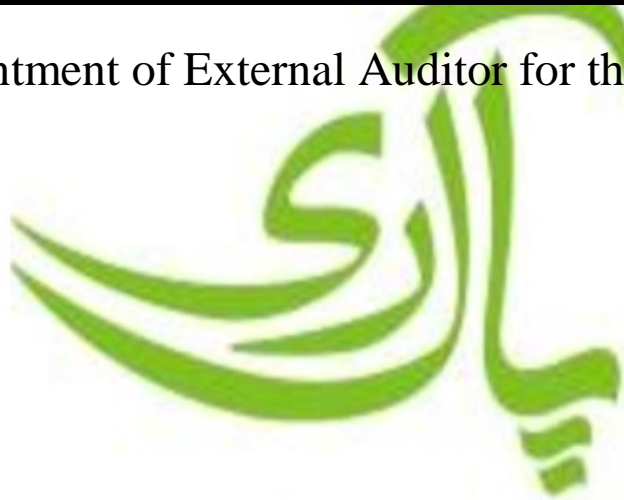


BIDDING DOCUMENTS

For

NATIONAL COMPETITIVE BIDDING

(Appointment of External Auditor for the Year 2022)



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Services of Chartered Accountant Firm

Tender # Appointment of External Auditor for the year 2022-2025

1. Invitation to Bid

Formerly called the Pakistan Insurance Corporation, Pakistan Reinsurance Company Limited, PRCL was established in 1952 as Pakistan Insurance Corporation under PIC Act 1952 in order to support local insurance industry. It is the sole reinsurance organization operating in Pakistan. PRCL's prime objective is the development of insurance and reinsurance business in Pakistan. The company provides insurance solutions to departments including Aviation, Marine Cargo, Marine Hull, Engineering, Fire and Accident. The company head office is at Karachi, Pakistan and its zonal office is at Lahore.

Pakistan Reinsurance Company Limited invites sealed bids from Individual Chartered Accountants Firm having experience of auditing listed clients, who will conduct an audit of the condensed interim financial report for the 1st half ending 30th June 2022 and annual report for the year ends 31st December 2022 by Companies 2017, Insurance Rules, 2017 and other applicable regulations. The Chartered Accountants Firm registered with ICAP can apply within the stipulated date, time and, terms & conditions mentioned below and as prescribed in the bidding document:

- i. The bidding document can be obtained from the Accounts department-FW on the 11th floor, PRC Towers, Karachi during office hours (9:30 am to 5:00 pm). The bidding document can also be downloaded from www.pakre.org.pk and PPRA website at www.ppra.org.pk. The bidding document is free of cost.
- ii. Sealed bids as per the instruction contained in the bidding document must reach to undersigned latest by 28/03/2022 at 11:00 am. Technical Bids will be opened on the same day in presence of bidders at 11:30 am.
- iii. This advertisement is also available on PPRA's website at www.ppra.org.pk and PRCL's website at www.pakre.org.pk

2. Eligibility Criteria

- a) Interested Individual Chartered Accountant Firm (“the bidders” hereafter) must have more than three (03) years of experience in auditing accounts of listed companies.
- b) General Sales Tax Registered
- c) National Tax Number Registered
- d) The bidder shall be on the active taxpayer list of FBR.
- e) The bidder shall furnish an undertaking on stamp paper for not being blacklisted by any government department/organization/public entity.
- f) The firm must fall in category “A” in State Bank of Pakistan’s panel of auditors.
- g) The firm should have QCR certificate form ICAP.

3. Specific Terms and Conditions

- h) The bids shall be prepared by the instructions given in this document.
- i) Method of selection will be Single **Stage Two Envelop** of procurement specified in PPRA Rules 2004 and allied regulations, thereof.
- j) After scrutiny, only the eligible bidders will be technically evaluated, and subsequently only the technically qualified bidders will be invited for the opening of the Financial Proposal. Venue and timing will be communicated to the technically qualified bidders in advance.
- k) Bids received after the due date, conditional and incomplete bids will be rejected.
- l) The bidder or one authorized representative shall attend the tender opening if desired.
- m) Details of Litigation if any, and a Certificate of not being black listed by any government organization should be enclosed.
- n) PRCL will agree with the most advantageous (lowest evaluated) bidder.
- o) Successful bidder will furnish on undertaking of “Conflict of Interest”. If any, within 14 days.
- p) PRCL shall disqualify bidder(s) if it finds, at any time, that the information submitted by the bidder concerning its eligibility was false and materially inaccurate. Such bidders shall be blacklisted as per relevant rules of PPRA.

