



## **Bidding Documents / RFP**

**For**

### **Appointment of Statutory Auditors**

**PUNJAB ENERGY HOLDING COMPANY (PVT) LTD  
(PEHCL)**

**GOVERNMENT OF THE PUNJAB**

**8<sup>th</sup> Floor, EFU House, Gulberg-III, Lahore**

**Tel: 042- 99268430**

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## 1. INVITATION TO BID

Punjab Energy Holding Company (Pvt) Ltd (PEHCL) was incorporated on December 08, 2015 under the aegis of Energy Department, Government of the Punjab. PEHCL was established as Provincial Holding Company to exercise acquisition of provincial petroleum rights over exploration blocks of oil & gas in form of 2.5% working interest on full participation basis in the newly awarded exploratory blocks as per petroleum policy 2012.

PEHCL is desirous to hire services of a top rated Chartered Accountant Firm to conduct its Statutory Audit for one year ending June 30, 2022 with the provision of extension for next two years upon satisfactory performance.

The auditor shall be a Chartered Accountant firm i.e. comprising of Chartered Accountants within the meaning of the Chartered Accountants Ordinance, 1961. Interested Chartered Accountants Firms are invited to submit their proposal in respect of statutory audit after obtaining and understanding the relevant information for assignment purposes.

## 2. INSTRUCTIONS TO APPLICANTS

### 2.1 Submission and Opening of Proposal:

All proposals must be delivered on or before 3:00 pm on January 05, 2023. The proposal will be publicly opened at 3:30 pm on the same day in the committee room of Punjab Energy Holding Company (Pvt) Ltd, 8th Floor, EFU House, Jail Road, Lahore, Pakistan. If the day of submission/opening of the bids is declared as holiday the bids will be opened on the next working day at the same time. Proposal received after the due time will not be accepted and returned to the bidders unopened. The Company will use **“Least Cost Selection method”** under **“single stage one envelope method”** for selection of the auditor under Punjab Procurement Rules Authority, 2014.

The applicants must provide complete information (in English), including the application letter (Annexure-A), along with all supporting documents. Any lapse to provide essential information shall render the applicant non-responsive.

The proposal will be submitted in a sealed envelope, clearly marked as “Proposal for Statutory Audit” either by hand or courier at the following address:

CFO & Company Secretary  
Punjab Energy Holding Company (Pvt) Ltd.  
8<sup>th</sup> Floor EFU House Jail Road , Lahore  
Email: [pehcl.cfo@punjab.energy.gov.pk](mailto:pehcl.cfo@punjab.energy.gov.pk)  
Mob: 0321-4249419

### 2.2 Queries and Clarification of Bid:

Queries of the applicants for seeking clarifications must be received in writing or through e-mail within 10 days of receipt of invitation to bid offer letter.

Contact details for all correspondence in relation to this bid are as follows:

Mr. Salman Shahid  
Chief Financial Officer & Company Secretary`  
Punjab Energy Holding Company (Pvt) Ltd.  
8<sup>th</sup> Floor EFU House Jail Road , Lahore  
Email: [pehcl.cfo@energy.punjab.gov.pk](mailto:pehcl.cfo@energy.punjab.gov.pk)  
Mobile: 0321-4249419

Applicants are also required to state in their proposals the name, title, phone numbers, fax numbers and e-mail of their authorized representative through whom all communications shall be directed until the process has completed or terminated.

PEHCL may reject all proposals at any time prior to the acceptance of a proposal under Rule 35 of the Punjab Procurement Rules, 2014. The audit engagement would initially be for one year and may be extended for further two years subject to satisfactory performance review by Finance and Audit Committee, at end of each year. It would also be subject to appointment / approval by shareholders in Annual General Meeting as per section 246(2) of Companies Act, 2017. The Company reserves the right to review the contract at the end of each year.

### **2.3 Disclaimer:**

The RFP for appointment of statutory auditors contains brief information about the audit services required and provides the applicants information to assist in the formulation of their proposal. While all efforts have been made to ensure the accuracy of information contained in this document, it may not contain all the information required by the applicants. The applicants should conduct their own independent assessment, investigations and analysis and may prepare their proposals in the light of relevant experience and international best practices. PEHCL, or any of its employees or advisors/consultants, shall incur no liability under any law, statute, rules or regulations as to the accuracy or completeness of this document.

