

**GOVERNMENT OF ASSAM
PUBLIC HEALTH ENGINEERING DEPARTMENT,
Assam Secretariat,B' Block, 2nd Floor. Dispur, Guwahati-6.**

No. PHED.232/2010/12

Dtd, 21.5.10

**EXPRESSION OF INTEREST
(Request for proposal)**

**HIRING SERVICES OF CHARTERED ACCOUNTANT FIRM FOR STATUTORY
AUDIT OF NRDWP (National Rural Drinking Water Programme) AT STATE
LEVEL & AT PHED DIVISIONAL LEVEL IN ASSAM FOR FINANCIAL YEAR
2009-10.**

Govt. of India (GOI) partnership with the state of Assam is implementing the National Rural Drinking Water Programme (NRDWP) comprises of various activities, with the objective of providing water supply and sanitation in the rural areas. To facilitate implementation, State Water & Sanitation Mission (SWSM), Assam is the registered society under the aegis of the Public Health Engineering Department (PHED), Assam. The SWSM Assam, invites 'Request for Proposals (RFP)' from firms of Chartered Accountants empanelled with C & AG and which meet all the conditions in the eligibility criteria given below for carrying out the statutory audit of the state SWSM Accounts covering nos. of Division level Accounts against NRDWP fund from Govt. of India for the financial year 2009-2010 as per the Terms of Reference provided in the RFP.

Eligibility Criteria : The firm must (a) be empanelled with C & AG and ICAI, (b) have at least 4 full time partners who are fellow members of the ICAI for a period not less than 3 years (as per certificate of ICAI as on 1.1.2010), (c) have an average turnover of Rs.30.00 lakh p.a. in the last 3 years; (d) have carried out at least 10 statutory Audits of corporate entities having a turnover of Rs.100.00 (One hundred) crore other than Bank Branch Audit, (e) have at least 4 audit assignments in the social sector (excluding audit of Charitable Institutions & NGOs) & Externally Aided projects) and (f) shall have to complete and submit within 2(two) months time from date of entrustment.

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Detailed RFP : Detailed Request for proposal (RFP) comprising Background, Terms of Reference (TOR) for submitting the proposal can be downloaded from the state PHED website <http://aphe.gov.in> , and for NRDWP Guidelines can be downloaded from the Govt. of India's website <http://ddws.gov.in> (Title- Rajiv Gandhi National Drinking Water Mission). In case of equality in the eligibility criteria in all respect, decision will be taken based on the firm having establishment in Assam.

The Department will have the right to accept or reject any 'Expression of Interest' without assigning any reason thereof and the decision of the Govt. will be final and binding to all.

Important Dates

- i. Date for submission of proposal – 07th June,2010
- ii. Date of opening of technical bid – 07th June,2010
- iii. Date of opening of financial bid of qualified firm as per eligibility criteria: 11th June,2010.

Deputy Secretary to the Govt. of Assam.
Public Health Engineering Department.
Dtd, 21.5.10

Memo No. PHED.232/2010/12-A,

Copy forwarded to;-

1. The Director, Information and Public Relation Office, Dispur,Guwahati-6 . He is requested kindly to publish the aforementioned 'Expression of Interest' in two largest circulated English daily newspapers, and in three/four largest circulated Vernacular Daily News-Papers at an early date. [enclosed- 5(five) copies of the same].
2. The C.E.(PHE) Assam,Hengrabari,Guwahati-36 for wide circulation. [enclosed- 5(five) copies of the same].
3. C.E.(PHE) Sanitation Assam, Hengrabari,Guwahati-36. for wide circulation. [enclosed- 5(five) copies of the same].
- 4.All Division Offices.

Deputy Secretary to the Govt. of Assam.
Public Health Engineering Department

REQUEST FOR PROPOSAL (RFP) :

State Water & Sanitation Mission(SWSM) under aegis of Public Health Engineering Department, Assam, seeks to invite proposal from *C&AG Empanelled Chartered Accountants Firms* meeting the minimum eligibility criteria for providing their services for the statutory audit for the financial year 2009-10 of National Rural Drinking Water Programme (NRDWP) at the State and Division level.

