

**Metro-Link Express for Gandhinagar and
Ahmedabad (MEGA) Co. Ltd.**

(A Joint Venture of Govt. of India and Govt. of Gujarat)

Tender No. MEGA/F&A/Tender Notice/01/2018

Date: 21st February, 2018

Sealed tenders are invited in 2 packets from Chartered Accountant firms for the Internal Audit of Metro-Link Express for Gandhinagar and Ahmedabad (MEGA) Co. Ltd.

Please visit www.gujaratmetrorail.com for details of the Tender and for downloading of Tender documents.

**Chief Financial Officer
Metro Link Express for Gandhinagar
and Ahmedabad (MEGA) Co Ltd**

METRO-LINK EXPRESS FOR GANDHINAGAR
AND AHMEDABAD (MEGA) CO. LTD.

TENDER DOCUMENT
FOR
MEGA INTERNAL AUDIT

Tender No. MEGA/F&A/Tender Notice/01/2018
Dt. 21st February, 2018

Schedule of Tender Event

Sr. No.	Event	Date and Time
1	Issue of Tender	21 st February, 2018
2	Last date for submission of query etc., by the bidder/(s)	27 th February, 2018 before 17:00 Hrs. smfa@gujaratmetrorail.com amfa5@gujaratmetrorail.com
3	Reply/clarification/corrigendum as case may be by MEGA in response to the query of bidder	5 th March, 2018
4	Submission of bid complete in all respect as per tender	19 th March, 2018 (Time: 14:00 Hrs.)
5	Opening of Technical Bid	19 th March, 2018 (Time: 15:00 Hrs.)
6	Opening of Financial Bid	To be informed to technically compliant bidder/(s) well in advance

Disclaimer

The Tender Documents for Appointment of Internal Auditor for Financial Year 2018-19 for Ahmedabad Metro Rail Project, contain brief information about the Project and the Works to be executed and various steps involved in the tendering process. The information contained in the Tender Documents or subsequently provided to Tenderer(s), whether verbally or in documentary or any other form by or on behalf of Metro-Link Express for Gandhinagar and Ahmedabad (MEGA) Company Limited (hereinafter referred as "MEGA" or "the Company") or any of its employees or advisors, is provided to Tenderer(s) on the terms and conditions set out in the Tender Documents and such other terms and conditions subject to which such information is provided.

The Tender Documents are not an agreement and is neither an offer nor invitation by MEGA to the prospective Tenderers or any other person. The purpose of the Tender Documents is to provide interested parties with information that may be useful to them in making their bids pursuant to the Tender Documents. The Tender Document includes statements, which reflect various assumptions and assessments arrived at by MEGA in relation to the Project or the work to be executed pursuant to this tendering process. Such assumptions, assessments and statements do not purport to contain all the information that each Tenderer may require. The assumptions, assessments, statements and information contained in the Tender Documents may not be complete, accurate, adequate or correct. Each Tenderer should, therefore, conduct its own investigations and analysis and should check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained in the Tender Documents and obtain independent advice from appropriate sources.

Information provided in the Tender Documents to the Tenderer(s) is on a wide range of matters, some of which may depend upon interpretation of law. The information given is not intended to be an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law. MEGA accepts no responsibility for the accuracy or otherwise for any interpretation or opinion on law expressed herein. MEGA, its employees and advisors make no representation or warranty and shall have no liability to any person, including any Tenderer under any law, statute, rules or regulations or tort, principles of restitution or unjust enrichment or otherwise for any loss, damages, cost or expense which may arise from or be incurred or suffered on account of anything contained in the Tender Documents or otherwise, including the accuracy, adequacy, correctness, completeness or reliability of the Tender Documents and any assessment, assumption, statement or information contained therein or deemed to form part of the Tender Documents or arising in any way for participation in this tendering stage.

MEGA also accepts no liability of any nature whether resulting from negligence or otherwise, howsoever caused arising from reliance of any Tenderer upon the statements/information contained in the Tender Documents. MEGA may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information, assessment or assumptions contained in the Tender Documents. MEGA also reserves the right to change any or all conditions/ information set in the Tender Documents at any time by way of revision, deletion, updation or annulment through issuance of appropriate addendum as MEGA may deem fit without assigning any reason thereof.

The issue of the Tender Documents does not imply that MEGA is bound to select a Tenderer or to appoint the selected Tenderer for constructing the work envisaged under the Tender Documents and MEGA reserves the right to reject all or any of the Tenderers or Tenders without assigning any reason whatsoever. The Tenderer(s) shall bear all its costs associated with or relating to the preparation and submission of its Tender including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by MEGA or any other costs incurred in connection with or relating to its Tender. All such costs and expenses will remain with the Tenderer and MEGA shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by a Tenderer in preparation for submission of the Tender, regardless of the conduct or outcome of the tendering process.

