

Request for Proposal (RFP)

**For Appointment of Internal Auditor for
Gujarat Energy Research & Management
Institute (GERMI).**

[FY 2023-24]

REQUEST FOR PROPOSAL (RFP)

1. Gujarat Energy Research & Management Institute (GERMI) seeks to invite proposal from the CA firms for the Internal Audit for the Financial Year 2023-2024 for conducting the Internal audit.
2. The details about the background of the auditee, the scope to be covered in the audit, scope of work, terms of reference, and the eligibility criteria for selection of the C.A. firms are given in the following paragraphs. The RFP Document is divided into total 8 Parts as follows:
PART A - Terms of Reference
PART B - General Information for Bidder
PART C - Scope of Audit
PART D - Timeline for Bidding Process
PART E - Guidelines for Bid Submission Process
PART F - Opening of Proposal
PART G - Procedure for Evaluation of Bids
PART H - General Guidelines (Includes Form No T-1 to T-6)

PART -A Terms of Reference (ToR)

1. Background

Gujarat Energy Research & Management Institute (GERMI) is a centre of excellence in the energy sector, promoted by Gujarat State Petroleum Corporation Limited (GSPC), a Government of Gujarat Undertaking. GERMI has four mandates:

- Research and Development
- Consultancy
- Training
- Education

GERMI is a Centre of excellence in industry learning and has been set up to develop human resource assets to cater to the petroleum and allied energy sectors, improve knowledge base of policy makers and technologists and provide a competitive edge to leaders to compete in the global arena. GERMI has already established Pandit Deendayal Energy Institute (PDEU) which is actively pursuing initiatives in the areas of education and research in alternative energy resources. Our work bridges both the petroleum and renewable energy sectors. We aim towards improving the knowledge base of policy makers, regulators and provides a competitive edge to industry leaders to compete in the global arena. For achievement towards its goal, GERMI is sub divided in total 5 groups namely Petroleum Management Group, Petroleum Research Management Group, Renewable Management Group, New Technology Management Group, Environment Management Group.

2. Objective of audit services:

The objective of the audit is to ensure that Trustees of GERMI receives adequate, independent, professional audit assurance that the grant/donation proceeds provided by various entity are used for purposes intended in line with undertaking or agreement with grantee/donee and that the annual financial statements are free from material misstatements.

3. Standards:

The audit will be carried out in accordance with **Engagement & Quality Control Standards (Audit & Assurance Standards)** issued by the Institute of Chartered Accountants of India in this regard. The auditor should accordingly consider materiality when planning and performing the audit to reduce the risk to an acceptable level that is consistent with the objective of the audit. In addition, the auditor should specifically consider the risk of material misstatements in the financial statements resulting from fraud.

4. Request for Proposal (RFP)

GERMI invites Request for Proposal from interested and eligible bidder for empanelment as Internal auditors through Registered Post / Hand Delivery / Speed Post. The interested and eligible bidders may submit their proposal as per the guidelines given in this RFP document.

PART -B General Information for Bidder

1. Eligibility:

The bidder should have its Office in Ahmedabad / Gandhinagar / Baroda and possess minimum 10 years of experience, having at least 5 Partners out of 3 should be full time partners and with adequate staff. From the total assignments of the bidder, two assignments should be of Internal Audit for each Financial Year preferably of Trust/ Research Institution /University / Research Organisation / Government Board Corporation or any Government Company/ Entity in preceding 3 years having minimum Turnover of Rs 10 Crore. The bidder should have annual minimum turnover of Rs. 30 lakhs from Audit Fees (Both Internal and Statutory). The Bidder should not be blacklisted by any Trust, Government Department, Institute, or any University.

2. Period of appointment:

The initial period of appointment will be for one year. The auditors may be reappointed for a further period up to a maximum period of three years. The reappointment is subject to satisfactory services by the auditors and will be at the discretion of the Institute.

