurring any liability to the Consultants.
- Conflict of Interest**
- 1.4 It is requested that Consultants provide professional, objective, and impartial advice and at all times hold the Client’s interest’s paramount, strictly avoid conflicts with other assignments or their own corporate interests and act without any consideration for future work.
    - 1.4.1 Without limitation on the generality of the foregoing, Consultants, and any of their affiliates, shall be considered to

have a conflict of interest and shall not be recruited, under any of the circumstances set forth below:

**Conflicting activities**

- (i) A firm that has been engaged by the Client to provide goods, works or services other than consulting services for a project, and any of its affiliates, shall be disqualified from providing consulting services related to those goods, works or services. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, and any of its affiliates, shall be disqualified from subsequently providing goods or works or services other than consulting services resulting from or directly related to the firm's consulting services for such preparation or implementation. For the purpose of this paragraph, services other than consulting services are defined as those leading to a measurable physical output, for example surveys, exploratory drilling, aerial photography, and satellite imagery.

**Conflicting assignments**

- (ii) A consultant (including its Personnel and Sub-Consultants) 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 Consultant to be executed for the same or for another Client. For example, a Consultant hired to prepare engineering design for an infrastructure project shall not be engaged to prepare an independent environmental assessment for the same project, and a Consultant assisting a Client in the privatization of public assets shall not purchase, nor advise purchasers of, such assets. Similarly, a Consultant hired to prepare Terms of Reference for an assignment should not be hired for the assignment in question.

**Conflicting relationships**

- (iii) A consultant (including its Personnel and Sub-Consultants) that has a business or family relationship with a member of the Client's staff who is directly or indirectly involved in any part of (i) the preparation of the Terms of Reference of the assignment, (ii) the selection process for such assignment, or (iii) supervision of the Agreement, may not be awarded an Agreement, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the Government of Punjab throughout the selection process and the execution of the Agreement.

1.4.2 Consultants have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of their client, or that may reasonably be

perceived as having this effect. Failure to disclose said situations may lead to the disqualification of the consultant or the termination of its Agreement.

**Unfair Advantage**

- 1.4.3 If an interested consultant could derive a competitive advantage from having provided consulting services related to the assignment in question, the client shall make available to all interested consultants together with this proposal, and all information that would in that respect give such consultant any competitive advantage over competing consultants.

**Fraud and Corruption**

- 1.5 Client requires consultants participating in its projects to adhere to the highest ethical standards, both during the selection process and throughout the execution of an agreement. In pursuance of this policy, PSDF:
- (b) defines, for the purpose of this paragraph, the terms set forth below as follows:
    - (i) “corrupt practice” means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the selection process or in agreement execution;
    - (ii) “fraudulent practice” means a misrepresentation or omission of facts in order to influence a selection process or the execution of an agreement;
    - (iii) “collusive practices” means a scheme or arrangement between two or more consultants with or without the knowledge of the Client, designed to establish prices at artificial, non-competitive levels;
    - (iv) “coercive practices” means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of an agreement.
  - (c) will reject a proposal for award if it determines that the Consultant recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for the agreement in question;
  - (d) will sanction a Consultant, including declaring the Consultant ineligible, either indefinitely or for a stated period of time, to be awarded an agreement if at any time it determines that the Consultant has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, and
  - (e) will have the right to require that a provision be included requiring Consultants to permit the Government of Punjab to inspect their accounts and records and other documents relating to the submission of proposals and agreement performance and have them audited by auditors appointed by the client.

- 1.6 Consultants shall furnish information on commissions and gratuities, if any, paid or to be paid to agents relating to this proposal and during execution of the assignment if the Consultant is awarded the Agreement, as requested in the Financial Proposal submission form (Section 4).
- Only one Proposal Proposal Validity**
- 1.7 Interested Consultants shall only submit one proposal. If a Consultant submits or participates in more than one proposal, such proposals shall be disqualified.
- 1.8 The Data Sheet indicates how long Consultants' Proposals must remain valid after the submission date. During this period, Consultants shall maintain the availability of Professional staff nominated in the Proposal. The Client will make its best effort to complete negotiations within this period. Should the need arise, however, the Client may request Consultants to extend the validity period of their proposals. Consultants who agree to such extension shall confirm that they maintain the availability of the Professional staff nominated in the Proposal, or in their confirmation of extension of validity of the Proposal, Consultants could submit new staff in replacement, who would be considered in the final evaluation for agreement award. Consultants who do not agree have the right to refuse to extend the validity of their Proposals.
- 2. Clarification and Amendment of Request for Proposal Document**
- 2.1 Consultants may request a clarification of any of the proposal up to the number of days indicated in the Data Sheet before the proposal submission date. Any request for clarification must be sent in writing, or by standard electronic means to the Client's address indicated in the Data Sheet. The client will respond in writing, or by standard electronic means and will send written copies of the response (including an explanation of the query but without identifying the source of inquiry) to all consultants. Should the client deem it necessary to amend the proposal as a result of a clarification, it shall do so following the procedure under para. 2.2.
- 2.2 At any time before the submission of proposals, the client may amend the proposal by issuing an addendum in writing or by standard electronic means. The addendum shall be sent to all consultants and will be binding on them. consultants shall acknowledge receipt of all amendments. To give consultants reasonable time in which to take an amendment into account in their proposals, the client may, if the amendment is substantial, extend the deadline for the submission of proposals.
- 3. Preparation of Proposals**
- 3.1 The proposal (see para. 1.2), as well as all related correspondence exchanged by the Consultants and the client, shall be written in the language (s) specified in the data sheet.
- 3.2 In preparing their proposal, the consultants are expected to examine in detail the documents comprising the proposal. Material



deficiencies in providing the information requested may result in rejection of a Proposal.