METRO-LINK EXPRESS FOR GANDHINAGAR AND AHMEDABAD (MEGA) CO. LTD.

TERMS OF REFERENCE FOR OUTSOURCING OF INTERNAL AUDIT

1. BACKGROUND

Metro-Link Express for Gandhinagar and Ahmedabad (MEGA) Co. Ltd., hereinafter referred to as the Client, is the Special Purpose Vehicle of the Govt. of Gujarat (GOG) and the Govt. of India (GOI) for implementation of Phase 1 of the Ahmedabad Metro Rail Project. The GoI and GoG have approved a Metro Rail project for Ahmedabad with a total budget of INR 10773 Cr. The project is planned to be commissioned in stages based upon the completion of work. The Project comprises of two corridors i.e. East-West & North-South.

The project aims to alleviate the traffic problems of the city and reduce vehicular pollution. The Client intends to invite Tenders to carry out an Internal Audit function for both the project activity as well as the operations activities. The period of audit shall be for a period of 2 years.

2. PURPOSE

The Internal Audit service is responsible for providing an independent audit of the entire project and operational activities, financial or otherwise. It should provide a service to the whole organization, including all the levels of management. It is not an extension of, nor a substitute for, good management, although it can have a role in advising management. The Internal Audit service is responsible for evaluation and reporting to Director Finance (DF) and thereby providing assurance on the arrangements for risk management, control, governance & quality of data.

Based on above, MEGA invites tenders from audit firms to conduct risk based assessment, identifying the potential risk areas and agree on an annual concurrent internal audit plan for the period of 2 years from 1st April' 2018 and renewable on mutually agreed terms.

3. ELIGIBILITY CRITERIA:

Firms must qualify in the following minimum criteria:

Sr. No.	Criteria	Minimum Requirement	Documents to be furnished as supporting	Remarks
General Criteria				
1	Existence of the firm	Not less than 5 years	Self Attested copy of Firm Registration Certificate issued by ICAI	
2	Debarment	Should not be debarred or black listed by C&AG or any State or Central Government department or organization, board, corporation, company etc.	A self certificate to that effect	
Technical Criteria				
1	Empanelment with C&AG	Should be empaneled with C&AG during last five years	A self certified copy of letter of C&AG empanelling the firm	This may be relaxed for the bidder/(s) where MEGA satisfies itself.
2	Number of CA as Partners	At least it should have 5 CAs as partners. Out of which at least 3 must be FCA.	The latest firm card	
3	Number of CA as employees on its role	At least it should have 3 CAs as employee	The latest firm card	

4	Similar Work	Number of assignments of Internal Audit of Corporate/PSUs entities except Bank / Branch Audit having an average annual turnover of last three financial years shall not be less than Rs.500 Crores / capital work in progress in last financial year shall not be less than Rs.500 Crores.*	Only internal audit will be considered. Successfully completion of the assignment (completion certificate from Employer) must be provided. Without the certificate, proposal will be rejected. Annual report of auditee organisation evidencing turnover, Capitalization shall be furnished.	
Financial Criteria	Turn over	Average Gross Receipt of the last three completed financial years ended on FY 2016-17 should not be less than 2 Cr	Copy of Self certified P&L statement of last three years.	

Bidder must meet with the above basic criteria to become compliant for technical scrutiny.

** Evidence of turnover of last three financial years/capital work in progress being not less than Rs.500 Cr of last financial year shall be furnished by the firm viz. auditee's relevant pages of Annual Report which clearly depicting the capital work in progress or turnover, which needs to be self certified.*

4. BRIEF SCOPE OF THE WORK

The Internal Audit Service will consider the adequacy of controls, necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that management have taken the necessary steps to achieve these objectives and manage the associated risks.

The scope of Internal Audit work should cover all project, operational and internal financial control and should not be restricted to the audit of systems and controls necessary to form an opinion on the financial statements.

The audit will be carried out in accordance with the relevant standards of auditing and will include such tests and controls as the auditor considers necessary under the circumstances. The scope & responsibilities of the Internal Audit function includes the following both in the project phase and the operational phase.