3. Audit Fees and Payment:

The firms those are interested to be appointed will have to quote consolidated audit fees including expenses on TA/DA. The firm quoting the minimum consolidated fees including towards TA/DA expenses will be awarded the work of audit. The payment of Audit Fees as fixed will be made on completion of Audit Work and issue of Audit Report on yearly basis. The Bidder shall not be at liberty to withdraw or modify their submitted proposal or any terms and conditions thereof before the expiry of said contract period.

4. Disclosure of Minimum Fees:

The Minimum Audit Fees for the said Tender is Rs 1,20,000/- per annum. This is following the Guideline No-1-CA (7)/03/2016 dated 7/4/2016 issued by The Institute of Chartered Accountants of India.

5. Taxes and Duties:

GERMI shall be entitled to deduct applicable tax (if any) at source as per Indian Laws from all payments due to the bidder under the agreement.

5. Tender Fees and Security Deposit

The "Technical" and "Commercial" proposals must be submitted following the formats / schedules given in the supplementary information for auditor. The first part marked "TECHNICAL PROPOSAL" should include the description of the firm / organization, the firm's general experience in the field of assignment, the qualification and competency of the personal proposed for this assignment and the proposed work plan methodology and approach in response to suggested terms of reference. The first part i.e., Technical Proposal should not contain any cost information whatsoever. The second part i.e., "COMMERCIAL PROPOSAL" should contain the detailed price offer for the audit services.

Demand Draft of any Nationalized / Scheduled Bank for Rs. 2500/- as Tender Fee to be submitted. Along with this, a D.D (Nationalized / Scheduled Bank) of Rs. 3600/- needs to be paid by the firm getting selected for audit, as Security deposit.

Demand draft of both tender fees and security deposit should be in the name of "Gujarat Energy Research & Management Institute" and payable at Gandhinagar. Note that, Tender fees is non-refundable and security deposit will be refundable (without interest) after the completion of entire audit and on submission of audit report.

Technical proposal along with documentary evidence showing qualification criteria will be submitted in physical form only as per schedule along with D.D. of Tender Fee. Security deposits will be taken only from the firm which are finally awarded the audit. The firm must give their confirmation within 5 days of work order / LOA given by the Institute. Along with the confirmation, the firm needs to submit the Security Deposit.

6. Evaluation of RFP:

Evaluation will be based on the Techno-Commercial Bid submitted by the bidders who have shown interest. The bidder will be selected based on 40% weightage to the technical aspect of the proposal and 60% weightage to the Commercial proposal.

7. Assignment & sub-contract:

The selected bidder shall not assign, sub-contract or sub-let the whole or any part of the service in any manner.

8. Confidentiality and Disclaimer:

All information provided by GERMI in connection with this RFP must be treated as confidential by Bidder.

9. Legal dispute:

The bidder should not have any legal suit/criminal cases pending against bidder and/or its partners or having not been earlier convicted on grounds of moral turpitude or for violation of laws in force.