**Technical Proposal Format and Content**

- 3.3 While preparing the Technical Proposal, alternative professional staff shall not be proposed, and only one curriculum vitae (CV) may be submitted for each position.
- 3.4 The Technical Proposal shall provide the information indicated in the following paras from (a) to (g) using the attached Standard Forms (Section 3). Paragraph (c) (ii) indicates the recommended number of pages for the description of the approach, methodology and work plan of the Technical Proposal. A page is considered to be one printed side of A4 or letter size paper.
- (a) A brief description of the Consultants' organization and an outline of recent experience of the Consultants on assignments of a similar nature is required in Form TECH-2 of Section 3. For each assignment, the outline should indicate the names of Sub-consultants/ professional staff who participated, duration of the assignment, agreement amount, and consultant's involvement. Information should be provided only for those assignments for which the consultant was legally engaged by the client as a firm or as one of the major firms within a joint venture. Assignments completed by individual professional staff working privately or through other consulting firms cannot be claimed as the experience of the consultant, or that of the consultant's associates, but can be claimed by the professional staff themselves in their CVs. Consultants should be prepared to substantiate the claimed experience if requested by the Client.
  - (b) A description of the approach, methodology and work plan for performing the assignment covering the following subjects: technical approach and methodology, work plan, and organization and staffing schedule. Guidance on the content of this section of the Technical Proposals is provided under Form TECH-3 of Section 3. The work plan should be consistent with the work Schedule (Form TECH-7 of Section 3) which will show in the form of a bar chart the timing proposed for each activity.
  - (c) The list of the proposed professional staff team by area of expertise, the position that would be assigned to each staff team member, and their tasks (Form TECH-4 of Section 3).
  - (d) Estimates of the staff input (staff-months of foreign and local professionals) needed to carry out the assignment (Form TECH-6 of Section 3). The staff-months input should be indicated separately for home office and field activities, and for foreign and local Professional staff.
  - (e) CVs of the Professional staff signed by the staff themselves or by the authorized representative of the professional Staff (Form TECH-5 of Section 3) along with their Computerized

National Identity Card numbers (if local) or Passport numbers (if foreign).

- 3.5 The Technical Proposal shall not include any financial information. A Technical Proposal containing financial information may be declared disqualified.
- Financial Proposals**
- 3.6 The Financial Proposal shall be prepared using the attached Standard Forms (Section 4).
- Taxes**
- 3.7 The Consultant may be subject to local taxes (such as: value added or sales tax or income taxes on non-resident Foreign Personnel, duties, fees, levies) on amounts payable by the Client under the Agreement. The Client will state in the data sheet if the consultant is subject to payment of any taxes.
- 3.8 Consultants should express the price of their services in PKR. Prices in other currencies should be converted to PKR using the selling rates of exchange given by the State Bank of Pakistan for the date indicated in the data sheet.
- 3.9 Commissions and gratuities, if any, paid or to be paid by Consultants and related to the assignment will be listed in the Financial Proposal Form FIN-1 of Section 4.
- 4. Submission, Receipt, and Opening of Proposals**
- 4.1 The original proposal (Technical Proposal and, if required, Financial Proposal; see para. 1.2) shall contain no interlineations or overwriting, except as necessary to correct errors made by the consultants themselves. The person who signed the proposal must initial such corrections. Submission letters for both technical and financial proposals should respectively be in the format of TECH-1 of Section 3, and FIN-1 of Section 4.
- 4.2 An authorized representative of the consultants shall initial all pages of the original technical and financial Proposals. The authorization shall be in the form of a written power of attorney accompanying the proposal or in any other form demonstrating that the representative has been duly authorized to sign. The signed technical and financial proposals shall be marked "ORIGINAL".
- 4.3 The Technical Proposal shall be marked "ORIGINAL." The technical proposals shall be sent to the addresses referred to in para. 4.5 and in the number of copies indicated in the data sheet. All required copies of the technical proposal are to be made from the original. If there are discrepancies between the original and the copies of the technical proposal, the original governs.
- 4.4 The original and all copies of the technical proposal shall be placed in a sealed envelope clearly marked "TECHNICAL PROPOSAL" Similarly, the original Financial Proposal shall be placed in a sealed envelope clearly marked "FINANCIAL PROPOSAL" followed by the name of the assignment, and with a warning "**DO NOT OPEN WITH THE TECHNICAL PROPOSAL.**" The envelopes containing the Technical and Financial Proposals shall be placed into an outer

envelope and sealed. This outer envelope shall bear the submission address and title of the Assignment, clearly marked **“DO NOT OPEN, EXCEPT IN PRESENCE OF THE OFFICIAL APPOINTED, BEFORE SUBMISSION DEADLINE”**. The Client shall not be responsible for misplacement, losing or premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may be case for Proposal rejection. If the Financial Proposal is not submitted in a separate sealed envelope duly marked as indicated above, this will constitute grounds for declaring the Proposal non-responsive.