The details about the background of the auditee, the units to be covered in the audit, scope of work, terms of reference, and the eligibility criteria for selection of the C.A. firms are given in the following paragraphs :-

TERMS OF REFERENCE (TOR)

Section I- Background:

The mission of the NRDWP under Assam Public Health Department is to enhance quality of life of the people by ensuring sustainable safe water and sanitation facilities and services along with promoting hygiene practices according to their choices and affordability.

The Departmental vision is a clean and healthy Assam, in which each person individually and collectively owns and takes the responsibility to ensure an equitable and good quality of life through safe water supply, adequate sanitation facilities and best hygiene practices.

Being the nodal department in the rural water supply and sanitation sector, the primary focus areas of the department are –

- (1) To supply safe drinking water and sanitation facilities to rural population of Assam.
- (2) To mitigate all water quality problems like Arsenic, Fluoride and Iron.
- (3) Sanitation for all by 2012.

Section II- Funding:

Criteria for allocation of funds to the States under the NRDWP is :

- The allocation of Central assistance under the NRDWP for a financial year would be communicated to the State at the beginning of the financial year.
- This criterion for allocation will be used as incentive to State for decentralization and reforms in the sector.
- To encourage the States to bring in reforms and decentralize the rural drinking water supply sector, the State would provide the detailed information regarding ‘rural population managing rural drinking water supply schemes (from number of GPs managing drinking water assets/distribution) before 31st March every year to enable the Department to finalize the allocation in the beginning of the next financial year.
- From this Incentive fund, State may take innovative projects to further the ongoing decentralization and reforms, ensuring sustainability of sources, equity, technological innovations, etc.

Section II- Scope of Audit:

In conducting the audit special attention should be paid to the following :

- a) An assessment of adequacy of the financial systems, including financial controls. This should include aspects such as adequacy and effectiveness of accounting, financial and operational controls; level of compliance with established policies, plans and procedures; reliability of accounting systems, data and financial reports; methods of remedying weak controls; verification of assets and liabilities; a specific report on this aspect would be provided by the auditor annually as part of the management letter.
- b) Funds have been spent in accordance with the condition laid down by the Department of Drinking Water Supply, Government of India from time to time with due attention to economy and efficiency, and only for the purpose for which the financing was provided. Counterpart contribution from State Government, where required has been provided.
- c) Goods and services have been procured in accordance with the relevant procurement guideline issued by the GoI & GoA. However, for various programmes, special attention must be paid to the requirements of the agreement between GoI and development partners. Such externally funded programmes, auditor must satisfy that all expenditure, including

procurement of goods and services have been carried out as per the procurement manual of the individual programmes and guidelines issued by the Programme divisions of GoI & GoA and have all the necessary supporting documentation.

Project Financial Statements

The audit shall include the following :

- i. Balance sheet showing accumulated funds of the balances, other assets and liabilities, if any.
- ii. Income & Expenditure account for the year ending on 31st March 2010.
- iii. Receipt and Payment Account for the year ending on 31st March 2010.
- iv. Other Schedules to the Balance sheet as appropriate, but which shall include
 - Statement of Fixed Assets in the form of a Schedule,
 - Schedule of all cash & Bank Balances (attach bank reconciliation statements)
 - Program wise statement of expenditure.

Section III- Eligibility Criteria :

- I. The firm must be empanelled with C & AG and ICAI, without which the application of the firm would not be considered.
- II. Firms must qualify following minimum criteria:

Sl. No.	Particulars	Minimum Criteria
1.	Number of Full Time Fellow Partners associated with the firm for not less than 3 years (As per Certificate of ICAI as on 1.1.2009)	4
2.	Turnover of the firm (Average annual in last three financial yrs.)	Minimum Rs.30.00 Lakhs
3.	No. of Years of Firm Existence	5 Yrs.
4.	No. of assignment of Statutory Audit of Corporate/PSUs entities except Bank Branch Audit having a turnover of not less than Rs.100.00 crores in the last 3 years.	10
5.	No. of assignments: Experience of audit of Externally Aided Projects/Social Sector Projects (other than Audit of Charitable Institutions & NGOs) in the last 3 years	4

- a) Any firm not qualifying these minimum criteria need not apply as their proposal shall be summarily rejected.
- b) Supporting Documents for Eligibility Criteria: Following supporting documents must be submitted by the firm alongwith the technical proposal;
 - i. For Sl. No. 1 above, the firm must submit an attested copy of certificate of ICAI as on 01-01-2009.
 - ii. For Sl. No.2 the firm must submit a copy of the Balance sheet for the last three years.
 - iii. For Sl. No.4 & 5, the firm must submit a copy of the appointment letter from the auditee organization. Branch audit of any Bank shall not be considered while taking into account the total number of assignments.
- III. The firm or any partner of the firm should not be black-listed by any PSUs or Govt. or any other organization in respect of any assignment or behaviour.(Self attested Affidavit on **Rs.100/-** Stamp paper to be given in this regard by the authorized person of the firm.).

