

Government of Jharkhand
Urban Development & Housing Department

BID DOCUMENT

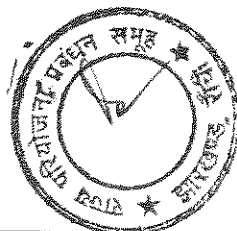
**Selection of CAG Empanelled Chartered Accountant Firm
for Statutory Audit of State Project Management
Group(SPMG) and SUDA,**

NIT No: SPMG/UDHD/Statutory Audit/2018/18, Dated:-14.05.2018

Issued by

**Project Director-Cum-Director, SUDA
State Programme Management Group
Urban Development and Housing Department**

MAY, 2018



1.1 Overview of Double Entry Accrual Based Accounting in SPMG & SUDA:

Double Entry Accrual Based Accounting Reform is a key Urban Reform and enables the Government in achieving efficiency, transparency and accountability:

The Accounting Reform when implemented, it enables in:

- Right decisions, which leads to efficiency
- Appropriate financial reporting which brings in transparency
- It helps the management to fix accountability.

Double Entry Accrual based Accounting Reform is a mandatory reform in Gol's flag ship programmes.

As per the requirement of NGRBA framework, the other AMRUT guidelines, the books of accounts of all the programmes/PMUs are required to be audited and the audited financial statement should be published in the department website. Statutory audit has to be completed up to current financial year 2018-19 from the previous two financial years ie: 2016-17 & 2017-18.

1.2 Requirement & Status of Books of Accounts

The books of accounts and internal audit up to the FY 2016-17 have been completed.

Thus, in order to examine the fairness of the financial statement, the books of accounts of the SPMG & SUDA are required to be audited by independent Chartered Accountant firm.

The bidder is required to submit the audit report along with the audited financial statement for financial year 2016-17 to 2018-19.

SPMG proposes to hire services of Chartered Accountant (CA) firms to audit the books of accounts.

1.3 The audit fees will be as follows:

1. The bare minimum audit fees of Rs 25,000/- (Rupees Twenty Five Thousand only) per Financial Year will be paid to the successful bidder on completion of audit. The bidder may quote their rates in Price Schedules annexed herewith.
2. This amount is exclusive of GST. The GST or any other taxes as applicable during the tenure of contract due to change in financial regulation by Gol/GoJ will be paid in addition to the fees with the rate as applicable.

Mention on the top of the envelope:

Selection of CAG Empanelled CA firm for audit of accounts prepared through Double Entry Accrual Based Accounting System.



Chadur
24/09/18

उप निदेशक

राज्य शहरी विकास अतिकरण,
झारखण्ड, राँची

1.4 Bidders Data Sheet

1	Name of the Assignment	Selection of CAG Empanelled CA firm for audit of accounts of SPMG & SUDA
2	NIT No	NIT No: SPMG/UDHD/Statutory Audit/2018/18, Dated:- 14.05.2018
3	Language of documentation	English
4	Method of Selection	Least Cost Selection Method
5	No of Copies of Technical Proposal	1 copy of Technical proposal
6	Address for submission of bid	Office of the Project Director Room No 404 Project Bhawan, Dhurwa Ranchi Pin: 834004 Phone: 0651-2446640
7	Contact person	Procurement Specialist, SPMG, UD&HD, Ranchi @7763811338
8	Date of Issue of RFP	26.05.2018 by 11.00 Hrs
9	Mode of Submission	Proposals complete in all respect should be submitted to the inviting authority through Speed Post / Registered Post / By Hand . Authority will not be responsible for postal delay or any other consequences.
10	EMD	Rs. 2500/- (Rupees Two Thousand Five Hundred Only) to be submitted along with the bid proposal in shape of DD in favour of Project Director, SPMG payable in any of the nationalised Bank at Ranchi
11	Last date and time for submission of Bid	15.06.2018 at 1.00 PM. The bids received beyond the stipulated time line will be out-rightly rejected.
12	Date and time for opening of technical proposal	15.06.2018 at 3.00 PM