General Responsibilities:

1. To advise on, formulate and evaluate policy within the responsibilities of the Board of Directors;
2. To ensure compliance with manuals, policies, delegation of powers, laws and regulations including all statutory requirements;
3. To ascertain the integrity and reliability of financial and other information provided to management and stakeholders, including that used in decision making;
4. To review the efficacy, adequacy and application of accounting, financial and operating controls and thereby ensure the accuracy of the books of accounts;
5. Verify that the system of internal check is effective in design and operation in order to ensure the prevention of and early detection of defalcations, frauds, misappropriations and misapplications;
6. Identify areas of significant inefficiencies in existing systems and suggest necessary remedial measures;
7. To ensure that capitalization of assets is done accurately;
8. To provide all requisite information to ensure adequate controls are developed within the ERP system to be procured to serve the above objectives;
9. Conducting special assignments and investigations, if decided by Audit Committee/ Managing Director/ Director (Finance) into any matter or activity affecting the probity, interests and efficiency of MEGA;
10. To assist the Finance & Accounts Department of MEGA in finalization of Accounts;
11. To ensure adequacy of various manuals in the Company and advice suitable modifications to the Management from time to time;

This assignment of Internal Audit will be done on concurrent and full time basis under control of at least one qualified Chartered Accountant having at least two years post qualification experience who can be replaced only with prior approval of MEGA.

- I. To verify and scrutinize all payments with reference to agreements and adjustments thereof while accounting for the work done by them and ensure that deductions in respect of mobilization & other advances, Statutory deductions, etc. are correctly made from the bills. Also verify that all accounts are reconciled from time to time.
- II. To verify work-in-progress with reference to Interim payment certificates and certification of progress issued by the executive, quantum of work-in-progress recorded should be compared with work orders/ contracts and subsequent approvals for variations, to ensure that payments are duly authorized.
- III. To check that adjustments for returns, shortages, damages and unserviceable stores and materials at sites are properly made.
- IV. To ensure that various statutory tax returns should be timely filed with all the direct and indirect tax authorities and also verify the facts and figures given in the tax returns.

- V. Verification of bank guarantees, insurance policies and specific emphasis to be given on final payments.
- VI. To plug loopholes, which might have crept in the system due to passage of time and complacency on the part of persons particularly, engaged in financial concurrences, release of payments, updating accounting records, authorizations as per Financial Accounting System etc.
- VII. The audit compliance includes the 100% pre-audit of all the bills and complete & detailed pre-audit verification of the final bills of the project activity within the time frame (i.e.2 Days) as per MEGA's existing policy & procedures. However, MEGA reserves sole right to increase/decrease at any point of time the scope of pre-audit to any extent. The auditor will have to abide to this.

Detailed / Functional Scope of Internal Audit:

Area / Activity	Scope of Internal Audit
Internal Control	Review the existing internal financial control system for its adequacy and also to check the reporting system in various functional areas like sales, accounts, contracts and construction, stores etc. Review Risk Management Policies and mitigation plans to assess their adequacy.
Accounts Payable	Booking of liability- 3 way match process, invoice verification Supplier payments (including on account payments) based on authorization and appropriate supporting Advance payments to supplier and adjustment against actual liability Deductions in respect of quantity rebate, discount, taxes and retention money Review of creditors' sub-ledger including reconciliation with General Ledger Control account, ageing of creditors balance and scrutiny of old credit balances In cases where LD clause is mentioned in the PO, whether Liquidated Damages are claimed from the supplier/contractors, Balance confirmation from suppliers/contractors, Raising of Debit notes in case of Material Rejection (Including rejection charges as per management policy), Full & Final settlement of contractors.
Receiving Process at Stores	Gate control over receipt of material, Accounting and recording of material at the time of receipt of material, Inspection procedures before acceptance of materials and authorization in case of deviation, Material rejections, claims and replacements thereof, Storage and warehousing procedure, Third party confirmation in case of inventory lying with third party, if any
Personnel and Payroll Audit	Review of policies for staff selection, training, remuneration, performance appraisal and separation Review of personnel files and existence of documents as per the Personnel Policy Review of attendance and leave records Computation, verification of remuneration and allowances payable Review of staff advances and recovery thereof Inquiring into reasons for abnormal variance in personnel cost To verify expenditure on staff welfare with budgeted expenses

Area / Activity	Scope of Internal Audit
Contract Management	Process of appointment of contractors for various work Agreement Review, Review of records maintained for progress of work Physical attendance of workers deployed if any, Compliance of labour laws, if any. Validity and value of Bank Guarantees, Letter of Credit and Insurance policies.
Fixed Asset	Adequacy of laid down policies and procedures in respect of Fixed Assets Review of maintenance and updating of Fixed Asset Register during the year Adequacy of insurance coverage of fixed assets Review of the balances outstanding in the Capital Work in Progress and inquire into delay in commencement of project and/or capitalization Checking of Fixed Assets capitalization including compliance to laid down policy for capital expenditure Review of capitalization of Project cost during implementation and indirect taxation implication.
Computer Controls	Review of general computer control and application control Review of new systems being updated from time to time. Review of Disaster Recovery Plan
Cash and Bank Balances & Transactions	Debits made by the bank are checked for correctness, Review and comment on Bank Reconciliation Statement, Physical verification of cash at periodic intervals except imprest balance
General Accounting	General Ledger Scrutiny, Comparison of budgeted and actual expenses, Scrutiny of expenses account, Reconciliation of Balances of Control Accounts vis-à-vis Balances as per General Ledger, Checking and rectification of Cost Centers and Expense head of each entry in the ERP/SAP system.
Treasury and Insurance	Review of fund management process, interest and financial charges, non fund based limits. To access adequacy of the internal financial control systems and procedure for safeguarding company's interests, detecting frauds or irregularities. Adherence of Investment Policy Adequacy of insurance coverage and claims status Review of Bank guarantees and its system from time to time.
Legal & Statutory Compliance:	Timeliness of submission of returns and making payments under various statutes viz., Income Tax, GST, Profession Tax, Provident Fund ESIC and other applicable taxes etc. Review of validity of various licenses Review of follow-up on actions on refunds or any litigation matters.
Pre-audit	All transactions irrespective of the amount shall be processed after pre-audit only