- 4.5 The proposals must be sent to the address/addresses indicated in the data sheet and received by the client no later than the time and the date indicated in the data sheet, or any extension to this date in accordance with para. 2.2. Any proposal received by the client after the deadline for submission shall be returned unopened.
- 4.6 The Client shall open the technical proposal immediately after the deadline for their submission. The envelopes with the financial proposal shall remain sealed and securely stored.

**5. Proposal Evaluation**

- 5.1 From the time the proposals are opened to the time the agreement is awarded, the consultants should not contact the client on any matter related to its technical and/or financial proposal. Any effort by consultants to influence the client in the examination, evaluation, ranking of Proposals, and recommendation for award of Agreement may result in the rejection of the consultants’ proposal.

**Evaluation of Technical Proposals**

Evaluators of technical proposals shall have no access to the financial proposals until the technical evaluation is concluded.

- 5.2 The evaluation committee shall evaluate the technical proposals on the basis of their responsiveness to the terms of reference, applying the evaluation criteria, sub criteria, and point system specified in the data sheet. Each responsive proposal will be given a technical score (St). A Proposal shall be rejected at this stage if it does not respond to important aspects of the Proposal, and particularly the terms of reference or if it fails to achieve the minimum technical score indicated in the data sheet.

**Public Opening and Evaluation of Financial Proposals**

- 5.3 Financial proposals shall be opened publicly in the presence of the consultants’ representatives who choose to attend. The name of the consultants, and the technical scores of the consultants shall be read aloud. The financial proposal of the consultants who met the minimum qualifying mark will then be inspected to confirm that they have remained sealed and unopened. These financial proposals shall be then opened, and the total prices read aloud and recorded.

- 5.4 The Evaluation Committee will correct any computational errors. When correcting computational errors, in case of discrepancy between a partial amount and the total amount, or between word and figures, the formers will prevail. In addition to the above corrections, as indicated under para. 3.6, activities and items

described in the technical proposal but not priced, shall be assumed to be included in the prices of other activities or items. In case an activity or line item is quantified in the financial proposal differently from the technical proposal.

- 5.5 In Least-Cost Selection, the Client will select the lowest financial proposal among those that passed the minimum technical score. In both cases the evaluated proposal price according to para. 5.4 shall be considered, and the selected firm is invited for negotiations.

## 6. Negotiations

- 6.1 Negotiations will be held at the date and address indicated in the Data Sheet. The invited Consultant will, as a pre-requisite for attendance at the negotiations, confirm availability of all Professional staff. Failure in satisfying such requirements may result in the Client proceeding to negotiate with the next-ranked Consultant. Representatives conducting negotiations on behalf of the Consultant must have written authority to negotiate and conclude an Agreement.

### Technical negotiations

- 6.2 Negotiations will include a discussion of the technical proposal, the proposed technical approach and methodology, work plan, and organization and staffing, and any suggestions made by the consultant to improve the terms of reference. The client and the consultants will finalize the terms of reference, staffing schedule, work schedule, logistics, and reporting. These documents will then be incorporated in the agreement as "Description of Services." Special attention will be paid to clearly defining the inputs and facilities required from the client to ensure satisfactory implementation of the assignment. The client shall prepare minutes of negotiations which will be signed by the client and the consultant.

### Financial negotiations

- 6.3 If applicable, it is the responsibility of the consultant, before starting financial negotiations, to determine the tax amount to be paid by the consultant under the Agreement. The financial negotiations will reflect the agreed technical modifications in the cost of the services. Financial negotiations can involve the remuneration rates for staff or other proposed unit rates if there is a revision of scope or if the bid rate exceeds the available budget.

### Availability of Professional staff/experts

- 6.4 Having selected the consultant on the basis of, among other things, an evaluation of proposed professional staff, the client expects to negotiate an Agreement on the basis of the professional staff named in the proposal. Before agreement negotiations, the Client will require assurances that the professional staff will be actually available. The client will not consider substitutions during agreement negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable or for reasons such as death or medical incapacity. If this is not the case, and if it is established that professional staff were offered in the proposal without confirming their availability, the consultant may be disqualified. Any proposed substitute shall have equivalent or better qualifications and experience than the

original candidate and be submitted by the consultant within the period of time specified in the letter of invitation to negotiate.