- q) PRCL reserves the right to reject any or all bids at any time before the acceptance of a bid or proposal as per PPRA rules.
- r) After completion of three years, contract may be extended for further 2 years on mutual understanding.

3. Submission of Bids

3.1. The sealed bids (separately marked as technical and financial) along with the required documents should reach to office of Accounts-FW “Audit Coordinator” of PRCL before the given closing date and time.

3.2 Technical Proposal

The technical proposal containing must be submitted along with copies of all required documents mentioned therein. The technical Proposal must be kept in a sealed envelope. The envelope shall be marked as “TECHNICAL PROPOSAL” along with a tender number.

3.3 Financial Proposal

The financial Proposal indicating the quoted price in figures as well as in words must be kept in a **SEPARATE SEALED ENVELOPE**. The envelope shall be marked as “FINANCIAL PROPOSAL” along with a tender number.

3.4. Both envelopes of the financial and technical proposal shall be kept yet in another properly sealed envelope marked “*Chartered Accountant –External Auditors Firm*” shall reach to Audit Coordinator at 11th Floor of PRC Towers, Karachi.

4. Clarifications

Bidder(s) requiring any clarification may contact the undersigned during working hours before three days of the deadline for submission of bids

Mr. Jawad Ali Shaikh

Audit Coordinator

11th Floor, PRC Towers 32-A Lalazar Drive, M.T Khan Road, Karachi

Tel: 021-99202908-15 Ext: 240, Fax: 021-99202901

5. Disqualification

Bid(s) shall be rejected if: -

- a) Found to be conditional or incomplete in any respect;
- b) Received later than the stipulated/fixed, date and time;
- c) There is any deviation from the instructions contained in this document;
- d) Multiple rates are quoted;
- e) Contains the unauthenticated amendments/corrections / overwriting);
- f) the validity of bid is not quoted as required;
- g) Made through Fax / E-mail / Telex;
- h) Required documents to establish eligibility is not enclosed;

6. Terms of Reference/Scope of the Services

- a. Auditor will conduct audit of the Condensed Interim Financial Report for the first half ending 30th June 2022 and Annual Report for the year ending 31st December, 2022 in accordance with the Companies Act, 2017, Insurance Rules, 2017, Corporate Governances and other applicable regulations with the objective to express opinion on the financial statements in accordance with SECP requirements.
- b. Auditor shall conduct audit in accordance with International Standards on Auditing compliant with relevant ethical requirements and to ensure that the financial statements reviewed by the auditor are free from material misstatement.
- c. Auditor requires submitting separate report letter concerning any material weakness in the procedure and implementation of internal controls that come to audits attention during audit review.
- d. Audit shall be responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, Companies Act, 2017 and SECP requirements.
- e. To give opinion that proper books of accounts have been maintained.

- f. To certify that, there is no material departure from the best practices of Corporate Governance.
- g. Appropriate accounting policies have been consistently applied while preparing financial statements.
- h. Auditor shall not disclose any material facts, secret, confidential and key information or any material fact to any stakeholder or irrelevant person or body which may cause financial loss and loss of reputation to PRCL.
- i. Auditor shall be required to submit financial statements along with all required reports within the stipulated time frame in compliance with applicable all regulation of PSX, SECP and other regulators.

7. Cost of Preparation of bidding document and Liability:

The bidder shall bear all costs associated with the preparation and submission of the bidding document. PRCL will, in no case, be responsible or liable for these costs, or have any other liability to any bidder, regardless of the conduct or outcome of the bidding process. PRCL shall have no obligation to any bidder to reimburse any costs incurred in preparing bids.

8. Technical and Financial Evaluation:

8.1. PRCL shall evaluate the eligible Applicant based on the eligibility parameters and evaluation criteria prescribed hereinafter. Anything not mentioned in this document regarding the bidding process shall be governed by the prevailing Public Procurement Rules of PPRA.

8.2. Technical Evaluation

8.2.1. The technical bids will be evaluated as per the below-tabulated criteria. The bids scoring a Minimum of 55 marks in technical evaluation will qualify for the next stage, i.e financial opening.

S.N	CRITERIA	MAXIMUM MARKS	COMMENTS
1.	Membership/Affiliation with an international firm of repute.	10	10 Marks if firm is a member/ affiliate of top 05 international firms based on revenue. 05 Marks, if it is affiliated with international firm that is not among the top five firms. Two marks if there is no international affiliation..