Section IV- Guideline for submitting the proposal:

- i.Proposal to be submitted in two sealed envelopes one for **'Technical Proposal'** and another for **'Financial Proposal'**. These two proposals should be placed combinely in a single envelope.
- ii.Address of submission :- **Deputy Secretary, PHED, O/o. The Secretary, PHED, Govt. of Assam, B-Block, 2nd Floor, Assam Secretariat,Dispur,Guwahati-6.**
- iii. Financial proposal will be opened of those firms only whose technical proposal is accepted.
- iv.Financial proposal will be valid for six months from the date of submission of the proposal.

Section V- Letter of Transmittal:

To,
The Deputy Secretary,
Public Health Engineering Department,
Assam Secretariat,B-Block,2nd Floor,
Dispur,Guwahati-6.

Dear Sir,

We, the undersigned offer to provide the audit services for (Insert title of assignment) in accordance with your request for proposal dated (Insert Date). We are hereby submitting our proposals which includes this Technical Proposal, and a Financial Proposal duly sealed.

We are submitting our proposal in association with: (Insert a list with full name and address of each associated Consultant).

We hereby declare that all the information and statements made in this proposals are true, and accept that any misinterpretation contain in it may lead to our disqualification.

The prices quoted by us in the Financial Proposal are valid till six months from the date of submission of the EOI. We confirm that this proposal will remain binding upon us and may be accepted by you at any time before the expiry date.

Prices have been arrived independently without consultation, communication, agreement or understanding (for the purpose of restricting competition) with any competitor.

We agree to bear all costs incurred by us in connection with the preparation and submission of the proposal and to bear any further pre-contract costs.

We understand that SWSM, NRDWP,Assam is not bound to accept the lowest or any proposal or to give any reason for award or for the rejection of any proposal.

I confirm that I have authority of (Insert name of the Agency/firm) to submit the proposal and to negotiate on its behalf.

Yours faithfully,
Signature, Date-
Address:-
Contact No.

Section VI – Selection Process of the Auditor:

General Process:

1. Open advertisement in leading newspapers at State level inviting proposals from CAG empanelled Chartered Accountant Firms for statutory audit of State and District NRDWP Societies should be issued first.
 - a. The advertisement clearly mention the last date and time for submission of Technical and Financial bids.
 - b. Technical Bid opening date also been mentioned in the advertisement.
2. The CA firms securing less than cut off marks 65% in technical evaluation will be Communicated that they have not qualified in the technical bid and their Financial Bid will be returned unopened after the completion of the selection process.
3. The firms qualifying in technical bid will be notified by registered post that they have been short-listed in the Technical bid and their Financial Bid opening date shall also be communicated to them in the same notification.

Section VII- Other relevant terms:

1. Rates to be quoted for each group. Rates are to be quoted both in figures and words clearly. Any overwriting will be liable for cancellation.
2. Rates to be quoted for each group on **lump-sum** basis for conducting audit stating minimum and maximum amount required and may also refer to the auditable amount with due consideration of no. of vouchers.
3. Rates to be quoted inclusive of all taxes etc.
4. Cost on traveling, boarding etc. to the offices at state/divisions levels will have to be borne by the firm.
5. Court fee stamp of Rs.8.25 to be attached with the EOI.
6. Sealed EOI should be submitted latest by 02.00 PM of 07.06.2010.
7. Firm/s may be invited for negotiation if needed.
8. Assignment will be offered to successful Firm on **group-basis**. One firm may be offered with more than one group. List of Groups are stated below. Name of districts and divisions are also shown against each group for reference.

