

Terms of Reference

For

“Appointment of External Auditors to conduct the audit of financial statements for the year ended June 30, 2016 and June 30, 2017”

1. REQUEST FOR PROPOSAL

MTI Abbottabad is an autonomous institution governed by the Board of Governors as per Medical Teaching Institutions Reforms Act, 2015 and is comprised of Ayub Teaching Hospital (ATH) and Ayub Medical College (AMC). ATH is a 1000-bedded tertiary care teaching hospital and is a state of the art as well as the largest health care facility of the Northern Pakistan that is well equipped with advanced diagnostic and therapeutic facilities. It has large catchment area & provides health care services to millions of people living in and around Hazara Division, Gilgit & Baltistan and Azad Jammu & Kashmir since 1995.

MTI Abbottabad intends to hire the services of Chartered Accountancy firm for external audit of complete set of financial statements of ATH and AMC, prepared in accordance with accounting policies approved by the Government/Board, for the year ended June 30, 2016 and June 30, 2017 in accordance with International Standards of Auditing (ISAs) as applicable in Pakistan.

2. INSTRUCTIONS TO APPLICANTS

1. Proposals shall be submitted in sealed envelopes either by hand or through courier at the following address.
2. Technical Proposal shall be placed in a sealed envelope clearly marked "TECHNICAL PROPOSAL" Similarly, Financial Proposal shall be placed in a sealed envelope clearly marked "FINANCIAL PROPOSAL". The envelopes containing the Technical and Financial Proposals shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address, title of the assignment, and be clearly marked "DO NOT OPEN, EXCEPT IN PRESENCE OF THE OFFICIAL APPOINTED, BEFORE, 2017, 12:30 PM". MTI Abbottabad shall not be responsible for misplacement, losing or premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may be case for Proposal rejection. If the Financial Proposal is not submitted in a separate sealed envelope duly marked as indicated above, this will constitute grounds for declaring the Proposal non-responsive.
3. Technical proposals will be publicly opened at 12:30 PM on, 2017 at Hospital Director Office, Ayub Teaching Hospital Abbottabad.
4. Proposals received after due date and time shall not be considered and shall be returned unopened.
5. ATH shall disqualify Chartered Accountant Firm if it finds, at any time, that the information submitted by the bidder concerning its qualification was false and materially inaccurate.
6. Technical proposals shall be evaluated on the basis of criteria specified in the ensuing paragraphs. Technically qualified bidders shall be notified and financial proposals of the technically qualified

bidders shall be opened publicly and financial proposals from technically non-responsive bidders shall be returned unopened to the respective bidders.

7. The minimum technical score required to pass is 70 points.
8. The lowest financial bid in the technically qualified bidders shall be selected for awarding contract.

3. QUERIES AND CLARIFICATION

Queries of the Bidders (if any) for seeking clarifications must be received in writing to MTI Abbottabad within 5 days after publication of bid notice. The queries reached latter will not be entertained.

4. EVALUATION CRITERIA

MTI Abbottabad will use “single stage - two envelope bidding” for selection under The Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014.

5. TECHNICAL AND FINANCIAL EVALUATION

1. Prequalification

The following documents are the pre-requisite to determine eligibility of the Bidder:

- a) Proof of international affiliation with one of the globally recognized accountancy firms;
- b) Proof of being a Category “A” firm on SBP panel of auditors as per latest issue;
- c) Proof of having satisfactory QCR rating from ICAP;
- d) Income Tax Registration Certificate;
- e) Partnership registration documents;
- f) Undertaking on Rs. 100 stamp paper attested by Oath Commissioner regarding non-black listing/delisting by any Government/ Semi-Government/Private Institution and donor agency.

2. Technical Evaluation

Technical Qualification Criteria

Technical Qualification will be based on all the criteria given in succeeding paragraphs regarding the Applicant’s Profile, Experience Record, Personnel Capabilities and office locations as demonstrated by the Applicant’s responses to this document. MTI Abbottabad reserves the right to waive minor deviations, if these don’t materially affect the capability of an applicant to perform the assignment.

The criteria established is given as per below table:

Sr. No.	Category	Marks
1	Profile of the firm	30
2	Proposed team for the audit	30
3	Experience of audits and related services of similar assignments	40
	Total	100

Profile of the Firm

Sr. No.	Category	Marks	Criteria for marking
1	History of operations for more than 10 years	10	Full marks
2	Number of partners	10	1 mark per partner up to maximum of 10 marks
3	Total regulars professional staff of firm	10	1 mark per 5 staff up to maximum of 10 marks
	Total	30	

Proposed team for the audit

Sr. No.	Category	Marks	Criteria for marking
1	Audit Partner – FCA having more than 10 years of experience	10	Full marks
2	Regular Audit Manager being member of ICAP with 2 years of post-qualification experience.	10	Full marks
3	Number of audit seniors being CA finalist/ACCA with 2 year experience	5	2.5 marks per team member up to maximum of 5 marks
4	Number of audit staff (CA inter/ACCA) having articles registered with ICAP	5	2.5 marks per team member up to maximum of 5 marks

	Total	30	
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Experience of audits and related services of similar assignments

Sr. No.	Category	Marks	Criteria for marking
1	Audits of autonomous bodies in the last three years	15	2 marks per client up to maximum of 15 marks
2	Audits of financial statements prepared in accordance with IFRS as applicable in Pakistan (existing clients)	15	1 mark per 5 clients up to maximum of 15 marks
3	Audit of Hospitals in last 3 years	10	2 marks per client up to maximum of 10 marks
	Total	40	

3. Financial Evaluation

After the technical evaluation, the lowest financial bid among the technically qualified bidders shall be selected for award of contract.

6. T E R M A N D C O N D I T I O N S

The bidder is expected to examine the tender documents thoroughly including all terms and conditions.

The bidder shall bear all costs / expenses associated with the preparation and submission of the proposals and MTI Abbottabad shall in no case be responsible / liable for those costs / expenses.

The prospective bidders may solicit clarification as mentioned in RFP in writing. Services required adequate technical expertise and financial capability in understanding specific assignment and project and maybe of an intellectual nature.

The Bidder requires submitting CDR of 2% of bid amount with financial proposal. CDR will be returned to the successful bidder after the completion of audit.

Audit Fee must be inclusive of all taxes applicable in Pakistan and out of pocket expenses.

Validity of Bid :The bid validity period shall be 90 days from the last date for submission of the Tender.

Invoicing and Payments: All payments will be made after deduction of all applicable taxes, amended from time to time. Payment terms will be decided by both parties at the time of signing the contract.

Proposals shall be opened at Hospital Director office Ayub Teaching Hospital at given time and date, in the presence of the Bidder(s) for which they shall ensure their presence without further invitation.

6. 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 for resolution to the Purchase committee of the institution whose decision shall be final and binding on both the parties and cannot be challenged in any court of law.