PEHCL reserves the right to change any or all conditions/information set in this document by way of amendment, revision, deletion, updating or annulment through issuance of appropriate corrigendum as PEHCL may deem fit in accordance with Punjab Procurement Rules 2014.

PEHCL shall not be responsible for any costs or expenses incurred by interested firms in connection with the preparation or delivery of the proposal.

### **3. SCOPE OF WORK**

The scope of work is to conduct statutory audit of Punjab Energy Holding Company (Pvt) Ltd (PEHCL) for the periods aforesaid. The overall scope of the audit is as follows:

- 3.1 The audit engagement for the financial statements will initially cover the period for the year ending June 30, 2022 and may be extended for the years ending June 30, 2023 and June 30, 2024 respectively subject to statutory approvals.
- 3.2 Executive staff strength of PEHCL currently stands at 03 whereas non-executive staff strength is 01.
- 3.3 Auditor's report is required to be submitted within 2 months of year end.
- 3.4 The subject audit will cover annual audit as per scope and duties / liabilities defined in Companies Act 2017, International Standards on Auditing and Accounting and other applicable regulations including review report on corporate governance as required in Public Sector Companies (Corporate Governance Rules) Rules 2013 (as amended in 2017).

## 4 ELIGIBILITY CRITERIA

The following documents/ certificates are the pre-requisite and shall be used for initial screening.

### 4.1 Eligibility on the basis of corporate information:

- 4.1.1 Profile of the Firm.
- 4.1.2 The firm must be “A” ranked as per State Bank of Pakistan.
- 4.1.3 The firm must have affiliation with one of the well-reputed international audit firms.
- 4.1.4 Declaration on stamp paper that the firm has never been blacklisted by any Government department/authority/agency/company.
- 4.1.5 Satisfactory most recent QCR Rating of ICAP.
- 4.1.6 Taxpayer registration certificate (Income Tax and Sales Tax (if applicable)).
- 4.1.7 Partnership registration certificate (ICAP and Registrar of Firms).
- 4.1.8 Annual turnover of the firm for the last three financial years
- 4.1.9 Affidavit from the firm, to the effect, that all the documents, statements and information provided with the proposal are complete, true and correct in all aspects.

### 4.2 Eligibility on other basis: (Technical Evaluation)

The firms cleared from initial screening will be technically evaluated as per following criteria.

- 4.2.1 Number of partners in Pakistan.
- 4.2.2 Number of ICAP qualified Chartered Accountants in Pakistan.
- 4.2.3 Number of audit staff in Pakistan registered with ICAP.
- 4.2.4 Experience of audit of Public Sector Companies (Only experience of limited companies registered with SECP shall be accepted)
- 4.2.5 Experience of audit of Exploration & Production (E&P) Companies (Only experience Of Upstream Sector of Oil & Gas industry shall be acceptable)
- 4.2.6 Number of offices in Pakistan.

**4.3** Scoring of each above noted eligibility criteria in 4.2 shall be made as per scoring criteria defined in 4.4. Minimum score for qualifying in technical evaluation is 65%. The financial proposal of only that Audit Firm shall be opened which shall secure 65% or more in technical evaluation. Only among technically qualified bidders the lowest quoted audit fee in financial proposal will be considered as a successful bidder for award of contract. No any single technically qualified bidder shall be considered for opening of his financial proposal or award of contract.

### 4.4 Technical Evaluation Scoring Criteria

Number of Partners	Total Marks	Range of Partners	Marks
Number of partners (List of partners attached)	<b>10</b>	5-14	5
		15 & above	10
Number of ICAP qualified chartered accountants other than Partners	Total Marks	Range of Staff	Marks
Qualified Chartered Accountants (List attached)	<b>10</b>	10-49	5
		50 & above	10
Number of Audit Staff	Total Marks	Range of Staff	Marks
Audit Staff (List attached)	<b>10</b>	100-299	5
		300 & above	10

<b>Public Sector Companies Audit Experience</b>	<b>Total Marks</b>	<b>Range of Companies</b>	<b>Marks</b>
	<b>30</b>	0-5	15
<b>Exploration &amp; Production (E&amp;P) Companies Audit Experience</b>	<b>Total Marks</b>	<b>Range of Companies</b>	<b>Marks</b>
	<b>30</b>	0-5	20
	<b>Total Marks</b>	<b>Range of Offices</b>	<b>Marks</b>
<b>No of Offices In Pakistan (Minimum 02 Offices)</b>	<b>10</b>	0-2	5
		3 and above	10

## 5. EVALUATION CRITERIA

- 5.1 The Company will use “**Least Cost Selection method**” under “**single stage one envelope method**” for selection of the auditor under Punjab Procurement Rules, 2014.
- 5.2 Least cost shall based on aggregate quoted audit fee of all three years including applicable taxes and pocket money.