All work done by the Internal Audit Service should be properly documented, evidenced and filed for any reference. The documentation shall comply with the guidelines prescribed by ICAI. A detailed scope of work as mentioned above is only illustrative and not exhaustive. Which may be read in conjunction of this broad scope.

5. PERIOD OF INTERNAL AUDIT

The period of internal audit would be two years and it shall be running concurrently with the year during which the audit is done. Audit observations noticed during concurrent audit shall be rectified immediately. An audit report will be submitted in four phases of three months each ending on 30th June, 30th September, 31st December and 31st March. The quarterly audit report should include the findings / observations of at least two process audits. However the auditor may issue any implementation or specific observation at any point of time to attend attention of the Management, if such demand is felt by the auditor. The Audit of vouchers for the month of March of the respective year shall require to be carried out up to the month of April of the subsequent financial year. Accordingly, the resources will remain deployed till the month of April.

6. INTERNAL AUDIT REPORTS

The report should be structured in a manner to provide the following:

- (a) Audit observations;
- (b) Implications of the observations with root cause;
- (c) Suggested recommendations;
- (d) Management's comments/agreed actions and
- (e) Status of actions on the previous recommendations.

In addition, the internal auditor should prepare and submit a consolidated report on a quarterly basis, summarizing the individual contract package wise interim reports and highlighting the critical issues which require the immediate attention of MEGA. The reports should be submitted to MEGA within 15 days of the close of each quarter. The auditor should discuss results of audit with the Director Finance of MEGA and the Audit Committee. The report in respect of MEGA shall be submitted in triplicate for each phase.

Process Audit of any two processes is required to be carried out and report of the same is required to be submitted along with the quarterly audit report clearly indicating the finding.

Submission of pre-audit observations

Pre-audit observations on scrutiny of bills shall, however, be submitted within maximum of 2 days from the receipt of the bill.

7. RIGHTS OF THE INTERNAL AUDITOR

The Internal Auditors has rights of access to all MEGA's records, information and assets which are considered necessary and reasonable to fulfil the responsibilities.

8. RESPONSIBILITY

The responsibility of the Internal Auditor would be:

- Develop a flexible annual internal audit plan using an appropriate risk based methodology, including any risks or control concerns identified by management and submit that plan to MEGA and approval as well as periodic updates.
- Implement the annual internal audit plan, as approved, including as appropriate any special tasks or projects requested by management and the audit committee.

- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.
- Evaluate and assess significant merging/consolidating functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.
- Issue periodic reports to the audit committee and management summarizing results of audit activities, including significant audit issues and management action plans.
- Keep the audit committee informed of emerging trends and successful practices in internal auditing.
- Assist in the investigation of significant suspected fraudulent activities within the organization and notify management, the external auditors and the audit committee of the results.
- In turn, the Internal Audit Service agrees to comply with any requests from the external Auditors from MEGA's Internal Audit Division for access to information, files or working papers obtained or prepared during the audit work that they need to discharge their responsibilities.

9. REPORTING

The Internal Audit should report any serious weakness, significant fraud or major accounting breakdown discovered during the normal course of audit.

The manner and intervals in which the internal audit shall be conducted and reported shall also be in compliance with the Companies Act 2013.

10. OTHER TERMS AND CONDITIONS:

1. Firms selected by MEGA shall maintain ethics of faith and the information provided by MEGA shall be kept 'strictly confidential'. The firm shall execute "Confidentiality Non-Disclosure Agreement" before commencement of the Internal Audit Assignment.
2. The selected audit firm shall deploy minimum 3 personnel in MEGA Office, necessary arrangements will be done by MEGA. Out of the 3 staff, One must be a qualified Chartered Accountant having at least 2 years post qualification experience and two audit assistant articles. The audit firm shall employ such more qualified and experienced Personnel as and when required for internal audit. The firm shall furnish the list of personnel deputed for MEGA audit with details before commencement of audit. The list shall be reviewed and approved by MEGA with or without modification. Except as MEGA may otherwise agree, no change shall be made in the approved list of personnel. If for any reason beyond the reasonable control of the Audit Firm, it becomes necessary to replace any of the Personnel, the Audit Firm shall forthwith provide as a replacement, a person of equivalent or superior qualification with the prior approval of MEGA.
3. If any leave required by the resources deployed, it must be approved in advance by MEGA competent authorities (i.e.CFO). Alternate staff arrangement to be done by the auditor during such leave period.
4. The company can determine the manner and intervals in which the Internal Audit shall be conducted and reported to comply with the Companies Act, 2013.