- |                                       |     |  |
|---------------------------------------|-----|--|
| <b>Conclusion of the negotiations</b> | 6.5 | Negotiations will conclude with a review of the draft agreement. To complete negotiations, the client and the consultant will initial the agreed agreement. If negotiations fail, the client will invite the consultant whose proposal received the second highest score to negotiate an agreement.  |
| <b>7. Award of Agreement</b>          | 7.1 | After completing negotiations, the client shall award the agreement to the selected consultant and publish details on the Planning & Development Department website and promptly notify all consultants who have submitted proposals. After agreement signature, the Client shall return the unopened financial proposals to the unsuccessful consultants.   |
|                                       | 7.2 | The consultant shall furnish performance guarantee as specified in data sheet.   |
|                                       | 7.3 | The consultant is expected to commence the assignment on the date and at the location specified in the Data Sheet.   |
| <b>8. Confidentiality</b>             | 8.1 | Information relating to evaluation of proposals and recommendations concerning awards shall not be disclosed to the consultants who submitted the proposals or to other persons not officially concerned with the process, until the publication of the award of agreement. The undue use by any consultant of confidential information related to the process may result in the rejection of its proposal and may be subject to the provisions of the consultant selection guidelines relating to fraud and corruption. |
| <b>9. Error &amp; Omissions</b>       | 9.1 | Although adequate thoughts have been given in drafting of this document, error such as typos may occur without any responsibility on PSDF part.  |

## Instructions to Consultants

### Data Sheet

1.1	Name of the Client: <b><u>Punjab Skills Development Fund</u></b> Method of selection: <b><u>Least Cost Based Selection</u></b>
1.2	Financial Proposal to be submitted together with Technical Proposal:  Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>  Name of the assignment is: <b>“Hiring of Firm for Internal Audit”</b>  Financial Proposal to be submitted in separate sealed envelopes. If Financial Proposal is found open, then proposal shall be rejected.
1.8	Proposals must remain valid 90 <b><u>Days</u></b> after the submission date.
2.1	Clarifications may be requested by May 04, 2020 before 4:00 PM.  The address for requesting clarifications is:  Address: <u>21-A, H-Block, Dr. Mateen Fatima Road, Gulberg-II, Lahore Pakistan.</u>  Phone: <u>+92-42-35752408-10</u>  Fax: <u>+92-42-35752190</u>  Email: <a href="mailto:Procurement@psdf.org.pk">Procurement@psdf.org.pk</a>
3.1	Proposals shall be submitted in the following language: <b><u>English</u></b>
3.4 (e)	CVs should contain details of <b><u>the projects</u></b> and exact description of the assignment done by the individual in the past.
3.7	Amounts payable by the Client to the Consultant under the agreement to be subject to applicable taxation: <b>Yes</b> <input checked="" type="checkbox"/> <b>No</b> <input type="checkbox"/> .
4.1	Consultant Firm must submit the <b>One Original</b> of the Technical Proposal, and the original of the Financial Proposal in separate sealed envelopes. The financial proposal shall be rejected if found open.
4.5	The Proposal submission address is:  <u>Procurement Department</u>  <u>Punjab Skills Development Fund</u>

	<p><u>21-A, H-Block, Dr. Mateen Fatima Road,</u></p> <p><u>Gulberg-II Lahore –Pakistan</u></p> <p>Proposals must be submitted no later than the following date and time:</p> <p><b>May 06, 2020 on or before 11:30 AM</b></p>																																	
<p><b>5.2</b></p>	<p>Below are the mandatory qualification criteria to qualify for the technical evaluation.</p> <ul style="list-style-type: none"> <li>• Be a legal entity and must have a corporate office in Pakistan (Copy of registration).</li> <li>• Must be listed on category A panel of State Bank of Pakistan. Evidence Required (Proof.)</li> <li>• Active taxpayer in FBR and registration in PRA (if applicable) in the name of the firm (Copy required).</li> <li>• <b>Affidavit on stamp paper</b> declaring that company is not blacklisted by any Government agency/ semi-government / authority / organization. (Original required)</li> </ul> <p>Criteria, sub-criteria, and point system for the evaluation of Technical Proposals are:</p> <table border="1" data-bbox="268 981 1497 1989"> <thead> <tr> <th colspan="5">Overall Capabilities of the Firm</th> </tr> <tr> <th>Sr</th> <th>Description</th> <th>Category Points</th> <th>Grand Total Points</th> <th>Documents Required</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>The firm must have affiliation with one of the global audit firms.</td> <td>10</td> <td>10</td> <td>Affiliation Certificate/Proof</td> </tr> <tr> <td>2</td> <td>Should have prior knowledge and experience in last 2 years of: <ul style="list-style-type: none"> <li>• Conducting risk based internal audits; <b>(3 marks per organization)</b></li> <li>• Making recommendations for controls/control improvements in accordance with the regulatory requirements and best practices. <b>(3 marks per organization)</b></li> </ul> </td> <td>3 X 2  3 X 2</td> <td>12</td> <td rowspan="3">Attach scope of work performed along with list of deliverables or any other relevant document.</td> </tr> <tr> <td>3</td> <td>Have prior experience of conducting risk-based audits of public sector companies/ government organizations in last 2 years <b>(4 marks per organization)</b></td> <td>4 X 2</td> <td>8</td> </tr> <tr> <td>4</td> <td>No of Professional Qualified accountants from Institute of Chartered Accountants of Pakistan (ICAP) <b>(Name &amp; Registration is required):</b> <ul style="list-style-type: none"> <li>• More than 15 but less than 30;</li> <li>• More than 30 but less than 50; and</li> <li>• More than 50</li> </ul> </td> <td>3 7 10</td> <td>10</td> </tr> <tr> <td colspan="3"><b>Sub Total</b></td> <td><b>40</b></td> <td></td> </tr> </tbody> </table>	Overall Capabilities of the Firm					Sr	Description	Category Points	Grand Total Points	Documents Required	1	The firm must have affiliation with one of the global audit firms.	10	10	Affiliation Certificate/Proof	2	Should have prior knowledge and experience in last 2 years of: <ul style="list-style-type: none"> <li>• Conducting risk based internal audits; <b>(3 marks per organization)</b></li> <li>• Making recommendations for controls/control improvements in accordance with the regulatory requirements and best practices. <b>(3 marks per organization)</b></li> </ul>	3 X 2  3 X 2	12	Attach scope of work performed along with list of deliverables or any other relevant document.	3	Have prior experience of conducting risk-based audits of public sector companies/ government organizations in last 2 years <b>(4 marks per organization)</b>	4 X 2	8	4	No of Professional Qualified accountants from Institute of Chartered Accountants of Pakistan (ICAP) <b>(Name &amp; Registration is required):</b> <ul style="list-style-type: none"> <li>• More than 15 but less than 30;</li> <li>• More than 30 but less than 50; and</li> <li>• More than 50</li> </ul>	3 7 10	10	<b>Sub Total</b>			<b>40</b>	
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Professional Team				
Sr	Description	Category Points	Grand Total Points	Documents Required
1	Prior experience of the team proposed for internal audit assignment ( <b>minimum 4 members</b> ): <ul style="list-style-type: none"> <li>• Minimum 3 years of experience (5)</li> <li>• More than 3 but less than or equal to 5 years of experience (8)</li> <li>• More than 5 years. (10)</li> </ul> Note: team proposed with highest qualification & experience will get maximum marks.	5 8 10	10	Attach CVs clearly showing previous risk-based audit assignments conducted
2	Engagement Partner has a post qualification experience of more than 15 years post qualification.		10	Attach CV
<b>Sub Total</b>			<b>20</b>	
Proposed Methodology				
Sr	Description	Category Points	Grand Total Points	Documents Required
1	Work plan & timelines	6	6	Provide details in proposal on understanding of assignment, methodology to be adopted and assignment deliverables.
2	Overall methodology and approach in conducting risk-based audits	25	25	
3	Quality assurance regarding risk-based audit assignments ( <b>3 marks per organization</b> )	3 X 3	9	Satisfaction letters from clients
<b>Sub Total</b>			<b>40</b>	
Firm having 65 or more marks in technical evaluation shall qualify for financial opening.				
6.1	Expected date and address for agreement negotiations: Expected date: May 20, 2020			
7.2	Successful bidder shall furnish 2% <b>performance guarantee</b> before signing the contract.			
7.3	Expected date for commencement of consulting services June 01, 2020 at:  Procurement Department  Punjab Skills Development Fund  21-A, H-Block, Dr. Mateen Fatima Road,  Gulberg-II Lahore –Pakistan			