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Instructions to Bidders

2.1 Definitions

- i. **"Applicable Laws"** means all laws, promulgated or brought into force and effect by the Government of Jharkhand or the Government of India including rules and regulations made there under, and judgments, decrees, injunctions, writs and orders of any court of record, as may be in force and effect during the subsistence of this Agreement
- ii. **"C & A G"** means Comptroller and Auditor of General of India.
- iii. **"Department"** means Housing & Urban Development Department
- iv. **"DEABAS"** means Double Entry Accrual Based Accounting System
- v. **"GoJ"** means Government of Jharkhand
- vi. **"Firm"** means Chartered Accountant Firm
- vii. **"SPMG"** means State Project management Group
- viii. **"SUDA"** means State Urban Development Agency

2.2 Disqualification:

The authority may at its sole discretion and at any time during the evaluation of the Proposal disqualify any Bidder if the bidder has:

- Made misleading or false representations in the forms, statements and attachments submitted in proof of the eligibility requirements
- Exhibited a record of poor performance such as abandoning works, not properly completing the contractual obligations, inordinately delaying completion or financial failures in any of the previous undertakings by the concerned bidder.
- Declared as ineligible by Gol/ State for corrupt, fraudulent practices or has been debarred/blacklisted.
- A Bidders proposal may be rejected if it is determined that the Bidder has engaged in corrupt, fraudulent or unfair trade practices.
- Firm shall submit the RFP which does not satisfy each and every condition laid down in the notice and RFP documents, failing which the RFP will be liable for rejection.
- Does not submit the bid before the stipulated time line to the inviting authority
- Does not attach the required documents along with the RFP.

2.3. For Clarification:

If the bidders require any clarification in the bid document he is required to submit the queries by E-mail to jhspmgngrba@gmail.com

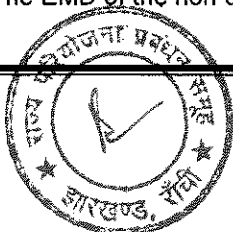
2.4 Amendments and Clarification for RFP:

The SPMG during the process of evaluation of Proposals may at its discretion ask bidders for clarifications on their proposals and the bidders shall respond within the time frame as may be mentioned. Further SPMG reserve the right to modify/amend the contents of the RFP before the last date of submission under due intimation to the bidders to whom this RFP is issued and the bidders may be asked to amend their proposal due to such amendments.

2.5 Submission of Proposal

The technical Proposal shall be submitted in a sealed cover superscripted **"Technical Proposal for Statutory audit of SPMG & SUDA accounts"** with the following documents inside:

- a) A covering Letter from the bidder on the bidder's letter head.
- b) EMD as specified in the bidder's data sheet of this RFP in shape of DD/Bankers Cheque.
The EMD of the non-qualified bidders will be returned without any interest and the EMD of



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the successful bidders will be returned without any interest after successful completion of the assignment.

- c) Duly Filled technical proposal formats along with details and supportive documentary evidence with necessary details as laid down in the Annexure 1 of this RFP.

2.6 Procedure for Opening of the Proposals and Selection

- First the Sealed Envelope containing "Technical Proposal" shall be opened. The technical proposal furnished by the bidder shall be evaluated and scored on the basis of criteria as specified in para 3.2 of this RFP.

General instructions for the bidders for the submission of proposal:

- 1) The proposal shall be submitted by **Registered Post / Speed Post / By Hand** within the stipulated time and date and place specified in the Bidder data sheet.
- 2) The same will be opened on date and time specified in the presence of representative of the bidder(s), who may choose to attend.
- 3) Bids received after stipulated time line specified in the bidder data sheet shall not be considered and out rightly rejected.
- 4) The bid will be rejected out rightly, if it founds that the bidder fails to submit the requisite documents, EMD, Statutory Documents as required etc. and the information as per the formats provided in technical proposal under RFP.

3.0 Evaluation of Proposal

3.1 Evaluation of Proposal – Eligibility Criteria

The bidder must possess the following eligibility criteria and to this effect must produce supportive documents for the following along with the other documents/ information as specified below.

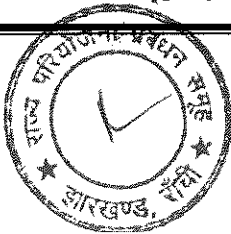
Sl. No.	Eligibility Criteria	Documents to be furnished along with the pre-qualification proposal
1	The bidder must be registered with The Institute of Chartered Accountants of India (ICAI) having certificate of practice to work as Chartered Accountant	Registration certificate of ICAI / Firm Constitution Certificate
2	The bidders must be empanelled with Comptroller & Auditor General(CAG) of India	Copy of CAG empanelled Certificate
3	The average annual turnover of last three financial years of the bid der i.e. 2014-15, 2015-16 and 2016-17 should not be less than Rs. 10 Lakhs. (Rs. Ten lakhs)	Details to be furnished in FORM-2 with copies of audited Balance Sheet / Profit Loss Account for the concerned period
4	The bidder should have Regd. Office or Branch office in Jharkhand	Details to be furnished in FORM-1
5	The firm which is appointed as the Internal Auditor in SPMG /SUDA cannot be eligible for appointment as Statutory auditor for the same.	