PART -C Scope of Audit

1. The audit will be carried out in accordance with the Accepted Indian Auditing Standards and will include tests and verification procedures as the auditors feel necessary.
2. To conduct Internal Audit of Books of Accounts on quarterly basis.
3. Examination of books of accounts & financial records and advising on accounting entries & bookkeeping, distinction of revenue & capital expenses, accounting treatment, etc.
4. Express an opinion as to reasonableness of the financial statements in all material respects.
5. Audit and Review of Projects / Grants at Group Levels of GERMI. (i.e. tendering process, Project Proposals, Budgetary Approvals, Benchmarks given in PO, Project Submission Deadlines, Billing as per PO and Profitability/Savings for each Project / Grants, etc.)
6. Auditors must verify all funds have been used in accordance with the established rules and regulations of the project and only for the purposes for which the funds were provided.
7. Verification and correctness of all Cash, Bank Payments vouchers, all Journal Vouchers, all Invoices and Sales register, all Expense vouchers, accounting heads, project wise accounting etc.
8. Verification of Fixed Assets Register and Depreciation calculations.
9. Verification of Groupings for Annual Accounts.
10. Verification of Receipts, Grant receipts and its accounting, Review of Debtors
11. Verification of Increment, pay commission, fitment, promotion, and also ensure compliance.
12. Review of HR Policies & Procedures with respect to recruitment, selection, induction, performance appraisal, compensation and benefits, Full & final settlements, leaves and advances of Employees, consultants & third-party manpower.
13. Review of Payment & contractual conditions with selection agencies & review of selection agencies
14. Review of process of leave tracking, leave encashment & compensatory off.
15. Review of policies for employee loans & advances-approval, disbursal & deductions.
16. Review of access of control over employee salary master & changes to master data.
17. Review of payroll processing, deduction of TDS, filing of PF return with Statutory Authorities.
18. Review of procurement and monitoring process of Fixed Assets
19. Review of process for requisition of IT Assets
20. Review of process of Asset Maintenance Disposal
21. Review of process of Asset Verification including Tagging process
22. Review of process of procurement and maintenance of software licenses & other software product/ services.
23. In addition to the audit report, the auditors will provide the following:
 - a. Give comments and observations on the accounting records, procedures, systems, and controls that were examined during the course of the audit.
 - b. Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement.
 - c. Report on the implementation status of recommendations pertaining to previous period audit reports.
 - d. Communicate matters that have come to their attention during the audit which might have a significant impact on the sustainability of the organization.
 - e. Advising on important resolutions / policies of the Institute.
 - f. Attending meetings of the Institute as and when required / called for.
 - g. Any other assignment as may be deemed necessary by the management.

PART -D Timeline for Bidding Process

RFP Publishing Date	17/02/2023
Pre-Bid Meeting	20/02/2023
RFP Submission Date	06/03/2023
Technical Bid Opening Date	09/03/2023
Financial Bid Opening Date	14/03/2023

PART -E Guidelines for Bid Submission Process

1. Two Bid System:

- a. The bids shall be submitted in two different envelopes,
Envelope –A : Technical Bid and Envelope
Envelope –B : Commercial Bid.
- b. Each of the Two Envelopes shall then be sealed and put into an outer envelope marked as “Request for Proposal (RFP) for providing Internal Audit Services at the GERMI”.
- c. The inner and outer envelopes shall be addressed to GERMI at the address mentioned below:
The Head - Finance
Gujarat Energy Research and Management Institute,
Energy Building, Pandit Deendayal Energy University Campus,
Raisan, Gandhinagar 382426 GUJARAT
- d. The inner two envelopes shall also indicate the name and address of the bidder.
- e. If the outer envelope is not sealed and marked as indicated, Institute will assume no responsibility for the Bidder’s misplacement or premature opening.

2. Contents of the Two Envelopes:

Envelope – A: Technical Bid is the eligibility criteria.

Envelope – B: Commercial Bid (as per “Form T-6”).

The content to be inserted inside Envelope – A: Technical Bid are as follows:

- (i) Letter of Transmittal (**Form T-1**)
- (ii) Details of the Firm along with Details of Partners (**Form T-2**),
- (iii) Details of Qualified Staff & Semi-qualified Staff (**Form T-3**),
- (iv) Details of the Team Composition (**Form T-4**): Firm must provide the structure and composition of the teams which shall be deputed.
- (v) Brief of the relevant experience (Details of engagement of as Internal Auditor) (**Form T-5**)
- (vi) Other Required Documents duly signed and stamped:
 - Certificate of Registration / Partnership Deed
 - PAN Card of the bidding entity
 - Last 3 year’s IT return filed by bidder.
 - GST registration certificate
 - Tender Fee DD
 - Documents in support of financial turnover (showing income from Audit Fees should be shown separately) for the last 3 financial years of the bidder.
 - Undertaking to be furnished by the Bidder that the bidder does not have any legal suit / criminal cases pending against bidder and / or its partners or having not been earlier convicted on grounds of moral turpitude or for violation of laws in force

The content to be inserted inside Envelope – B: Commercial Bid is as follows:

The Commercial bid shall be submitted as per Form T-6 offline only. As regards the Audit Fee to be quoted, the firm has to quote total amount of audit fees including all expenses towards TA/DA. The consolidated amount of Audit Fee and TA/DA Cost will be considered for evaluation of Financial Bid.