Skills For Success

### **3) Technical Proposal - Standard Forms**

Refer to Reference Paragraph 3.4 of the Data Sheet for format of Technical Proposal to be submitted, and paragraph 3.4 of Section 2 of the proposal for Standard Forms required and number of pages recommended.

TECH-1 Technical Proposal Submission Form

TECH-2 Consultant's Organization and Experience

A Consultant's Organization

B Consultant's Experience

TECH-3 Description of the Approach, Methodology and Work Plan for Performing the Assignment

TECH-4 Team Composition and Task Assignments

TECH-5 Curriculum Vitae (CV) for Proposed Professional Staff

TECH-6 Staffing Schedule

TECH-7 Work Schedule

TECH-8 Eligibility Criteria Checklist



Skills For Success

## Form TECH-1 Technical Proposal Submission Form

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Location: \_\_\_\_\_ Date \_\_\_\_\_

To:

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Dear Sir,

We, the undersigned, offer to provide the consulting services for PSDF Hiring of Firm for Internal Audit in accordance with your proposal dated [Date]. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope.

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., before the date indicated in Paragraph Reference 1.8 of the Data Sheet, we undertake to negotiate on the basis of the proposed staff. 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 consulting services related to the assignment not later than the date indicated in Paragraph Reference 3.1 of the Data Sheet.

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature [*In full and initials*]: \_\_\_\_\_

Name and Title of Signatory: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_



## Form TECH-2 Consultancy Firm’s Organization and Experience

### A - Consultant’s Organization

[Provide here organogram of your firm.]

1. Organogram

### B - Consultant’s Experience

[Using the format below, provide information on each assignment for which your firm, and each associate for this assignment, was legally contracted as a corporate entity or as one of the major companies within an association, for carrying out consulting services like the ones requested under this Assignment. Please provide Client’s certification and/or evidence of the contract agreement.]

Assignment name:	Cost of the Project
Country: Location within country:	Duration of assignment (months):
Name of Client:	Total No of staff/months (by your firm) on the assignment:
Start date (month/year): Completion date (month/year):	1- Total Value of the Consultancy Agreement. 2- Value of consultancy services provided by your firm under the agreement (in current PKR or US\$):
Name of associated Consultants, if any:	No of professional staff-months provided by associated Consultants:
Name of senior professional staff of your firm involved and functions performed (indicate most significant profiles such as Project Director/Coordinator, Team Leader):	
Narrative description of Project:	
Description of actual services provided by your staff within the assignment	
1. Firms Name: .....	
2. Certificate by the Client / Employer that the work was successfully completed by the consultant.	