In addition to the above the bidders have to furnish the following documents along with the proposal:

- PAN Number
- Covering letter
- Registration with ICAI / Firm Constitution Certificate (FORM-1)

Non-submission of any one of the above document along with proposal, leads to out rightly rejection of the proposal.

Chandra Kumar
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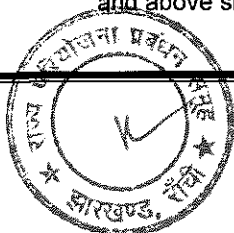
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3.2 Evaluation of Technical Proposal:

Formats and necessary details for the technical proposal are provided in **Annexure - 1** of This RFP. The evaluation / scoring pattern for technical proposal shall be as follows:

Sl. No.	Criteria	Maximum Marks	Supporting documents to be furnished in proof of claim
1	No. of years in Profession Note: Marking will be based on total no. of years in profession.	10	Experience Certificates/Work Orders Firm Constitution Certificate For 5 years Exp- 0 marks 01 mark for each subsequent year
2	Financial Strength of the Bidder Note: Marking will be based on average turnover of last 3 years of the CA firm.	20	Attach copies of audited Balance Sheets and P & L Accounts of the last three years i.e. 2014-15, 2015-16 and 2016-17 Upto turn over 10 Lakhs –Zero Marks 01 Marks for each lakh subsequently
3	Similar Experience in Audit in last 5 years (5 best projects under each category) i) In ULBs 10 marks ii) In Central /State Govt. / PSUs – 10 marks iii) Others- 10 marks (Bank Statutory Audits,NGO,Pvt bodies etc) Note: Marking will be based on total value of consultancy fees of the projects. Bidder having maximum value will get full mark and others will get in proportion.	30	Sl .No 3 (i) any ULB experience which will include experience of working in ULBs in implementation of the Double Entry Accrual Based Accounting System in the ULBs / audit or any other ULB experience will be considered for the marking purpose for which the bidder is required to submit the work order. 3(i)- 01 marks per project per ULB 3(ii)-01 marks per project in Central Govt/State Govt/PSUs 3(iii) 01 marks per project in other bodies.
4	Number of personnel in the firm:		
	TOTAL No of Staff Strength in firm Note: Bidder having staff strength of 10 ie; (04 qualified (CA/ICWA), 04 semi qualified (B Com) & 02 article clerk will get full mark and others will get in proportion.	10	Self certification of total strength in roll of the firm as on 30.04.2018 The marks shall be proportionately reduced as per the staff strength.
	TOTAL MARKS	70	

** Based on the above technical scoring, the merit list will be prepared and the firm scoring 50 marks and above shall only be considered technically qualified and eligible for opening of financial bid.



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3.3 Financial Evaluation:

Financial proposals of only technically qualified audit firm will be opened.

The technically qualified bidder with least cost shall be declared successful and awarded with the contract.

3.4 Supports

Support to be provided by SPMG/SUDA

- The SPMG & SUDA will designate a nodal officer among the staff members to prepare or arrange to prepare and provide all the required necessary details / documents / records / statements / information / explanations etc. to the selected bidder which will help him for audit
- The auditor can access to the books of accounts under DEABAS. The required work space will be provided by SUDA/SPMG.

4.0 Objectives and Scope of Work of Audit

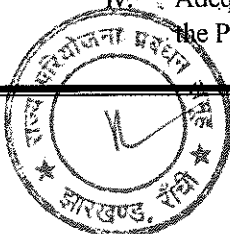
4.1 Objectives of Statutory Audit

- (i) Enable the auditor to appraise the client on meeting the objectives of Double Entry Accrual Based Accounting.
- (ii) Enable the auditor to provide a professional opinion on the annual financial statements of the PM. These would include receipt and payment, income and expenditure, balance sheet, bank reconciliation statement, statement of expenditure and utilization certificate of concern PMU etc.
- (iii) Enable the auditor to make specific observations on the effectiveness of the overall financial management arrangements including the system of internal controls as documented in the fund management guideline, MOU's and various guidelines for specific funding.
- (iv) Specific assertion that the grants from the project have been used for intended purpose and bring to project's attention any fraud-related issues and activities including the diversion of funds from intended purpose or mis-use of funds.
- (v) In case of non performance or failure to submit report as per the schedule in Deliverables, a penalty of 10% per month of consultancy fee per annum shall be deducted.