GROUP NO.	NAME OF DISTRICT	NAME OF OFFICES/DIVISION WITH OFFICE HEADQUATER
1(one)	Kamrup(Metro) ,	i. SWSM, Dispur, Guwahati-6. ii. Chief Engineer (P.H.E.), Assam, Hengrabari, Guwahati-36. iii. Chief Engineer (P.H.E.), Sanitation, Assam, Hengrabari, Guwahati-36. iv. Guwahati Divison No.I, Guwahati-21. v. Guwahati Divison No.II, Guwahati-21. vi. Store & Workshop Division, Betkuchi, Guwahati-35.
	Kamrup(Rural)	i. Rangia Divison, Rangia.
	Nalbari	i. Nalbari Divison, Nalbari. ii. Belsor Divison, Belsor.
2(two)	Barpeta	i. Barpeta Divison, Barpeta.
	Bongaigaon	i. Bongaigaon Divison, Bongaigaon.
	Kokrajhar	i. BTAD -NRDWP account.

		ii.Kokrajhar Divison N o.I,Kokrajhar. iii.Gossaigaon Divison, Gossaigaon.
	Baksha	i. Baksha Division, Musalpur
	Chirang	ii.Kokrajhar Divison No.II, Basugaon.
	Udalguri	i.Tangla Divison, Tangla.
	Goalpara	i.Goalpara Divison, Goalpara.
3(three)	Darrang	i.Mangaldoi Divison, Mangaldoi.
	Sonitpur	i.Tezipur DivisonNo.I, Tezipur. ii. Tezipur DivisonNo.II, Tezipur .
	N. Lakhimpur	i.N. Lakhimpur Divison, N. Lakhimpur. ii.Ghilamara Divison, Ghilamara.
	Dhemaji	i. Dhemaji Divison, Dhemaji.
4(four)	Nagaon	i. Nagaon Divison, Nagaon. ii.Hojai Divison, Hojai. iii. Dhing Divison, Dhing. iv. Kaliabor Divison,Kaliabor.
	Marigaon	i.Marigaon Divison, Marigaon.
	Karbi Anglong	i. Karbi Anglong A.C. -NRDWP account. ii.Diphu(Rural)Divison,Diphu. ii.Hawraghat Divison, Hawraghat. iii.Hamren Divison.
	Jorhat	i.Jorhat Divison, Jorhat.
	Golaghat	i.Golaghat Divison, Golaghat. ii.Bokakhat Divison, Bokakhat.
5(five)	Sivsagar	i. Sivsagar Divison, Sivsagar. ii. Nazira Divison, Nazira.
	Dibragarh	i.Dibragarh Divison. Dibragarh.
	Tinsukia	i.Tinsukia Divison, Tinsukia.
6(six)	Cachar	i.Silchar Divison No.I, Silchar. ii.Silchar Divison No.II, Silchar.
	Hailakandi	i. Hailakandi Divison, Hailakandi.
	Karimganj	i.Karimganj Divison, Karimganj.
	N.C.Hills	i.N.C.Hills A. C. -NRDWP account. ii. Haflong Divison,Haflong. iii. Maibong Divison, Maibong. iv. Umrangsu Divison, Umrangsu.

9. Every page of the EOI advertisement, TOR,RFP and documents appended must be duly signed by the proprietor/partner/authorized person.
10. TOR,RFP and documents appended with proposal will form a part of the Agreement,.