## **Form TECH-3 Description of Approach, Methodology and Work Plan for Performing the Assignment**

*[Technical approach, methodology and work plan are key components of the Technical Proposal. You are required to present your Technical Proposal as per the criteria list in Technical evaluation in the proposal]*

### **a) Approach and Methodology**

Please be precise and to the point in addressing the objectives of this assignment through proposed approach and methodology.

Technical approach, methodology and work plan are key components of the Technical Proposal. You are suggested to present your Technical Proposal divided into the following chapters:

- i. Technical Approach and Methodology
- ii. Work Plan & Timeline

#### **i. Technical Approach and Methodology**

In this chapter you should explain your understanding of the objectives and scope of Job/TORs of the assignment, approach to provide these services, and methodology for carrying out the assignment.

You may highlight the problems being anticipated by you in this assignment and their importance and explain the technical approach you would adopt to address them. You may also be invited for a presentation on your proposed methodology and evaluation will be done on the basis of followings:

- Interpretation of scope and objectives of assignment.
- Understanding of assignment deliverables.
- Overall methodology adopted and approach to conduct the assignment.

#### **ii. Work Plan**

In this chapter you should propose your work plan against the main activities of the assignment, their content and estimated duration, describing phasing and interrelations and milestones. The proposed work plan should be consistent with the technical approach and methodology, showing clear understanding of the TORs and ability to translate them into a deliverable working plan. The work plan should be consistent with the Work Schedule of Form TECH-7.

#### **iii. Quality Assurance regarding Risk-Based Audit:**

**Form TECH-4 Team Composition and Task Assignments**

Professional Staff					
Name of Staff	CNIC No./Passport No.	Firm	Area of Expertise	Position Assigned	Task Assigned



**Form TECH-5 Curriculum Vitae (CV) for Proposed Professional Staff**

1. **Proposed Position** [only one candidate shall be nominated for each position]: \_\_\_\_\_
2. **Name of Firm** [Insert name of firm proposing the staff]: \_\_\_\_\_
3. **Name of Staff** [Insert full name]: \_\_\_\_\_
4. **Date of Birth:** \_\_\_\_\_ **Nationality:** \_\_\_\_\_
5. **CNIC No** (if Pakistani): \_\_\_\_\_ **or Passport No:** \_\_\_\_\_
6. **Education:**

<i>Degree</i>	<i>Major/Minor</i>	<i>Institution</i>	<i>Date (MM/YYYY)</i>

7. **Membership of Professional Associations:** \_\_\_\_\_

8. **Other Training** [Indicate significant training since degrees under 6 - Education were obtained]:

9. **Languages** [For each language indicate proficiency: good, fair, or poor in speaking, reading, and writing]:

10. **Employment Record** [Starting with present position, list in reverse order every employment held by staff member since graduation, giving for each employment (see format here below).]:

<i>Employer</i>	<i>Position</i>	<i>From (MM/YYYY)</i>	<i>To (MM/YYYY)</i>

**11. Detailed Tasks Assigned**

[List all tasks to be performed under this assignment]

**12. Work Undertaken that Best Illustrates Capability to Handle the Tasks Assigned**

[Among the assignments in which the staff has been involved, indicate the following information for those assignments that best illustrate staff capability to handle the tasks listed under point 11.]

1) **Name of assignment or project & Location:** \_\_\_\_\_ **Cost of Project** \_\_\_\_\_

**Date of Start** \_\_\_\_\_ **Date of Completion** \_\_\_\_\_

**Actual Time Spent on the Project:** \_\_\_\_\_ in months.

Client: \_\_\_\_\_

Main project features: \_\_\_\_\_

Positions held: \_\_\_\_\_

Activities performed: \_\_\_\_\_

**2) Name of assignment or project & Location: \_\_\_\_\_ Cost of project \_\_\_\_\_**

Date of Start \_\_\_\_\_ Date of Completion \_\_\_\_\_

Actual Time Spent on the Project: \_\_\_\_\_ in months.

Client: \_\_\_\_\_

Main project features: \_\_\_\_\_

Positions held: \_\_\_\_\_

Activities performed: \_\_\_\_\_

**3) Name of assignment or project & Location: \_\_\_\_\_ Cost of Project \_\_\_\_\_**

Date of Start \_\_\_\_\_ Date of Completion \_\_\_\_\_

Actual Time Spent on the Project: \_\_\_\_\_ in months.

Client: \_\_\_\_\_

Main project features: \_\_\_\_\_

Positions held: \_\_\_\_\_

Activities performed: \_\_\_\_\_

**13. Certification:**

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications, and my experience. I understand that any wilful misstatement described herein may lead to my disqualification or dismissal, if engaged.