5. In case of any dispute, the decision of MD, MEGA shall be final and binding.
6. All assignments shall be carried out with due diligence maintaining quality of work done and in least possible time.
7. All reporting including MIS shall be done on concurrent basis as required by MEGA from time to time.
8. MEGA reserves the right to cancel selected firms, if it considers necessary.
9. The Audit work being conducted by the firm will be subject to supervision by finance and accounts department of MEGA as and when required to ensure that the work is progressing as per agreed plan.
10. In case of non-fulfilment of any instructions issued by MEGA, MEGA will be entitled to cancel the audit work without any obligations.
11. The successful firm shall not be entitled to claim any additional amount for any reason whatsoever for the above audit work.
12. MEGA reserves the right to reject any or all offers received without assigning any reasons.
13. These are only proposed draft terms and conditions and can be modified at any time by the MEGA at its sole discretion.
14. The Audit party will consist of sufficient number of experienced and qualified professionals in relevant field.
15. No bill shall be remained un-audited by the auditor after 2 days from the receipt of the bill for pre-audit. The auditor must ensure that the bill is cleared with or without observation note within 2 days. No delay will be granted. In case of constant delay in this regard, it shall be viewed as non-performance of the assignment.
16. The Internal Audit shall ensure following aspects which are indicative but not limited while applying pre-audit function.
 - Proper Documentation to support transaction
 - Due approvals as per the delegation of power in effect from time to time.
 - Financial terms and conditions of PO (Purchase Order) / WO (Work Order) / Contract etc.,
 - Quality and satisfactorily confirmation by concerned HOD
 - Applicable rules, direction, guideline, GRs etc., of the Government.
 - Arithmetic check of all kinds
17. Indicative quantum of work:-
 Number of Payment vouchers for FY 2017-18 is around 2900. It is to be noted that the Nos. of vouchers may increase during FY 2018-19 and FY 2019-20.

11. CONTENTS OF THE TENDER PROPOSAL

This is a two bid open tender. Tenderer has to submit the offer in two different packets. One packet will be for technical bid packet 'A' and another packet will be for financial bid as packet 'B'. The packet 'A' shall be superscripted as "Technical & Commercial Cover" and the packet 'B' shall be superscripted as "Financial Bid". Both the covers should be in sealed condition and placed in a larger cover which should be superscripted with the Tender No. MEGA/F&A/Tender Notice/01/2018. The tender shall be addressed to **The Chief Financial Officer, Metro Link Express for Gandhinagar and Ahmedabad (MEGA) Co. Ltd Block No.1, 1st Floor Karmayogi Bhavan, Sector 10A, Gandhinagar-382010**

- i. Technical bid (**Packet A**) will be opened on due date (as per Notice Inviting Tender). This packet must contain the following:
- A proposed plan of action to achieve the objectives of the internal audit function of MEGA. Such a plan should cover short- and medium-term steps to manage the internal audit function;
 - A list of references of internal audit appointments;
 - The curricula vitae of the staff who will be available for the duration of the work;
 - An undertaking to ensure continuity of staff on the project;
 - Details of staff training and development policies and procedures with specific mention of employment equity policies;
 - Finally, all the supporting documents as in clause (3) as above & clause 13 to assess the eligibility criteria/technical evaluation may also be furnished as given the formats in Annexure – “A” to Annexure – “F”.
 - Each page of the tender documents is required to be signed by the Nodal partner of the firm. The documents / certificates in support along with the tender shall also be signed by the Nodal Partner.
- II. Financial bid (**Packet B**) will be in the separate sealed envelope, which will contain
- Price bid as per Forms Fin 1
 - In case tenderer’s bid disqualifies technically, bidders unopened financial Bid will be returned in sealed intact condition.

12. TENDER PRICE

The tender price is to be in Indian currency and must include applicable taxes and the firm must complete the price table as in Fin 1 for one year. The quoted tender price shall be valid for a period of 120 days from the opening date of tender. The price is firm and fixed throughout the agreement period of 2 years without any escalation.