2.	Bidder's firm has been in existence since (number of years) and in category "A" of chartered accountants in SECP list for insurance companies.	20	Two Marks for each year in existence in Category "A".
3.	No. of major clients in profile of financial services sector where the bidder has provided external audit.	10	One Mark for each major client.
4.	Bidder's firm is providing External Audit services to insurance sector with reputed clients' name in Profile.	15	05 Marks per client in insurance sector.
5.	Experience of person as engagement partner in insurance sector and associated in Insurance association of Pakistan (IAP) External Audit matters in past 10 years.	10	One mark for each year of experience.
6.	Client's profiles for External Audit matters, in listed companies whose net income exceeds Rs.500 million as per last audited accounts.	15	03 Marks for each client which is a listed company with net income exceeding Rs.500 million.
7.	Having prior experience with PRCL	05	005 Marks if "Yes" 00 (Zero) Marks if answer is "No"
8.	Number of Chartered Accountants employed with the firm in External Audit department.	15	03 Marks for each CAs employed.
TOTAL MARKS		100	

Minimum Qualification Marks: 70

Note:

- Kindly designate a page/indexing with referencing for our convenience in your technical proposal for above scoring criterion. This inclusion is mandatory, and if not followed will results in disqualification.
- Awarding of contract is based on technical plus financial scoring, in aggregate.

8.3 Financial Evaluation

8.3.1. Total score for Financial Bid is 30 points out of 100. The financial bid will be evaluated as per the below formula:

$$\text{Financial Score} = 30 \times \frac{\text{Amount of Lowest Submitted Bid}}{\text{Amount quoted by Bidder}}$$

8.3.2. The financial proposal must be inclusive of all taxes applicable in Pakistan including out-of-pocket expenses, and any other expenses.

8.3.3. Financial bids of technically unsuccessful/unqualified bidders will be returned unopened.

8.3.4. As per rule 31 of PPRA Rules 2004 no change/modification in the financial proposal will be accepted/allowed once the same has been opened publicly.

8.3.5. For the purposes of comparison of bids quoted in different currencies, the price shall be converted into a Pak rupee currency specified in the bidding documents. The rate of exchange shall be the selling rate, prevailing on the date of opening of bids specified in the bidding documents, as notified by the State Bank of Pakistan on that day.

8.4. Most Advantageous Bid

The most advantageous bid (lowest evaluated bid) will be determined as per below formula:

$$\text{Most advantageous bid (lowest evaluated bid)} = T.S + F.S$$

Here:

T.S = Technical Scores

F.S = Financial Scores

9. Award of Contract

9.1. **Qualification:** PRCL will determine to its satisfaction whether the Bidder that is selected as having submitted the lowest evaluated responsive bid is qualified to perform the contract satisfactorily.

- 9.2. The determination will consider the Bidder's compliance with the qualification criteria defined in the Bid Data Sheet.
- 9.3. **Award Criteria:** Subject to Clause 8.2 and 8.3 read with clause 9.1, PRCL will award the contract to the successful Bidder whose bid has been determined to be substantially responsive and has been determined to be the lowest evaluated bid, provided further that the Bidder is determined to be qualified to perform the contract satisfactorily.
- 9.4. PRCL's Right to Accept/ Reject Bids: PRCL reserves the right to accept or reject all bids, and to annul the bidding process and reject all bids at any time before acceptance of the bids, without thereby incurring any liability to the affected Bidder or bidders. PRCL will inform the affected Bidder or bidders of the grounds for PRCL's action if so requested, but PRCL shall not be required to justify the grounds.
- 9.4 Notification of Award:** Before the expiration of the period of bid validity/extended bid validity and subject to Clause 9.4.1, PRCL will notify the successful Bidder in writing by registered letter or by email, to be confirmed in writing by registered letter, that its bid has been accepted.
- 9.4.1. The notification of award under 9.4 will constitute the formation of the Contract.
- 9.4.2. PRCL shall announce the results of bid evaluation in the form of a report giving justification for acceptance or rejection of bids at least ten days before the award of contract.
- 9.5. **Signing of Contract:** At the same time as PRCL notifies the successful Bidder, PRCL will send the Bidder the Contract Form provided in the bidding documents, incorporating all agreements between the parties.
- 9.6. After fifteen days of the announcement of an evaluation report, the successful Bidder shall sign the contract and return it to PRCL.

