

OFFICE OF THE ROURKELA MUNICIPAL CORPORATION,
ROURKELA

E-mail ID: rourkelamunicipality@gmail.com

Tel.: 0661-2500388

No. 4216

Date:23.3.2017

Expression of Interest

Sealed offers are invited from intending CAG empanelled Chartered Accountant Firms for Statutory Audit of Accounts of Rourkela Municipal Corporation for the financial year 2015-16 as per scope of work mentioned in RFP.

The detail terms and conditions (RFP) for selection of CAG Empanelled Chartered Accountant Firms will be available in the Rourkela Municipal Corporation official website www.rmc.nic.in from 28.03.2017 to 30.03.2017.

All offers should reach the undersigned within 28.03.2017 to 30.03.2017 by 03:00 PM positively. The bid(technical) will be opened on 30.03.2017 at 04:00 PM onwards.


Sri Akshaya Kumar Mallick
Municipal Commissioner
Rourkela Municipal Corporation

Memo No.4217

Dt.23.3.2017

Copy to Office Notice Board and MIS for uploading the above RFP in the RMC website www.rmc.nic.in till 30.3.2017


Sri Akshaya Kumar Mallick
Municipal Commissioner
Rourkela Municipal Corporation

BID DOCUMENT

**Selection of CAG Empanelled Chartered Accountant Firm
for Statutory Audit of Rourkela Municipal Corporation**

**Rourkela Municipal Corporation
MARCH, 2017**

1.1 Overview of Double Entry Accrual Based Accounting Reform in Odisha:

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

The Accounting Reform when implemented at the ULB enables the ULBs 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 programme, Jawaharlal Nehru National Urban Renewal Mission and is one of the condition stipulated by the 13th Finance Commission and AMRUT. Accordingly a book of accounts of Rourkela Municipal Corporation is being maintained under DEABAS w.e.f 2013-14.

As per the requirement of the AMRUT guidelines the books of accounts of all the Rourkela Municipal Corporation is required to be audited and the audited financial statement should be published in the ULBs website. Statutory audit is completed up to financial year 2014-15.

Rourkela Municipal Corporation now deciding to get audit the books of accounts for the financial year 2015-16.

1.2 Requirement & Status of Books of Accounts

The books of accounts and internal audit for the FY 2015-16 were completed.

Thus, in order to examine the fairness of the financial statement, the books of accounts of the ULBs 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 2015-16.

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

1.3 The audit fees will be as follows:

The audit fees of Rs 50,000/- (Rupees Fifty Thousand) only for the F Y 2015-16 will be paid to the successful bidder on completion of audit

This amount is exclusive of Service Tax. Service tax will be paid in addition to the fees with the rate as applicable.

1.4 Bidders Data Sheet

1	Name of the Assignment	Selection of CAG Empanelled CA firm for audit of accounts of Rourkela Municipal Corporation
2	Language of documentation	English
3	Method of Selection	Quality Based Selection (QBS) Method
4	No of Copies of Technical Proposal	1 copy of Technical proposal
5	Address for submission of bid	Office of the Rourkela Municipal Corporation At/Po: Rourkela Pin: 769012 Phone: 0661-2500388
6	Contact person	Municipal Commissioner, Rourkela Municipal Corporation
7	Date of Issue of RFP	23.03.2017
8	Mode of Submission	Proposals complete in all respect should be submitted to the inviting authority through Speed Post / Registered Post / By Hand / through Private Courier . Authority will not be responsible for postal delay or any other consequences.
9	EMD	Rs. 2500/- (Rupees Two Thousand Five Hundred Only) to be submitted along with the bid proposal in shape of DD in favour of Municipal Commissioner, Rourkela Municipal Corporation payable in any of the nationalised Bank at Rourkela .
10	Last date and time for submission of Bid	30.03.2017 at 3.00 PM. The bids received beyond the stipulated time line will be out-rightly rejected.
11	Date and time for opening of technical proposal	30.03.2017 at 4.00 PM.

Instructions to Bidders

2.1 Definitions

- i. **"Act"** means The Odisha Municipal Act of 1950 and/or the Odisha Municipal Corporation Act of 2003
- ii. **"Accounting Code"** means Odisha Municipal Account Code as time by time in force
- iii. **"Applicable Laws" means** all laws, promulgated or brought into force and effect by the Government of Odisha 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
- iv. **"C & A G"** means Comptroller and Auditor of General of India.
- v. **"Department"** means Housing & Urban Development Department
- vi. **"DEABAS"** means Double Entry Accrual Based Accounting System
- vii. **"GoO"** means Government of Odisha
- viii. **"Firm"** means Chartered Accountant Firm
- ix. **"ULB"** means Urban Local Body (Corporation/ Municipal Corporation/Notified Area Council)

- x. **“AMRUT”** means Atal Mission for Rejuvenation and Urban Transformation

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 Govt/ State for corrupt, fraudulent practices or has been 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 rourelamunicipality@gmail.com

2.4 Amendments and Clarification for RFP:

The Corporation 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 Corporation 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 audit of DEABAS 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 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.
- **The bidder having highest mark in the technical evaluation will be allotted.**

General instructions for the bidders for the submission of proposal:

- 1) The proposal shall be submitted by **Registered Post / Speed Post / By Hand /Private Courier 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.