13. EVALUATION CRITERIA FOR SELECTION OF AUDITOR (Expression of Interest)

a) Technical evaluation:

The Evaluation Criteria for selecting the auditor are mentioned below:

Sr. No	Eligibility Criteria	Details	Marks	Total
1	Experience with Government Dept. / PSU of Central and State Government of infrastructural in nature	More than 5 assignments	20	20
		Between 4 to 5	10	
		Up to 3 Assignments	5	
2	Experience with private sector of infrastructural projects	More than 5 assignments	20	20
		Between 4 to 5	10	
		Up to 3 Assignments	5	
3	Average Turnover of the firm of last Three Years	Turnover more than 5 Cr	10	10
		Turnover from 3 Cr to 5 Cr	7	
		Turnover from 2 Cr to 3 Cr	5	
4	Number of completed Years of Existence of the Firm	Existence of More than 10 Years	10	10
		Existence between 6 to 10 Years	7	
		Existence of 5 Years	5	

5	Chartered Accountant Employees with firm	Firm of 15 or more Chartered Accountant Employee	10	10
		Firm of Chartered Accountant Employee between 9 and 14	7	
		Firm of Chartered Accountant Employee between 3 and 8	5	
6	No. of Partners of the firm	Firm of more than 10 partners	10	10
		Firm having partners between 9 and 10	7	
		Firm having partners between 5 and 8	5	
7	Metro Rail Project Experience	5 and more assignments	20	20
		Between 3 and 4	15	
		Less than 3 but more than 1	10	

Definition:

1. **Infrastructure:** Road, Bridge, Port, Railways, Canal, Power Sector.
2. **Assignments:** Pre-Audit / Internal Audit of a complete assignment in a financial / calendar year. The one year of audit should be considered. However, audit of less than 1 years shall not be considered as 1 assignment.
3. **Private sector infrastructure:** Private Limited and public Limited company dealing with the area as outlined in the definition of infrastructure.
4. **Metro Rail Experience:** Company implementing metro rail project. Experience with a company who is operating metro rail system shall also be considered as metro rail experience, even if there was no role in construction stage.

The Minimum qualifying marks is 70% on technical evaluation.

Evaluation Methodology:

1. All the bids so received within time stated in the tender events shall be examined from minimum eligibility criteria first. The bids which are meeting the minimum criteria shall only be further scrutinized and marks as per Para No. 13 shall be allocated.
2. The technically compliant bids then considered for further scrutiny and financial bids of those bids shall be opened.
3. Financial quote shall assign score as per below.

The lowest financial proposal (Fm) shall be given a financial score (Sf) of 100 marks.

The financial score of the proposals shall be computed as follows:

$$Sf = 100 \times Fm / F \text{ (F = Amount of financial proposal)}$$

Sf = Financial marks

Fm= The lowest quote

F = Quote of particular bid being considered for financial mark

4. After having been determined technical and financial mark / score as outlined above, the bids shall be commuted for final score where technical mark (st) and financial score (Sf) will be weighted as per below.

$$\text{Total Score} = (75 \% \text{ of Technical Marks}) + (25 \% \text{ of Financial Marks})$$

Based on total score, the bids shall be arranged in ascending order of score/mark obtained and the highest scored/marked bid will be chosen for the assignment.

In case of the highest scored bidder does not agree to accept the tender, then MEGA shall reserve to call the second highest bidder for appointment subject to price matching as per the highest one if financial quote is higher than that. In case of the second highest bidder doesn't accept, then MEGA shall operate the same option for the next higher till it gets bidder for appointment.

14. REGULATION OF AUDIT FEES

The payment of Audit Fees as fixed will be made only after completion of Audit Work and submission of Audit Report for every quarter on pro rata basis. Completion of Audit includes conduct of audit, submission and discussion of report with MEGA and compliance by MEGA. MEGA will not pay any advance to the selected audit firm under any circumstances.

Bill for Audit Fees will be submitted to the Accounts Division of MEGA along with a certificate indicating that audit work has been completed as per the agreed terms and conditions.

MEGA shall cause payment to the Audit Firm to be made in quarterly basis upon receipt of the bill along with supporting documents. Tax as applicable will be deducted at source and tax deduction certificate will be issued as per the law in force.

The payment schedule will be as per below

Milestone	% of Total Fee
Submission of Q1 report and acceptance of the same by MEGA	20 %
Submission of Q2 report and acceptance of the same by MEGA	20%
Submission of Q3 report and acceptance of the same by MEGA	20%
Submission of Q4 report	
1. Acceptance of report	10%
2. Submission of Statutory audit report and adoption of the same by BOD	10%
3. Acceptance of C&AG supplementary accounts audit report by AGM	20%

15. PENALTY

Penalty equivalent to 10% of the quarterly billing rate will be recovered for non-deployment of the Professional or replacement of personnel as per the agreed list of personnel till the person is deployed. Replacement penalty shall be levied at 10% of the quarterly billing rate for replacement of any approved personnel during the audit period for each event.