Particulars/Details of the Firm-

Sl. No.	PARTICULARS	Supporting documents required to be submitted alongwith this Form
1.	Name of firm	
2.	Address of the firm	
	Head Office	Phone No. Fax No. Mobile of Head office In-Charge
	Branch Office 1,2,3... (Particulars of each branch to be given)	Phone Nos.,Fax No.
3.	Firm Income Tax PAN No.	Attach copy of PAN Card
4.	Firm Service Tax Registration No.	Attach copy of Registration
5.	Registration No. with ICAI	
6.	Empanelment No. with C & AG	Attach proof of latest empanelment with C&AG for the year under Audit.
7.	No. of years of Firm Existence & Date of establishment of Firm	Attach copy of Partnership Deed
8.	Turnover of the Firm in last three years	Attach balance sheet of the three years
9.	Annual Average Turnover with Break-up Fee towards Audit, Income Tax matters and others (Specify)	Provide a Chart
10.	Audit Experience of the Firm: 1.Number of Assignments in commercial/Statutory Audit. 2.Number of Assignments in Social Sector Audit (Other than audit of charitable Institutions)	Copy of the Offer Letter & the Fee Charged. Copy of the Offer Letter & the Fee Charged.
11.	Details of Partners: Provide following details: <ul style="list-style-type: none">• Number of Full Time Fellow Partners associated with the firm for not less than 3 years (As per Certificate of ICAI as on 01/01/08)• Name of each Partner,• Date of becoming ACA and FCA• Date of joining the firm,• Membership No.,• Qualification,• Experience,• Whether the partners is engaged full time or part time with the firm.	Attested copy of Certificate of ICAI as on 1.1.2008.
12.	If applying in joint venture, then provide similar details for the firms participating in joint venture.	Letter jointly signed by all the firms participating in joint venture whereby they have agreed for the Lead Auditor.
13.	Indicate the Lead Auditor in the joint Venture.	Letter jointly signed by all the firms participating in Joint venture whereby they have agreed for the Lead Auditor.

Details of Qualified Staff (Chartered Accountants)

(Please provide attested copy of Certificate of ICAI as on 01/01/2009 for each qualified staff)

Sl. No.	Name of Staff	Length of Association with the Firm (in years)	Educational Qualifications	Area of Key Expertise	Membership No.	Relevant Experience
1						
2						
...						

Details of Semi-qualified Staff (including Article Clerks etc.)

Sl. No.	Name of Staff	Length of Association with the Firm (in years)	Educational Qualifications	Area of Key Expertise	Relevant Experience	Remarks
Semi Qualified Staffs						
1						
2						
..						
Article Clerks						
1						
2						
..						
Others						
1						
2						
..						

- Details of Structure and Composition of Team and Task Assignments to be stated in details **Description of Approach & Work Plan for performing the Audit of State NRDWP & District NRDWP**

Technical Approach: The firm should explain the understanding the objectives of the assignments, approach to the services, methodology for the carrying out the activities and obtaining the expected output, and the degree of the detail of such output.

Work Plan : The firm should propose the main activities of the assignment, their content and duration, phasing and inter-relations, milestones and delivery dates of the reports. The proposed work plan should be consistent with the technical approach showing understanding of the TOR and ability to translate them in to a feasible working plan.

Brief of Relevant Experience

A. Experience of audit in relation to Externally Aided projects/Social Sector Projects (Excluding the audit of Charitable Institutions and NGOs).						Projects
Sl. No.	Name of the Auditee Organization	Grant-in-aids handled of the auditee organization	Type/Nature of Assignment	Scope & coverage of the Assignment	Duration of completion of Assignment	Proof of the letter of work or Assignment awarded by the Auditee Organization (Pl attach a copy of the letter)

Comments and Suggestions on the Terms of Reference

[Firm can present and justify here any modifications to the Terms of Reference which can significantly improve performance in carrying out the assignment (such as deletion of some activity which the firm considers unnecessary, adding other activities of significance, re-organizing the activities, additional human resource required at various levels etc. Such suggestions should be concise and to the point, and incorporated in the proposal].

FORMAT FOR FINANCIAL BID:

Item or Activity	Total Amount (in Rupees)
AUDIT FEE (Excluding of TA/DA, Service Tax and cess on Service tax etc.)	Both in Numeric and in Words. Rs. _____/- (Rupees)

Breakup of the Audit Fee quoted above must be provided as per following format:

Sl. No.	Particulars	Amount
1.	Audit of division level offices as per Group No.....	Both in Numeric and in Words. Rs. _____/- (Rupees)
2.	Audit of State Headquarter of NRDWP and other state level implementing units.	Both in Numeric and in Words. Rs. _____/- (Rupee.....)
3.	Others, if any	Both in Numeric and in Words. Rs. _____/- (Rupee.....)
	Total	Both in Numeric and in Words. Rs. _____/- (Rupee.....)

N.B.:- 1. *All other documents except FINANCIAL BID should be placed in TECHNICAL BID)*

2. *Any other relevant information can be collected from the Office of the Secretary, Public Health Engineering Department, Assam Secretariat, B-Block, 2nd Floor, Dispur, Guwahati-6.*