4.2 Scope of Work

The Chartered Accountant Firms selected for audit of SPMG/SUDA accounts shall take into consideration the following aspects in addition to the attest function with respect to the financial year under review:

- i. All the required books of accounts and necessary supporting documents (vouchers, bills, receipt and registers), minute books, have been kept in respect of all transactions & that clear synchronizations exists between accounting records, accounts books and the financial reports.
- ii. The financial reports and Utilization Certificates (UCs) submitted by the ULB to the Government are in agreement with the Grant and U C register and books of accounts.
- iii. The expenditures made by the PMG and ULBs are as per the budget approved by the Competent Authority. A variance analysis should made showing the actual expenditure with budget figure.
- iv. Adequate records (stock / asset registers) are maintained to properly reflect the assets of the PMG including details of cost, identification and location of assets.



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- v. Verification of all vouchers and supporting documents with respect to the proper sanction and approval by competent authority according to the delegation of financial power and compliance to laws and prescribed guidelines.
- vi. Verification of entries in the books of accounts (Cash book, General Ledger, Advance Ledger, Daily Collection Register, Miscellaneous Receipt Books, Journal Book, Salary Register, Attendance Register, Cheque issue register, Grants Received Register etc.) in respect of receipts and expenditure. Where ever required the auditor may suggest to the PMG to pass the rectification entries if any.
- vii. To provide recommendations for strengthening of internal controls and other financial accounting and reporting practices in accordance with best practices.
- viii. Examination of utilization of grants received from Government of Jharkhand during the financial year under review.
- ix. Examination of category wise income accrued, income received and receivables reconciliation.
- x. Examination of advances given and adjusted / recovered from staff and others.
- xi. Examinations of statutory payments are made within the scheduled period, reconciliations and compliances viz.
 - a) Tax deducted at source with appropriate rate on payments made by the EA and deposit of same within the scheduled period
 - b) Filling of quarterly T D S statement within the due date
 - c) Timely deduction and deposit of Royalty and Cess
- xii. Examine whether there is any outstanding demands from any competent authority against the project as on the Balance Sheet date.
- xiii. Examination of Accounts prepared by respective PMU.

4.3 Deliverables, Timelines and Payment Scheduling:

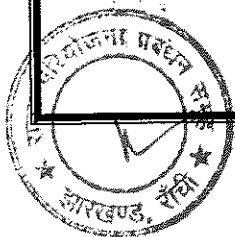
Deliverable/output (for Package)	Fees Payable	Time line from the date of work order (Cumulative)	Fees Payable
1. Audited Financial Statement of the PMG for the financial year	After Submission of quarterly and yearly financial Report	60 days for FY 2016-17 & 2017-18 30 days after completion of FY 2018-19	30 days from the date of Submission of Report
2. Audit Report based on the Scope of the Work			

The Bidder is required to submit the following reports:

1. Bank Reconciliation Statements for all the bank accounts.
2. Trial Balance.
3. Income and Expenditure account.

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24/05/18
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4. Balance Sheet.
5. Relevant Schedules & Annexure as per the need.

i TERMINATION OF THE CONTRACT

The department shall have a right to cancel the agreement if the Statutory Auditor commits breach of any condition. Breach of agreement include, but are not limited to, the following:

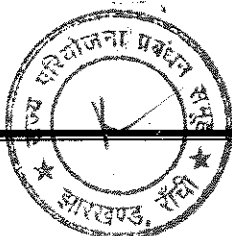
- 4.1.1 It is found that the time schedule of implementation of the scheme is not being adhered to,
- 4.1.2 The Statutory Auditor stops work & such stoppage has not been authorized by the Urban Development and Housing Department.
- 4.1.3 The Statutory Auditor may become bankrupt or goes into liquidation,
- 4.1.4 The department gives notice to correct a particular defect/irregularity and the Statutory Auditor fails to correct such defects/irregularity within a reasonable period of time determined by the department,
- 4.1.5 In case the Statutory Auditor fails to carry out the instructions/orders issued by the department from time to time during the currency of the agreement and fails to comply with the laws applicable in the State.
- 4.1.6 The Statutory Auditor fails to deliver any or all of the obligations within the time period(s) specified in the agreement, or any extension thereof granted by department.
- 4.1.7 The Statutory Auditor fails to perform any other obligation(s) under the agreement.
- 4.1.8 Because of breach of agreement by the Statutory Auditor for any of the above reasons, the department shall have the right to terminate the agreement and forfeit the security deposit and invoke the performance bank guarantee (IF ANY)