16. TERMINATION

Any party of the Contract may terminate the Contract at any time by one month's written notice to the other party.

Upon termination of the contract, or at any time if so requested in writing by MEGA, the audit firm will return or destroy within thirty (30) days all confidential information of MEGA and any copies thereof it may hold at such time.

17. ARBITRATION

In case of any dispute, it shall be referred to Arbitration. The sole arbitrator will be appointed by the Managing Director of MEGA.

The place of Arbitration shall be Gandhinagar and the language will be English.

Metro-Link Express for Gandhinagar and Ahmedabad (MEGA) Co. Ltd.

Annexure

**Forms of Tender
for Internal Audit for 2018-19**

Technical Proposal for appointment of Internal Audit for FY 2018-19

Sr. No.	Particulars	Response	
1.	(a) Name of the firm (in CAPITAL letters)		
	(b) Address of Head Office & Branch Offices		
	(c) PAN No. of the firm		
2.	ICAI Registration No. Region Name Region Code No.		
3.	Empanelment number with C&AG of India		
4.	Date of constitution of the firm	ICAI Registration Certificate	
5.	Full-time Partners (in case of Partnership firm) as on 1st January, 2018. (Please provide details in the table below)	(Details of Full-time Partners as on 1 st January, 2018 as per Annexure- "A" attached herewith)	
	Sl. No.	Continuous association with the Firm	Number of CAs (Partners)
	(a)	CA Partner having Post Qualification Experience (PQE) of 1 year or more with the firm (but less than 5 years)	
	(b)	CA Partner having Post Qualification Experience (PQE) of 5 year or more with the firm (but less than 10 years)	
	(c)	CA Partner having Post Qualification Experience (PQE) of 10 year or more with the firm	
6.	Number of Chartered Accountants employed full time with the firm	(The Details of other Chartered Accountants employed full time with the firm in Annexure- "B" attached herewith)	

Sr. No.	Particulars	Response
	Sl. No. Continuous association with the Firm	Number of CAs / Cost Accountant / Technical Qualified Staff
	(a) Full time Staff having Post Qualification Experience (PQE) of 1 year or more with the firm (but less than 5 years)	
	(b) Full time Staff having Post Qualification Experience (PQE) of 5 year or more with the firm (but less than 10 years)	
	(c) Full time Staff having Post Qualification Experience (PQE) of 10 year or more with the firm	
7.	Experience Details	(The details of experience of the should be given as per Annexure–“C” attached)
8.	Whether the firm is implementing quality control Policies and procedures designed to ensure that all audit are conducted in accordance with Statements on Standard Auditing Practices.	(The details of experience of the should be given as per Annexure–“E” attached)
9.	Fees earned by the firm for the last 3 years	(The details of fees earned during last 3 years should be given as per Annexure F attached)
10.	Profile of the firm	To be attached herewith separately.

We/I declare

1. That the particulars given are complete and correct and that if any of the statements made or the information so furnished in the application form is later found not correct or false or there had been suppression of material information, the firm would not only stand disqualified from the allotment, but would be liable for disciplinary action under the Chartered Accountants Act, 1949 and the regulations framed there under;
2. That the firm or partners have not been debarred or cautioned by ICAI during the last five years; (A self certificate to the effect from the firm will be attached).
3. That individually we are not engaged in practice otherwise or in any other activity which would be deemed to be a practice under Section 2(2) of the Chartered Accountants Act, 1949;
4. That the constitution of the firm as on 1st January of 2018 shown in the tender is the same as that in the Constitution Certificate issued by the ICAI.
5. That the firm is not the incumbent Internal Auditor of the project or the Project Implementation Authority (PIA).

6. That the no partner of the audit firm or any qualified employee of the firm is related to any member of the Governing Body / Executive Committee / Board of Directors or the Project Director/ Managing Director / any Director or any of the senior management (as applicable) of the MEGA. Relative would mean husband, wife, brother, or sister or any lineal ascendant or descendant.
7. That neither the firm nor its Partners or Associates have any interest in the business of the MEGA.
8. That from the time of appointment and for one year after (to be counted from the date of issue of final audit report) the Firm ceases to be internal auditor, no other assignment of any kind to the PIA/project (including consultancy) will be accepted, either by the firm or by its partners or relatives of partners of the firm or by its associates.
9. That the audit will not be done by a person who was either an employee in the project or a partner / employee of the retiring auditor, unless such person is employed with the firm for at least one year.
10. The audit firm is not one against which disciplinary orders have been issued by the Public Companies Accounting Oversight Board and these orders are in force. Also, any partner/senior manager of the audit firm is not associated with the audit in any manner if he/she has been found guilty of professional/other misconduct by the Institute of Chartered Accountants of India under the First or Second Schedule of the Chartered Accountants Act, 1949; or is one against whom disciplinary sanction orders have been passed by the Public Companies Accounting Oversight Board.