\_\_\_\_\_ Date: \_\_\_\_\_

*[Signature of staff member or authorized representative of the staff]*











*Day/Month/Year*

Full name of authorized representative: \_\_\_\_\_

### Form TECH-6 Staffing Schedule

Full time input 

Part time input 

Year:		Staff input (in the form of a bar chart) <sup>2</sup>												Total staff-month input		
N°	Name of Staff	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Home	Field <sup>3</sup>	Total
		<b>Local</b>														
1		[Home]														
		[Field]														
2																
																
3																
																
N																
																
												<b>Subtotal</b>				
												<b>Total</b>				



## Form TECH-7 Work Schedule

		Year:											
N°	Activity <sup>1</sup>	Months <sup>2</sup>											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1													
2													
3													
4													
5													
n													

- 1 Indicate all main activities of the assignment, including delivery of reports (e.g.: inception, interim, and final reports), and other benchmarks such as Client approvals. For phased assignments indicate activities, delivery of reports, and benchmarks separately for each phase.
- 2 Duration of activities shall be indicated in the form of a bar chart.

## Form TECH-8 Eligibility Criteria Checklist

Eligibility Criteria Checklist				
Sr. No.	Eligibility Criteria Details	Evidence/Proof Required	Attached Supporting Documents/Proof and mark Yes/No	
			Yes	No
1	Be a legal entity and must have a corporate office in Pakistan.	Evidence of incorporation/registration	<input type="checkbox"/>	<input type="checkbox"/>
2	The firm must be listed on category A panel of State Bank of Pakistan.	Evidence Required (Proof.)	<input type="checkbox"/>	<input type="checkbox"/>
3	Active taxpayer in FBR and registration in PRA (if applicable) in the name of the firm	Evidence of proof to be attached	<input type="checkbox"/>	<input type="checkbox"/>
4	<b>Affidavit on stamp paper</b> declaring that company is not blacklisted by any Government agency/ semi-government / authority / organization. (Original required)	Affidavit on stamp paper original	<input type="checkbox"/>	<input type="checkbox"/>

Organizational Information			
Sr. No.	Required Information	Response	
1	Legal name of the organization		
2	Year of Registration / Establishment of the Organization		
3	National Tax Number		
4	General / Punjab Sales Tax Number		
5	What is the legal status of your organization? Tick the relevant box (one box only). (Attach Copy/Copies of Registration Certificate/s)	Public Sector Organization	
		Section 42 Company	
		Public Ltd. Company	
		Private Ltd. Company	
		Private Partnership Firm	
	Others (Please specify)		
6	Name and designation of 'Head of Organization'		
7	Mobile:		
	Phone/s:		
	Email:		
	Fax:		
	Address of organization:		
	Website address:		
8	Name and designation of 'Contact Person':		
	Phone/s:		
	Mobile:		
	Email:		
	Fax:		



#### **4) Financial Proposal - Standard Forms**

Financial Proposal Standard Forms shall be used for the preparation of the Financial Proposal according to the instructions provided under para. 3.6 of Section 2. Such Forms are to be used whichever is the selection method indicated in para. 4 of the Letter of Invitation.

FIN-1 Financial Proposal Submission Form

FIN-2 Summary of Costs



## Form FIN-1 Financial Proposal Submission Form

[Location,  
Date]

To: [Name and address of Client]

Dear Sir,

We, the undersigned, offer to provide the consulting services for PSDF "Hiring of Firm for Internal Audit" in accordance with your proposal dated [Insert Date] and our Technical Proposal. Our attached Financial Proposal is for the sum of [Insert amount(s) in words and figures!]. This amount is inclusive of the taxes.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Agreement negotiations, up to expiration of the validity period of the Proposal, i.e. before the date indicated in Paragraph Reference 1.8 of the Data Sheet.

No commissions or gratuities have been or are to be paid by us to agents relating to this Proposal and Agreement execution.

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature [In full and initials]: \_\_\_\_\_

Name and Title of Signatory: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

## Form FIN-2 Summary of Costs

Item	Cost without Taxes	Applicable Taxes	Taxes Amount	Costs including all applicable Taxes
	PKR	%	PKR	PKR
<b>Total Costs of Financial Proposal</b>				

### Payment Terms:

- Upon successful completion of deliverable, payment shall be made within 30 days after the submission of invoice.
- All the payment shall made in the PKR after the deduction of all applicable taxes.

Sr. No	Deliverables	Payment
1	First Report	25%
2	Second Report	25%
3	Third Report	25%
4	Fourth Report	25%



## **5) Terms of Reference**

### **i. Background**

The Punjab Skills Development Fund (PSDF) was established in 2010, through a partnership between the Government of Punjab (GoPb) and the Department for International Development (DFID). PSDF is the only skills financing fund in the country. PSDF designs skill schemes based on market research and evidence and then contracts out their delivery on a competitive basis through predominantly private skill providers. The Fund is increasingly engaging businesses as trainers and as co-financiers of training.

PSDF is registered with the Securities and Exchange Commission of Pakistan as a Section 42, not-for-profit company. The Fund has a competitively engaged private sector management and a Board comprising of private entrepreneurs, policy experts, social activists and ex-officio representatives of the GoPb. Board members are proposed by DFID and the Planning and Development Department (P&DD) of the GoPb to the Chief Minister's secretariat. Decision regarding choice of the Board members rests with the Chief Minister's office.

The Fund exceeded its targets for the first five year of its operations which ended in, June 2016. In addition, the Fund's achievements have created political appetite for skills sector reform and making public sector delivery of skills more effective. DFID and the GoPb agreed to finance PSDF for a further five-year period that will end in June 2021. A major objective during this time is for PSDF to become an effective sustainable organization that can continue to function once DFID exits in June 2021.

PSDF's sustainability implies that the Fund has recourse to resources and an enabling regulatory and policy environment so that it can: i) further strengthen its transparent and efficient business operations ii) have adequate and diversified financial resources that enable it to meet skills gaps across Punjab while catering to the learning needs of the poor, and iii) maintain an autonomous and robust Board that can provide strategic direction and oversight.

### **ii. Scope, Duties and Responsibilities of the Consulting Firm**

#### **1. Scope of Work**

The scope of internal audit assignment is to provide independent, objective assurance and advisory services designed to assist PSDF in achieving its stated business objectives. The Consultant, through this assignment, would help the Fund to accomplish its objectives by bringing a systematic, disciplined approach to evaluate the efficiency and effectiveness of the Fund's system of internal controls.

The Consultant would determine whether the Fund's system of internal controls, risk management and governance processes, as designed and represented by the Management, are adequate and functioning in a manner which ensures:

- Risks are appropriately identified and managed;
- Financial, managerial, and operating information is accurate, reliable, and timely;
- Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations;
- Resources are acquired economically, used efficiently, and adequately protected;
- Programs, plans, and objectives are achieved;
- Quality and continuous improvement are fostered in the Fund's control processes; and
- Significant legislative or regulatory issues impacting the Fund are recognized and addressed appropriately.

The Consultants are required to develop and perform at minimum, but not limited to, following:

- 1. Internal Audit Plan & Resource Planning:** The Consultants are required to prepare an Internal Audit Plan based on critical high risks areas identified in Enterprise-wide Risk Management (ERM) and past audits, other assignments and feedback received from the Management. The Consultant would also be required to prepare resource planning providing details of the engagement team with respective to number of years of experience, designation, time allocation of each resource to the assignment etc.
- 2. Audit Methodology & Approach:** The Consultant will follow Risk Based Internal Auditing (RBIA) methodology that requires audit to be strategically and operationally linked to the business risk and assurance frameworks. A risk-based audit involves a review of all controls in the business activity to mitigate key risks identified during the ERM and includes evaluation and testing. The scope and depth of work must be sufficiently broad to enable the Consultant's team to draw conclusions on the business activity achieving its objectives, and that controls are effective.
- 3. Project Planning & Execution:**
  - 3.1. Project Planning:** The Consultant is required to perform adequate planning for every project prior to the commencement of fieldwork. The Consultant is expected to



understand the business process and internal control procedures of the area being audited and prepare a flow chart of the same. Detailed planning for individual audits should be linked with the approved Internal Audit Plan.

3.2. Execution: The Consultant is required to manage the field work of internal audit assignment. At the time of initiation of the audit, the Consultant will circulate initial information to the auditee department detailing, at least, the following: □

- The scope and objectives of the audit;
- The timing and anticipated duration of the audit;
- Anticipated reporting dates;
- Audit team;
- Proposed date of audit planning meeting; and
- List of initial information required.

3.3. Sampling: The Consultant is required to define sample size of the area being audited keeping in consideration time and cost of 100% verification of all transactions. When testing controls, the extend of testing may be decided by:

- The significance of risk addressed by the control;
- Assessment of the control environment;
- The importance of the control addressing the risk;
- The degree to which control is cumulative; and
- The risk that observation of controls and answers to inquiries may not accurately represent the proper and continued operations of the controls.

The extent of validation of the controls will vary depending on the type of control planned to be validated i.e. manual or automated.

3.4. Audit Programs: The Consultant will prepare written audit programs of all audit projects. The audit program will list the specific procedures to be done in each audit area. The audit procedures listed in the program will be derived from a review of the internal control system, ERM, and other planning or system documentation. Audit program steps will be cross-referenced, where appropriate, to the applicable working paper where the steps are performed. Each step should be initialed by the auditor(s) who actually performed the audit procedure and reviewed by the reviewer.

Revisions to the audit program be made where necessary, based on the actual information obtained during the field work.

3.5. Fieldwork & File Maintenance: During the field work, the Consultants should draft all the audit findings on the prescribed format containing, at least, the following:

- Name of the area being audited;
- Audit Period;
- Issue Title;
- Issue Description;
- Root Cause;
- Risk Impact;
- Issue Rating;
- Management Comments;
- Deadline;
- Responsibility; and
- Audit Comments.

The auditor should conduct a meeting with responsible personnel of auditee department to discuss and agree on the audit findings.

The Consultant is also required to prepare and maintain a current and permanent audit file.

3.6. Finalization of the Assignment & Reports: The Consultant will schedule and conduct a close-out meeting with the auditee to finalize the report and assign a rating to the report with respect to the satisfaction level of controls implemented in the respective audit area. The final report will be issued to Head of Audit, Risk & Compliance.

#### 4. **Deliverables:**

Key deliverables of the assignment are as follows:

- i. Internal Audit Plan;
- ii. Resource Planning;
- iii. Methodology & Approach; and
- iv. For each audit areas:
  - a) Project Plan;
  - b) Process documentation;
  - c) Flow Chart;
  - d) Audit Program;
  - e) Working Papers;
  - f) Issue Sheets; and
  - g) Final Audit Report.**