5. CESSATION OF RIGHTS AND OBLIGATIONS

- i Upon termination of the agreement, or upon expiry of this agreement, all rights and obligations of such parties hereunder shall cease, except:
- ii Such rights and obligations as may have accrued on the date of termination or expiry.
- iii The obligation of confidentiality set forth.
- iv Any right which a party may have under the applicable law.

6. CESSATION OF SERVICES UPON TERMINATION

- i Upon termination of the agreement, the Statutory Auditor shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the services to a close in a prompt and orderly manner.



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24/05/18
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राज्य शहरी विकास अमिकरण,
झारखण्ड, राँची

7. **DISPUTE RESOLUTION/ARBITRATION**

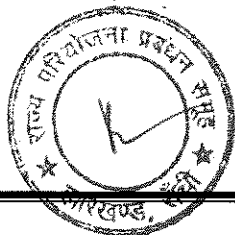
- i The Department and the Statutory Auditor shall make every effort to resolve amicably by direct negotiations, any disagreement or dispute, arising between them under agreement.
- ii If after 30 days from the commencement of such direct negotiations, the dispute is not resolved it shall be referred to Secretary, Urban Development and Housing Department, Jharkhand, where decision shall be final and binding upon both parties.
- iii Pending the submission of and/or decision on a dispute, difference or claim or until the matter is decided by Principal Secretary, Urban Development and Housing Department, Jharkhand the Statutory Auditor shall continue to perform all its obligations under this agreement without prejudice of final adjustment in accordance with such award.
- iv The Department may terminate this agreement, by giving a written notice of termination of minimum 30 days, to the Statutory Auditor, if the Statutory Auditor fails to comply with any decision delivered by Principal Secretary, Urban Development and Housing Department, Jharkhand.



Chanda Kumar
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झारखण्ड, राँची

(ANNEXURE - I)

TECHNICAL PROPOSAL



Format for Covering Letter
(On the letterhead of the Firm)

[Location, Date]

From:

[Name of Bidder with Complete Address of Communication]

To,
The Project Director,
State Project Management Group (SPMG)
Urban Development & Housing Department
Room No 404, Project Bhawan
Dhurwa, Ranchi
Jharkhand, PIN:834004

Sub: RFP Notice No. _____, Dated: _____

Dear Sir,

With reference to your notice no _____ for hiring services of CAG empanelled Chartered Accountant Firms to audit accounts of SPMG & SUDA, UD&HD, Jharkhand, ranchi, we are submitting our proposal.

Having fully studied and understood the tender document and its accompaniments and the details therein, I / We here by submit the application for qualification for the above project.

We hereby confirm that:

1. All information provided in the technical qualification statement and in the attachments is true and correct.
2. We offer to provide the service with the fees as mentioned in the RFP.

We understand that the final bids by Firm(s) will be subject to verification of any and all information submitted in the tender. We also understand that the authority reserve the right to amend, alter or vary the scope and terms of the bid.

We hereby irrevocably waive any right at any stage at law or howsoever otherwise arising to challenge, question or delay in any decision taken by the authority in selection process.

Yours sincerely,

Signature
For and on behalf of

Yours sincerely,

Authorized Signatory [Signature with Date and Seal]:

Name and Title of the Signatory: _____

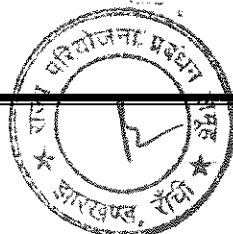
Enclosure: We are enclosing the following forms & supporting documents for our technical evaluation

Form-1: Full postal address, telephone nos. or fax, e-mail address etc

Form-2: Financial Turnover of the CA Firm during the last three financial years

Form-3: Similar Assignment Undertaken for the last five years only 5 best projects in each category

Form-4: Staff Strength Certificate



Chandu Kumar
24/05/18
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झारखण्ड, राँची

FORM - 1

(On the letterhead of the Organization/ Firm)

(On the Letterhead of the Firm: lead partner of the firm, full postal address, telephone nos. or fax, e-mail address etc.)