## 6. TERMS AND CONDITIONS

The audit firm is expected to examine the RFP thoroughly, including all terms and conditions. The audit firm shall bear all costs / expenses associated with the preparation and submission of the proposal and PEHCL shall in no case be responsible / liable for those costs / expenses. The prospective audit firms may solicit clarification as mentioned in the RFP in writing.

### 6.1 Audit Fee

The fee for audit of financial statements for the period must be provided as per following table and must be inclusive of all costs, out of pocket expenses and taxes applicable in Pakistan. Audit firm will be selected on the basis of least cost method. Audit firms are therefore requested to submit their lowest and competitive fee. The total amount of fee for three years must also be quoted in figure as well as in words.

Audit fee for June 30, 2022	Audit fee for June 30, 2023	Audit fee for June 30, 2024	Total Amount of three years
Amount in Figure (PKR) as well as in Words	Amount in Figure (PKR) as well as in words	Amount in Figure (PKR) as well as in words	Amount in Figure (PKR) as well as in Words

### 6.2 Validity of Proposal

The proposal validity period shall be two (2) months from the last date for submission of the same.

### 6.3 Time Frame

The audit engagement would initially be for one year and may be extended for further two years subject to satisfactory performance review by Finance and Audit Committee, at end of each year.

It would also be subject to appointment / approval by shareholders in Annual General Meeting as per section 246(2) of Companies Act, 2017. The Company reserves the right to review the contract at the end of each year.

#### **6.4 Invoicing and Payments**

Payment will be released after 30 days of submission of invoice by the auditors after completion of the audit assignment. Payment will be made through cross-cheque after deduction of all applicable taxes in Pakistan.

#### **6.5 Arbitration and Dispute Resolution**

In case of any difference or dispute arising between the parties relating to this proposal or contract, same shall be referred to resolution to the Chief Executive Officer of PEHCL or his duly authorized nominee whose decision shall be final and binding on both the parties and shall not be challenged in any court of law.

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## **Annexure A - Application for Appointment as Statutory Auditors**

(Letter head paper of the Applicant including full postal address telephone no. and fax no.)

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

To:

The Company Secretary  
Punjab Energy Holding Company (Pvt) Ltd.,  
8<sup>th</sup> Floor, EFU House, Jail Raod, Lahore

Dear Sir,

- 1 Being duly authorized to represent and act on behalf of \_\_\_\_\_ (hereinafter referred to as “the Applicant”), and having reviewed and fully understood all of the information provided in this RFP for appointment of statutory auditors, the undersigned hereby expresses its interest in and applies to be appointed by your organization for the audit of financial statements for the period 1st July 2021 to 30<sup>th</sup> June 2022 of Punjab Energy Holding Company (Pvt) Ltd.
- 2 Attached to this proposal/bid are copies of original documents specifying:
  - 2.1 Profile of the Firm.
  - 2.2 Name, title, phone numbers, fax number and email of authorized representative.
  - 2.3 “A” ranked as per State Bank of Pakistan.
  - 2.4 Affiliation with the international audit firm.
  - 2.5 Declaration on stamp paper that the firm has never been blacklisted by any Government department/ authority/ agency/ company.
  - 2.6 Satisfactory most recent QCR rating of ICAP.
  - 2.7 Taxpayer registration certificates (Income Tax and Sales Tax).
  - 2.8 Partnership registration certificate (with ICAP and Registrar of Firms).
  - 2.9 Annual turnover of the firm for the last three financial years.
  - 2.10 Other documents as required in the proposal for eligibility criteria.
- 3 The client and its authorized representatives are hereby authorized to conduct any inquiries or investigations to verify the statements, documents and information submitted in connection with this application, and to seek clarification from our bankers and clients regarding any financial and technical aspects. The letter of application will also serve as authorization to any individual or authorized representative of any institution referred to in the supporting information, to provide such information as deemed necessary and requested by the client or its authorized representative in order to verify statements and information provided in this application, or with regard to the resources, experience, and competence of the firm.
- 4 The undersigned declares that the statements made and the information provided in the proposal are complete, true and correct in all aspects.

Signed:

Name:

For and on behalf of  
(Firms Name)