PART -F Opening of Proposal

The date and time of opening of technical proposal will be as stated in timeline of bidding process. It will be opened in the presence of auditor or their authorized representative who choose to attend. It may please be noted that second part containing the detailed price offer will not be opened until technical evaluation has been completed and the result approved by management.

PART -G Procedure for Evaluation of Bids:

Evaluation will be based on the Techno-Commercial Bid submitted by the bidders who have shown interest. The bidder will be selected based on 40% weightage to the technical aspect of the proposal and 60% weightage to the Commercial aspect of the proposal.

1. Pre-Qualification Criteria

The bidder needs to qualify in the given pre-qualification criteria as below:

No.	Particulars	Yes / No
1	The bidder should have its Office in Ahmedabad / Gandhinagar / Baroda	
2	The bidder should possess minimum 10 years of experience	
3	The bidder should have at least 5 Partners (Chartered Accountants), out of 3 partners must be full time Partners and minimum 2 qualified manpower (other than Partners) having sufficient experience in the field of audit for more than 2 years with the firm applying for this tender.	
4	From the total assignments of the bidder, two assignments should be of Internal Audit for each Financial Year preferably of Trust, Research Institute, University / Academic Institution (colleges affiliated with University / Deemed University) or any Government Company/Corporations in preceding 3 years having minimum turnover of Rs 10 crore.	
5	The bidder should have annual minimum turnover of Rs. 30 lakhs from Audit Fees (Statutory / Internal)	

The bidder shall be technically evaluated post qualifying in the above given pre-qualification criteria. **Any firm not qualifying these minimum criteria as mentioned above need not apply as their proposal will be rejected. The firm or any partners of the firm should not be blacklisted by any Institute/ University or by any PSUs or Govt. Co. or any other organisation in respect of any assignment or behaviour. (Certificate on 300 Rs. stamp paper should be submitted along with the technical bid.)**

Supporting Documents for Eligibility Criteria: Following supporting documents must be submitted by the firm along with the technical proposal:

- i. For No. 1, 2, 3 above, the firm must submit an attested copy of Certificate of ICAI as on 01/02/2023.

- ii. For No. 4 copy of appointment letter, along with Income & Expenditure / Profit & Loss and Balance Sheet should be attached. So far as turnover is concerned, turnover means “Income from Operation”.
- iii. For No. 5, the firm must submit, a copy of the balance sheet and profit & loss accounts for the last three years. (F.Y. 2019-2020, 2020-2021, 2021-2022). **If the bidder's Income & Expenditure / Profit & Loss statements do not clearly indicate Audit fees, a CA-certified turnover bifurcation will be required.**

2. Technical Evaluation

The bidder will be technically evaluated based on the below mentioned parameters and the point list for the same is as follows:

No	Particulars	Max Score
1	Bidder should have at least 5 Partners associated with the firm, out of which 3 should be full time partners. Score for Number of Full-time partners associated with the Firms exceeding 3:	
	(a) No. Full time Partners from 4 - 8 [0.80 point for each full-time partner]	4
	(b) No. full time Partners for more than 8 [1.5 points for each full-time partner, Max 6 Point]	6
2	Score for Number of Qualified manpower (other than Partners and holding master’s degree) having sufficient experience in the field of audit for more than 2 years with the firm.	
	(a) 3- 6 employees [0.80 point for each employee]	4
	(b) More than 6 employees [1.5 points for each employee, Max 6 Point]	6
3	Score for No. of assignments of carrying out Internal Audits of Trust/ Research Institute / University / Academic Institutes / Government Board Corporation having minimum turnover of Rs 10 crore.	
	(a) 3 to 10 Assignments [0.50 point for each year]	4
	(b) Above 10 Assignments [1.50 point for each year, Max 6 Point]	6
4	Score for Average Turnover (only of Audit Fees – Statutory/ Internal) of the firm during the preceding 3 financial years (i.e., 2019-20, 2020-21 and 2021-22 respectively)	
	(a) Rs. 31 Lakhs to Rs. 60 Lakhs [1 point for each Rs. 10 Lakhs]	3
	(b) Above Rs. 60 Lakhs [1 point for each Rs. 10 Lakhs, Max 6 Point]	7
Total Points		40