- A. Year of Registration of with ICAI:
- B. CAG Registration Number:
- C. Location of HO / Branch in Jharkhand with Address:

(Copy of Registration Certificate, PAN Card, Service Tax Registration certificate, Empanelment no with CAG, Certificate of Practice shall be attached)

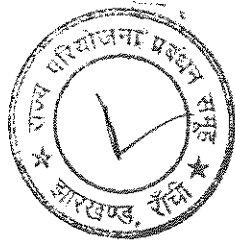
FORM - 2

Financial Turnover of the CA Firm during the last three years

Sl. No.	Year	Turn Over in INR
1	2014-15	
2	2015-16	
3	2016-17	
Average Annual Turnover for the last three years (INR)		

(Please provide the copies of the Balance Sheet and Profit Loss Statement for the corresponding period)

Authorized Signatory [In full and initials]: _____
With Seal and date



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24/05/18
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FORM -3

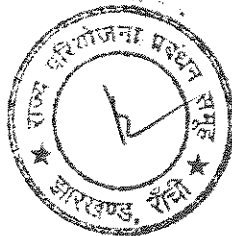
Similar Assignment Undertaken for the last five years only 5 best projects in each category

A. ULB Experience

Sl. No.	Name of the Assignment	No. & date of work order	Name of the ULB	Professional Fees	Copy of work order /client certificate placed at page no.
A	B	C	D	E	F
1					
2					

B. Central / State Govt. / PSUs Experience

Sl. No.	Name of the Assignment	No. & date of work order	Name of the Client	Professional Fees	Copy of work order /client certificate placed at page no.
A	B	C	D	E	F
1					
2					



Chadun
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C. Other Organization Experience (Pvt. Ltd. Co., Concurrent audit of Bank, & NGO etc.)

Sl. No.	Name of the Assignment	No. & date of work order	Name of the Client	Professional Fees	Copy of work order /client certificate placed at page no.
A	B	C	D	E	F
1					
2					

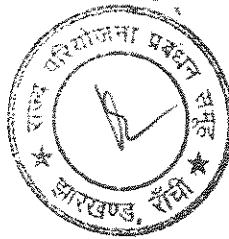
FORM-4

Staff Strength Certificate

This is to certify that we have numbers of supporting staffs (qualified, semi qualified & article clerk) as on 30.04.2018 in our organisation

Authorized Signatory [In full initials and Seal] _____

Note: Please attach copies of the work order/contract issued by competent authority from the client in support of documentary proof and the CV in support of the staffs.



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FORM-1 (PRICE SCHEDULES)

[Location, Date]

From:

[Name of Bidder with Complete Address of Communication]

To,

The Project Director,
State Project Management Group (SPMG)
Urban Development & Housing Department
Room No 404, Project Bhawan
Dhurwa, Ranchi
Jharkhand, PIN:834004

Sub: RFP Notice No. _____, Dated: _____ Dear

Sir,

With reference to your notice no _____ for hiring services of CAG empanelled Chartered Accountant Firms to audit accounts of SPMG & SUDA, UD&HD, Jharkhand, Ranchi, we are submitting our financial proposal.

Having fully studied and understood the tender document and its accompaniments and the details therein, I / We here by submit the financial quotation for qualification for the above project.

DETAILS COST ACTIVITIES

(Amount in INR)

S. No.	Name of Cell	No. of FY	Yearly Audit Fees(Excluding GST)	Total Amount for three FYs (Excluding GST)
1	SUDA Directorate	3		
2	SPMG Cell	3		
Total Amount				

We understand that the final bids by Firm(s) will be subject to verification of any and all information submitted in the tender.

We hereby irrevocably waive any right at any stage at law or howsoever otherwise arising to challenge, question or delay in any decision taken by the authority in selection process.

Yours sincerely,

Signature

For and on behalf of _____

Yours sincerely,

Authorized Signatory [Signature with Date and Seal]:

Name and Title of the Signatory: _____

Chanderan
24/05/18

उप निदेशक

राज्य शहरी विकास अभिकरण,
झारखण्ड, राँची