10. **Corrupt or Fraudulent Practices:**

PRCL observes the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, PRCL:

- (a) Defines, for this provision, the terms set forth below as follows:

“corrupt and fraudulent practices” includes the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official or the supplier or contractor in the procurement process or contract execution to the

detriment of the procuring agencies; or misrepresentation of facts to influence a procurement process or the execution of a contract, collusive practices among bidders (before or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the procuring agencies of the benefits of free and open competition and any request for, or solicitation of anything of value by any public official in the course of the exercise of his duty

- (b) will reject a proposal for award if it determines that the Bidder recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question;
- (c) will declare a firm ineligible, either indefinitely or for a stated period, to be awarded a PRCL financed contract if it at any time determines that the firm has engaged in corrupt and fraudulent practices in competing for, or in executing, a PPRCL financed contract.

11. **Blacklisting:**

In case of any misrepresentation, poor performance and corrupt & fraudulent practice PRCL shall blacklist bidder(s).

- 11.1 Before blacklisting of the firm, show cause notice will be issued to the bidder followed by a personal hearing, in case of non-resolution of issue. The nature of blacklisting of the firm, whether temporary or permanent, will depend upon the gravity of the offense.

12. **Validity of Proposal**

The Proposals validity period shall be 90 days from the last date for submission of the Tender.

13. **Payment/Remuneration**

- 13.1. Payment will be made after deduction of all applicable taxes once the successful bidder submits the signed audited accounts along with all reports for respective periods.

14. **Arbitration**

In case of any difference or dispute arising between the parties relating to the present bid or during the contract period, shall be referred to a resolution to the Chief Executive Officer of PRCL or his duly authorized nominee whose decision shall be final and binding on both the parties.

Schedule-A

[to be printed on the letterhead of firm]

TENDER APPLICATION FROM

[this form must be kept with technical proposal]

No.....

Date.....

To:
The Head of Administration Department
Pakistan Reinsurance Company Limited

Subject: - Tender for appointment of the external auditor for the year 2022.

Dear Sir,

With reference to tender advertisement of Pakistan Reinsurance Company Limited titled Tender for _____ published in daily _____ dated _____, we would like to participate in the subject tender and hereby submit bids on behalf of M/s _____ (name of firm). Brief details of our firm are as under:

1. Name of Applicant/ Firm.....
2. Address.....
3. Phone No..... Mobile No..... Fax No..... Email.....
4. Experience(years)..... Name of owner.....
5. NTN number..... (copy of income tax certificate attached) Yes NO
6. GST Certificate..... (copy of income tax certificate attached) Yes NO
7. Active Taxpayer evidence(attached) Yes NO
8. Earnest Money @ 2% o Bid Amount Pay Order No.....Dated.....Bank..... (**Attached with the financial prop**) Yes NO
9. List of Major Clients.....(attached) Yes NO
11. Affidavit (on the stamp paper) to the effect that the firm has not been black listed by any of the Govt. (Federal or Provincial (attached) Yes NO

2. we hereby confirm that we have thoroughly read the contents of the bidding document, TORs mentioned, and the terms and conditions framed therein. we further confirm that all the terms and conditions stipulated in the bidding document of the above-mentioned tender are unconditionally acceptable to us and that we shall abide by the same in letter and spirit.

Name, Signature, and Stamp of owner/Authorized representative

Schedule-B

[to be printed on the letterhead of firm]

Financial Proposal

[this form must be kept in a separate envelop along with earnest money and the envelop be sealed and marked as a financial proposal]

No.....

Date.....

To:
The Head of Administration Department
Pakistan Reinsurance Company Limited
12th Floor, PRC Towers,
Karachi

Subject: - Tender for appointment of the external auditor for the year 2022.

Dear Sir,

With reference to tender advertisement of Pakistan Reinsurance Company Limited titled Tender for _____ published in daily _____ dated _____, on behalf of M/s _____ (name of firm) our financial proposal for subject tender is under:

Work Responsibilities	Financial Proposal inclusive of all Tax (in Rupees)
As per terms of the agreement and TORs.	Amount: Rs..... (in fugues)
Out of Pocket Expenses	Amount: Rs..... (in fugues)
Any Other Expense (with Detail)	Amount: Rs..... (in fugues)
Total including all Expenses	Amount: Rs..... (in fugues)

2. We hereby confirm that we have thoroughly read the contents of the bidding document, TORs mentioned therein and the terms and conditions framed therein. we further confirm that all the terms and conditions stipulated in the bidding document of the above-mentioned tender are un-conditionally acceptable to us and that we shall abide by the same in letter and spirit.

Name, Signature, and Stamp of owner/Authorized representative