The bidder fulfilling with the Pre-Qualification criteria will be eligible for the technical evaluation.

X = Marks assigned to the firm being evaluated out of 40 marks as per point # 1 to 4 in the above given table

3. Commercial Evaluation

Commercial Bids of top 5 bidder shall be opened to the Committee.

Y = Score for the Commercial bids for all the bidders will be given as per following formula.

Bid Price	Formula for Score
L1	L1 Score = 60
L2	L2 Score = 60 - {(L2-L1)/D x 60}
L3	L3 Score = 60 - {(L3-L1)/D x 60}
L4	L4 Score = 60 - {(L4-L1)/D x 60}
L5	L5 Score = 60 - {(L5-L1)/D x 60}

“D” = Difference of Highest bid price and lowest bid price

The total score shall be out of 100 and the formula for the same is as per below:

Total Score = {(Score of X) + (Score of Y)}

The bidder getting the highest composite techno-commercial score will be awarded the contract.

Notes:

- (i) If 2 bidders getting the same composite techno-commercial score, the bidder with lower commercial bid will be awarded the contract.
- (ii) GERMI reserves the right to reject any or all bids without assigning any reason.
- (iii) GERMI reserves the right to make change or amend any terms of RFP as deemed appropriate.
- (iv) GERMI reserves the right to increase or decrease the scope of work

PART H - General Guidelines:

- a) If firm does not start audit within 1 month of the execution of confirmation agreement, their Security Deposit will be forfeited. No payment will be done to the parties leaving the contract in between. However, Secretary and Trustee (GERMI) will be the final authority to condone delay if any.
- b) Commercial proposals submitted by the firm should be valid for 6 months from the date of submission of the proposal by the firm.
- c) Each page, Form, Annexure and Appendices of the Technical and Financial Proposal must be signed by the Authorised signatory of the firm.
- d) All blank spaces in the proposal must be filled in completely wherever indicated.
- e) For any technical support please Contact 079-23275763.

(On Firm's Letter Head Only)

Form T-1 (Letter of Transmittal)

To,
Director General,
Gujarat Energy Research & Management Institute (GERMI),
Gandhinagar

Dear Sir,

We, the undersigned, offer to provide the audit services for Gujarat Energy Research & management Institute (GERMI) in accordance with your Request for Proposal dated [Insert Date]. We have submitted our Technical and a Commercial Proposal along with DD for tender fees of Rs.....,Dated.....,D.D. No....., Name of Bank.....,Branch.....

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. We will not go for any test check but will do 100 % checking.

The prices quoted by us in the Commercial Proposal **(Form T-6)** are valid till six months from the date of submission of the quotation. We confirm that this proposal will remain binding upon us and may be accepted by you at any time before the expiry date.

Prices have been arrived independently without consultation, communication, agreement or understanding (for the purpose of restricting competition) with any competitor.

We agree to bear all costs incurred by us in connection with the preparation and submission of the proposal and to bear any further pre-contract costs.

We understand that Gujarat Energy Research & management Institute (GERMI) is not bound to accept the lowest or any proposal or to give any reason for award, or for the rejection of any proposal.

I confirm that I have authority of **[Insert Name of the C.A. Firm]** to submit the proposal and to negotiate on its behalf.