(Sign with stamp & membership no on each page)

Annexure–“A”

DETAILS OF FULL-TIME PARTNERS OF THE FIRM AS ON 1ST JANUARY, 2018

Sr. No.	Name of Partners	Year of establishment of firm	Total Completed years as on 1 st January, 2018 from establishment of firm	Membership No.	Qualification	Year of passing (CA)	Number of completed years Post Qualification Experience with the firm
							No. of years as at 01.01.2018
1	2	3	4	5	6	7	8

Please attach duly certified copy of ICAI firm card in support of the afore said information

Annexure – “B”

DETAILS OF OTHER STAFF EMPLOYED FULL TIME WITH THE FIRM AS ON 1ST JANUARY, 2018

Sr. No.	Name of the Chartered Accountant	Membership No.	ACA / FCA	Date of joining the firm
1	2	3	4	5

Please attach duly certified copy of ICAI firm card in support of the afore said information

Annexure - “C”

DETAILS OF EXPERIENCE OF FIRM IN INTERNAL AUDIT of Private Infrastructural Project

Sr. No.	Name of the Company/Organiz ation	Year of Audit	Latest Turnover of Entity Amount Rs in crores	Type of Experience	Brief detail of scope of IA
1	2	3	4	5	6

Please attach a certificate of competent authority of Auditee organization to the effect that the assignment has been successfully completed on the letter head of auditee firm in support of the aforesaid information in the prescribed format.

Please also attach a BRIEF DETAILS OF WORK DONE IN INTERNAL AUDIT

Annexure - "C1"

DETAILS OF EXPERIENCE OF FIRM IN INTERNAL AUDIT of Government PSU

Sr. No.	Name of the Company/Organization	Year of Audit	Latest Turnover of Entity Amount Rs in crores	Type of Experience	Brief detail of scope of IA
1	2	3	4	5	6

Please attach a certificate of competent authority of Auditee organization to the effect that the assignment has been successfully completed on the letter head of auditee firm in support of the aforesaid information in the prescribed format.

Please also attach a BRIEF DETAILS OF WORK DONE IN INTERNAL AUDIT

Annexure - "C2"

DETAILS OF EXPERIENCE OF FIRM IN INTERNAL AUDIT of Metro Rail Project

Sr. No.	Name of the Company/Organization	Year of Audit	Latest Turnover of Entity Amount Rs in crores	Type of Experience	Brief detail of scope of IA
1	2	3	4	5	6

Please attach a certificate of competent authority of Auditee organization to the effect that the assignment has been successfully completed on the letter head of auditee firm in support of the aforesaid information in the prescribed format.

Please also attach a BRIEF DETAILS OF WORK DONE IN INTERNAL AUDIT

Annexure - "E"

THE BRIEF DETAILS OF QUALITY CONTROL POLICIES AND PROCEDURES

Annexure – "F"

DETAILS OF FEES EARNED BY THE FIRM DURING LAST THREE YEARS

Sr. No.	Type of Audit	Year 2014-2015	Year 2015-2016	Year 2016-2017
1	Statutory Audit/ 6 Monthly Review Audit			
2	Internal / Concurrent Audit			
3	Assurance / Financial Services			
	Total			

Form FIN-1: Financial Proposal Submission Form

Format for Financial Bid

Particular	Fees in Rupees
Professional Fee for internal Audit according to scope of work detailed in the Tender including all charges and cost (For entire year)	
Taxes & Duties	
Total	
(Rupees.....)	

Fee is including all kind of charges to render services. No any other charges except this Fee shall be paid to perform the scope.

We have read all the terms and conditions with respect to financial bid as outlined in the tender and abide ourselves with the terms and conditions.

(Sign with stamp & Membership No.)

Format of Completion Certificate

TO WHOMSOEVER IT MAY CONCERN

This is to certify that M/s. _____, Chartered Accountants has been appointed for rendering the services as Internal Auditor for the Period They have completed this assignment satisfactorily as per the scope of work entrusted to them.

This certificate is issued for their reference purpose only & is as per their request.

For,

(Name of the issuing person)

Designation

Date of issue :

Place of issue:

Turnover of the Company or Capitalization of the Company

To whomsoever it may Concern

This to certify that M/s. _____, Chartered Accountants, were appointed as an Internal Auditor of our organization and have successfully completed the assignment as an Internal Auditor for the FY _____

The total expenses/spends of our organization for FY _____ are as under:

Financial Year	Turnover (In Crores) or Capital Work In Progress Amount

For, _____

(Name of the issuing officer)

Designation

Date of issue:

Place of issue: