



NATIONAL ENGINEERING SERVICES PAKISTAN (PVT.) LIMITED

**BIDDING DOCUMENTS
FOR
HIRING THE SERVICES OF AUDIT FIRM
FOR STATUTORY AUDIT
FOR THE YEAR ENDED JUNE 30, 2023**

December 2024

National Engineering Services Pakistan (Pvt.) Limited
Finance Division, NESPAK House, 1-C, Block-N, Model Town Extension, Lahore

BIDDING DOCUMENTS

FOR

Hiring the Services of Audit Firm for Statutory Audit

1. Introduction

1. National Engineering Services Pakistan (Pvt.) Limited (NESPAK) (hereinafter called as the “Employer”), a leading International Engineering Consultancy Company, wishes to receive Bids on Single Stage Two Envelope bidding procedure for conducting Statutory Audit for the period from July 01, 2022 to June 30, 2023 along with the report on statement of compliance with the Public Sector Companies (Corporate Governance) Rules 2013.

2. Scope of the Services

The Scope of Services is summarized hereunder:

- I. Statutory Audit of NESPAK under the Companies Act, 2017 for the Financial Year 2022-2023 and issue Auditor’s opinion.
- II. Review on NESPAK’s compliance under the SECP Corporate Governance Rules 2013 for the Financial Year 2022-2023 and issuance of review report on Compliance with the best practices of the code of Corporate Governance.

The Bidders must quote for the complete scope of the Services. Any bid covering partial scope of Services will be rejected.

The successful Bidder will be required to submit three (03) Nos. copies of the following reports:

- a. Audit Reports on the Financial Statements of NESPAK for the year ended on June 30, 2023.
- b. Review Report on Statement of Compliance with the best practices of the Code of Corporate Governance for the year ended on June 30, 2023.
- c. Any other report as required under the law.

3. Eligibility Requirements

Bidding is open to all firms meeting the following requirements:

- a). The Bidder shall be duly incorporated/registered under the laws of Islamic Republic of Pakistan;
- b). The Bidder shall be registered with Income Tax Department and who are on Active Taxpayers List of the Federal Board of Revenue; and
- c). The Bidder shall not have been black listed or debarred by any Governmental or semi-Governmental Organization/Department or a foreign country, international organization or other foreign institutions. The Bidder should

submit an Undertaking with the Application, certifying that “the Bidder has not been blacklisted or debarred by any Government or Semi-Government Organization/ Department or a foreign country, international organization or other foreign institutions”.

4. Qualification Requirements

The Bidder shall meet the following qualification requirements:

- a). The Bidder shall be registered with the relevant Provincial Revenue Authority (PRA) and who are on Active Taxpayers List of relevant PRA;
- b). The Bidder shall be ranked in “A” firms category as per State Bank of Pakistan;
- c). The Bidder shall be affiliated with one of the global audit firms; and
- d). The Bidder shall have satisfactory QCR Rating of ICAP.

5. Cost of Bidding

The Bidder shall bear all costs associated with the preparation and submission of its Bid and the Employer will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

6. Preparation of Bid

The Bid shall comprise two envelopes submitted simultaneously, one called the Technical Bid and the other the Price Bid, each containing the documents described hereunder. The Bids shall be prepared in the English language. Information in any other language shall be accompanied by its translation in English.

Technical Bid

The Bidders are expected to examine all terms & instructions included in these Bidding Documents and are required to submit documentary evidences/credentials in the Technical Bid, to meet requirements as provided under Clauses 3, 4 and 9 of these Bidding Documents. Failure to provide requested information by a Bidder may result in rejection of its Technical Bid.

The Technical Bid shall not include any financial information.

Price Bid

The Bidder shall quote Bid Price entirely in Pak Rupees on lumpsum basis for the Services to be performed under the Contract and shall submit it in the price Bid. The payment shall be made in the same currency. The Bid Price shall be quoted inclusive of all prevailing taxes such as income tax, Provincial Sales Tax on Services and out of Pocket expenses, etc. All payments shall be made after deduction of applicable taxes.

The Bidder shall quote price separately for each item of the scope of the Services for financial year provided under Clause 2 hereof, and payment shall be made accordingly after completion of each item of the scope of the Services.

The Bid Price quoted by the Bidder shall remain fixed during the Bidder's performance of the Contract and shall not be subject to variation on any account.

7. Validity of the Bids

The Bids shall remain valid for one twenty (120) days after date of bid opening.

8. Submission and Opening of Bids

The Bids must be received by the Employer not later than the deadline mentioned in Invitation to Bid. Bids submitted through telegraph, telex, fax or e-mail shall not be considered. The Bids must be complete, in order and comprise documentary evidences for each requirement.

The Technical Bid and Price Bid (comprising the relevant documents as stated in these Bidding Documents) shall be prepared separately. The ORIGINAL and each COPY of Technical Bid shall be sealed in one envelope and marked as such. Similarly, ORIGINAL and each COPY of the Price Bid shall be sealed in another envelope and marked as such. The outer envelope comprising of both 'Technical Bid' and 'Price Bid' shall be addressed as given in Invitation to Bid.

The Technical Bids will be opened the same day of submission as mentioned in Invitation to Bid in the presence of the Bidder's representatives who choose to attend. The Price Bids will remain unopened and will be held in custody of the Employer until the time of their opening.

At the end of the evaluation of the Technical Bids, the Employer will invite the Bidders whose Technical Bids have been declared substantially responsive and passed technical evaluation scoring criteria, to attend the opening of the Price Bids. The date, time and venue of the opening of Price Bids will be advised in writing by the Employer.

9. Evaluation of Bids

Most Advantageous Bid will be selected in accordance with the Quality and Cost Based Selection procedure.

The Employer shall first examine eligibility and qualification of the Bidders. The Bidders who shall not meet the eligibility and qualification requirements provided under clause 3 and 4, shall be held non-responsive and their Technical Bids shall not be further evaluated.

Thereafter, detailed evaluation of Technical Bid shall be carried out based on scoring criteria, followed by the evaluation of Price Bid. The Bidders shall be ranked using a combined technical and financial score as indicated below:

Detailed Evaluation of Technical Bid

The Technical Bids shall be evaluated based on the following:

- i. Number of Partners in the firm within Pakistan
- ii. Number of Qualified Professionals (CA and ICAEW only) employed by the firm in Pakistan
- iii. Number of Audit Staff
- iv. Number of offices in Pakistan
- v. Experience of Govt./Semi Govt. Organization Audit Services
- vi. Experience of engagement partner
- vii. Financial Strength

Each Technical Bid shall be attributed a technical score (St). The Bidders scoring less than seventy (70) percent points shall be rejected and their Price Bid shall be returned unopened. The Technical Evaluation Scoring Criteria is given hereunder.

1. No. of Partners	Total Marks	Range of Partners	Marks
2 marks for 8 partners each and additional 1 mark for each additional partner, maximum marks 20. (List of partner to be attached)	20	8	16
		Additional 1 mark for each additional partner , maximum 4 additional marks	4
2. No. of Qualified Professionals Employed by the Firm in Pakistan (CA and ICAEW only) other than Partners	Total Marks	Range of Qualified Professionals	Marks
10 marks for 12 qualified person and additional 1 mark for each additional qualified person, maximum marks 20. (List to be attached)	20	12	10
		Additional 1 mark for each additional qualified person, maximum of 10 additional marks	10
3. No. of Audit Staff (other than Qualified Professionals)	Total Marks	Range of staff	Marks
5 marks for 100 staff and additional 1 mark for additional 15 staff members, maximum 10 marks	10	100	5
		Additional 1 mark for 15 additional staff members, maximum 5 additional marks	5
4. Number of Offices in Pakistan	Total Marks	No. of Offices	Marks
At least 2 Offices in Pakistan	10	2	5
		3 & above	10
5. Government/Semi Government Experience	Total Marks	No. of organization	Marks
Experience of 5 Govt./Semi Govt. Organization Audit services having 4 Billion revenue will earn 5 marks and additional each assignment will earn 3 marks, maximum 10 marks	10	5	5
		Additional each assignment will earn 3 marks, maximum 5 additional marks.	5

6. Years of experience of Engagement Partner	Total Marks	Experience years	Marks
4 marks for 15 years and additional 1 year will fetch 1 mark each, maximum marks 10.	10	10	4
		Additional 1 year experience will get 1 mark, maximum 6 additional marks	6
7. Financial Strength	Total Marks	Revenue	Marks
Revenue	20	Upto 400 Million	5
		400-750 Million	10
		750- 850 Million	15
		Above 850 Million	20
Grand Total:	100		

Price Bid

The Employer shall conduct the opening of Price Bids of all Bidders whose Technical Bids were declared substantially responsive and passed technical evaluation scoring criteria. The prices quoted by the Bidder shall be publically announced to the attending representatives of the Bidders. The Employer shall determine whether the Price Bids are complete and without any computational errors.

The lowest Price Bid among all the Bids shall be given a financial score (Sf) of 100 points. The financial scores of the other Bids shall be computed as follows:

$$Sf = \frac{100 * Pb}{F}$$

Where

Pb = amount of lowest Price Bid

F = amount of specific Price Bid

Selection of Most Advantageous Bid

The Bids shall finally be ranked according to their combined technical (St) and financial (Sf) scores using the following weightages:

T, the weightage given to the Technical Bid = 0.9 (90%)

P, the weightage given to the Price Bid = 0.1 (10%)

$$\text{Combined Score (S)} = St * T + Sf * P$$

The highest ranked Bid having combined score will then be declared as Most Advantageous Bid.

10. Award of Contract

The Employer will award the Contract to the Bidder whose Bid has been determined as Most Advantageous Bid.

The Employer will enter into a lump sum contract with the successful Bidder.

Notwithstanding the above, the Employer reserves the right to annul the bidding process and reject all bids, at any time prior to award of Contract as per Rule 33 of Public Procurement Rules 2004.