Yours faithfully,

()

(On Firm's Letter Head Only)

Form T-2 (Particulars/Details of the Firm)

Note : Details should be properly filled

Sl. No.	PARTICULARS	Supporting Documents required to be submitted along with this Form
1	Name of the Firm	
2	Addresses of the Firm:	
	Head Office	Phone No: Fax No: Mobile of Head Office In-charge:
	Branch Office 1, 2, 3..... (Particulars of each branch to be given)	Phone No: Fax No: Mobile of Branch Office In-charge:
3	Registration No. with ICAI	Attach copy of Registration
4	Firm Income Tax PAN No.	Attach copy of PAN card
5	Firm GST Registration No.	Attach copy of Registration
6	No. of Years of Firm Existence & Date of establishment of Firm	Attach copy of Certificate of ICAI as on 1.2.23 (if applicable Partnership Deed)
7	Turnover of the Firm in last three years (F.Y. 19-20 ,20-21, 21-22)	Attach Profit & Loss account of the last three years. (CA-certified turnover bifurcation, if applicable)
8	Annual Average Turnover	Avg. of Point no 7.
9	No. Internal Audit Assignments experience details having minimum turnover of Rs 10 Crore.	Copy of the Offer Letter with Turnover Certificate or Certified Income and Expenditure Ac or Profit and Loss A/c which may applicable. (Note: If the firm have been engaged in more than one year for Internal Audit of the Organization, than each year should be count as separately)
9	<p>Details of Firm: Provide following details:</p> <ul style="list-style-type: none"> • Number of Full Time Fellow Proprietor/ Partners /Employee associated with the firm. • Name of Proprietor/each partner/ each employee. • Date of becoming ACA and FCA • Date of joining the firm, • Membership No., • Qualification • Experience <p>Whether the partners is engaged full time or part time with the firm.</p>	Attested copy of Certificate of ICAI as on 1-2-2023.

(On Firm's Letter Head Only)

Form T-3

A. Details of Qualified Staff excluding partners (Master's degree holders Only)

S. No.	Name of Staff	Length of Association with the Firm (in years)	Educational Qualifications	Area of Key Expertise	Relevant Experience	Remarks
Qualified Staffs:						
1						
2						
3						

B. Details of Semi-qualified Staff (including Article Clerks etc)

S. No.	Name of Staff	Length of Association with the Firm (in years)	Educational Qualifications	Area of Key Expertise	Relevant Experience	Remarks
Semi Qualified Staffs:						
1						
2						
3						
Article Clerks:						
1						
2						
3						
Others						
1						
2						
3						

(On Firm's Letter Head Only)

Form T-4

Details of Structure & Composition of Team and Task Assignments – DEPLOYED FOR Proposed Assignment

Each team will constitute of minimum 1 member with qualifications as below:

Name	No	Educational Qualification	Relevant Experience	Name of the firm to which he belongs in case of Associate
CA / CA Inter	1			
Support Staff (Jr Auditors)	1			

- 1. The firm shall give an undertaking that the team members are proficient in the State's official language and English (both oral and written).**
- 2. Firms must also clearly bring out the number of teams it plans to deploy for the audit keeping in view the scope of work, coverage and Guidelines for submitting the proposal.**

Minimum staff as required for audit must be deployed by the firm. Minimum 2 members will be required in the team. If Management feels that more staff is required for audit, we have right to ask for the same and it should be co-ordinated by the firms as well.

(On Firm's Letter Head Only)

Form T-5

Brief of Relevant Experience (Internal Audit):

No.	Name of the Auditee Organization	Type/Nature of Assignment	Year of Appointment	Scope & Coverage of the assignment	Turnover of the Organisation	Proof of the letter of Work or Assignment awarded by the Auditee Organization (Pl attach a copy of the letter)

Name & Signature of Authorized Person

(On Firm's Letter Head Only)

Form T-6

Commercial Bid for appointment as Internal Auditor of the Institute

No.	Particulars	Amount in Rs.
1	Annual Internal Audit Fees for the FY 2023-2024 (Inclusive of TA-DA (out of pocket Expenses))	
	GST @ -----	
	Total (In words : -----)	

Name & Signature of Authorized Person