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 bidder i.e. 2013-14, 2014-15 and 2015-16 should not be less than Rs. 20 Lakhs. (Rs. Twenty 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 Odisha	Details to be furnished in FORM-1
5	The firm which is appointed as the internal auditor for F Y 2015-16 cannot be eligible for appointment as Statutory auditor for the same ULB.	

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.

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.

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	<p>No. of years in Profession</p> <p>Note: Marking will be based on total no. of years in profession. Bidder having maximum year will get full mark and others will get in proportion.</p>	10	Firm Constitution Certificate
2	<p>Financial Strength of the Bidder</p> <p>Note: Marking will be based on average turnover of last 3 years of the CA firm. Bidder having maximum turnover will get full mark and others will get in proportion.</p>	20	Attach copies of audited Balance Sheets and P & L Accounts of the last three years i.e. 2013-14, 2014-15 and 2015-16
3	<p>Similar Experience in Audit in last 5 years (5 best projects under each category)</p> <p>i) In ULBs 10 marks</p> <p>ii) In Central / State Govt. / PSUs – 10 marks</p> <p>iii) Others- 10 marks (Bank Statutory audits were not covered)</p> <p>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.</p>	30	<p>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.</p> <p>However, marking for point 3 (ii) and (iii) will be made based upon the audit experience only.</p> <p>The bidders are required to submit the work order indicating the value of the assignment for marking purpose, otherwise it will not be consider for marking purpose. **</p>
4	Number of personnel in the firm:		
	<p>TOTAL No of Staff Strength in firm</p> <p>Note: Bidder having maximum staff strength (qualified, semi qualified & article clerk) will get full mark and others will get in proportion.</p>	10	Self certification of total strength in roll of the firm as on 28/02/2017
	TOTAL MARKS	70	

Based on the above technical scoring the merit list will be prepared and the highest will be allotted the audit.

**** If the work order doesn't contain the value of the contract, a certificate from the client**

regarding the value of the assignment shall be furnished, otherwise the work order will not be considered for marking purpose.

3.5 Supports by ULB

Support to be provided by ULBs

- The ULBs 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 ULBs will provide a computer system with latest configuration, e-municipality software to access the books of accounts under DEABAS, Laser Printer, required stationery, UPS and required work space.

4.0 Objectives and Scope of Work of ULB Audit

4.1 Objectives of ULB Audit

- (i) Enable the auditor to appraise the client on meeting the objectives of Double Entry Accrual Based Accounting in specific ULBs.
- (ii) Enable the auditor to provide a professional opinion on the annual financial statements of ULB these would include receipt and payment , income and expenditure , balance sheet , bank reconciliation statement , statement of expenditure and utilization certificate of concern ULB 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.

4.2 Scope of Work

The Chartered Accountant Firms selected for audit of ULBs 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 as prescribed in OMAR-2012 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 ULBs are as per the budget approved by the council bodies. 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 ULB including details of cost, identification and location of assets.
- 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 of the ULBs. Where ever required the auditor may suggest to the ULB 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 Odisha 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 ULBs 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 ULBs as on the Balance Sheet date.
- xiii. Examination of Accounts prepared by respective Corporation / NAC as per OMAR – 2012

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 ULB for the financial year 2015-16 2. Audit Report based on the Scope of the work	After Submission of Report	30 days	30 days from the date of Submission of Report

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.
4. Balance Sheet.
5. Relevant Schedules & Annexure as per the need of OMAM

(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 Commissioner,
Rourkela Municipal Corporation

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 Rourkela Municipal Corporation 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

I remain,

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 years

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

Form-4: Staff Strength Certificate

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 Odisha 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	2013-2014	
2	2014-2015	
3	2015-2016	
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

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					

C. Other Organisation 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-5

Staff Strength Certificate

This is to certify that we have numbers of supporting staffs (qualified, semi qualified & article clerk) as on 28.02 .2017 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.


Sri Akshaya Kumar Mallick
Municipal Commissioner
Rourkela Municipal Corporation