

Request for Proposal (RFP)

for

SELECTION OF CA FIRM FOR PRE-AUDIT OF FINANCIAL INCENTIVE APPLICATIONS

February 2022

PAKISTAN SOFTWARE EXPORT BOARD
MINISTRY OF INFORMATION TECHNOLOGY & TELECOMMUNICATION
GOVERNMENT OF PAKISTAN

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1. INTRODUCTION TO PSEB

Pakistan Software Export Board (Guarantee) Limited (PSEB) is a Public Sector Company under the Administrative control of Ministry of Information Technology & Telecommunication, Government of Pakistan. The main functions of the company are to act as a one stop on behalf of Government of Pakistan in matters relating to the development and export of IT/ITeS exports from Pakistan and to take all actions as may be required for the promotion and growth of IT development and increase in exports.

2. INTRODUCTION TO THE PROGRAM

The Government has allocated Rs. 4 Billion to PSEB for disbursement of financial incentive payments against IT & ITeS export remittance receipts during the fiscal year 2020-2021. In order to enhance IT & ITeS exports and remittances, development of the IT Industry and ultimately economic growth of the Country. A criteria will be followed for disbursement of financial incentive to IT & ITeS exporters based on the export remittance growth rate achieved during FY2020-2021, in comparison to the previous FY2019-2020. Key purpose of financial incentive is to accelerate growth of IT & ITeS exports, encourage export remittances through formal banking channels, and to improve reporting of export remittance receipts in purpose codes assigned by the State Bank of Pakistan for IT & IT-enabled Services.

PSEB is looking to hire the services of a highly credible, competent, professional, and highly experienced Chartered Accountant Firm having vast experience to provide services as per the scope of services, and effectively performing and discharging the functions and duties complying with the approved mechanism, criteria, applicable procedures, policies and rules and regulations.

3. DELIVERABLES

- a. Examination, verification and endorsement of the claims of the applicants by carrying out pre-audit of applications and supporting documents received by PSEB from IT & ITeS companies and call centers for financial incentive on IT & ITeS export remittance receipts during the period 1st July 2020 to 30th June 2021, in comparison to export remittance receipts during the period 1st July 2019 to 30th June 2020. Only those export

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remittance receipts are eligible that have been duly converted to PKR by the banks and Proceeds Realization Certificate is available along with verification of the transaction against the bank summary of export remittances submitted by the applicant.

- b. Verify and determine the scope of business of the applicant and ensure that claims filed are solely for eligible export of IT & IT-enabled Services and not for any other business or purpose.
- c. Verify contracts with the clients and source(s) of reported export remittances.
- d. Verify and match the clients and the contracts against which export remittances have been received whether from the clients directly or from company's own principal/branch office or partners abroad.
- e. Submit detailed pre-audit report to PSEB on each application and the findings of the pre-audit along with relevant recommendations.
- f. Shall strictly follow eligibility criteria and devised mechanism in the Financial Incentive Policy on IT and IT-enabled Services Export Remittances.
- g. Volume of applications for the financial incentive to be processed will be up to 2,600 applications with expected processing during 1st month will be up to 1,200 applications followed by up to 1,200 applications in 2nd month and all remaining applications to be processed in 3rd month. Provision of processing applications in excess of the number of applications stated above must be ensured, and monthly invoice will be as per payment terms given in clause 11 at the per application fee given in the financial proposal as per clause 7.

4. PROJECT DURATION

The Services of Chartered Accountant Firm is initially required upto 30th June, 2022 commencing from the date of coming into force of the agreement, which may be further extended for one year as per terms and conditions mutually agreed.

5. DOCUMENTS REQUIRED

The bid/proposal must comprise the following documents duly numbered with proper annexures:

- a. Valid Certificate of incorporation of the bidder.
- b. Valid and active Income Tax Registration of the bidder.

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- c. Valid and active sales tax registration of the bidder.
- d. Submission of undertaking on legal valid and attested stamp paper of Rs. 100/- by the lead consortium/Joint Venture partner that no consortium/Joint Venture member firm is blacklisted by any of the provincial or federal government departments, agency, organization or autonomous body anywhere in Pakistan.
- e. Any other document which the applicant deems appropriate to support its proposal for qualification.

6. CORRUPT OR FRAUDULENT PRACTICES BY BIDDER.

Any type of corrupt or fraudulent practices or provision of any false information by the bidder will lead to disqualification of the bid and confiscation of the bid security regardless of the price and quality of the product.

7. EVALUATION CRITERIA

The Company will use "Quality and Cost Based Selection Method" under "Single Stage Two Envelope Methods" for selection of the Chartered Accountant Firm under Public Procurement Rules, 2004.

Scores will be allocated based on evidence available in the proposal only. The Assignment will be awarded to the firm with the highest total score based on the following weight ratios:

80% for Technical Score

20% for Financial Score

7.1 Technical Evaluation Criteria

The Technical proposals shall be evaluated by the committee in the light of following mandatory criteria. The firm fulfilling the mandatory criteria shall be eligible for technical evaluation and firm not fulfilling any of the mandatory criteria shall be rejected and will not be evaluated further.

The firm securing 70% or more score in technical evaluation will be considered as technically qualified and subsequently selected for financial bid opening. The firm not meeting the 70% pass marks limit will be rejected and its sealed/unopened Financial Proposal shall be returned.

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Sr No.	REQUIREMENT	STATUS/MARKS	DOCUMENTS/ EVIDENCE REQUIRED								
I. <u>Mandatory Criteria:</u>											
1	The firm must be "A" ranked as per latest ranking of the State Bank of Pakistan.	Mandatory	The firm must attach proof of "A" ranking with its proposal								
2	The firm must have satisfactory QCR rating from ICAP	Mandatory	The firm must attach proof of latest satisfactory QCR rating with its proposal.								
3	The firm must be registered with ICAP with valid license of practice.	Mandatory	The firm must attach proof of valid license of practice with its proposal.								
4	The firm must be registered with income and sales tax department and shall be on Active taxpayer list (ATL) of FBR	Mandatory	The firm must attach proof of ATL with its proposal.								
5	The firm must have office in Islamabad/Rawalpindi	Mandatory	The firm shall provide address of Islamabad/Rawalpindi office.								
6	The firm must have affiliation with International Network of Accountancy.	Mandatory	The firm shall attach proof of International Affiliation with its proposal.								
7	Declaration in the shape of an affidavit on attested stamp paper that the firm has never been blacklisted/de-listed as per laws of Pakistan.	Mandatory	Format given as Annex-B								
II. <u>Evaluation Criteria:</u>											
1	<table border="1" style="width: 100%;"> <tr> <td colspan="2" style="text-align: center;">Years of Existence</td> </tr> <tr> <td style="text-align: center;">Years</td> <td style="text-align: center;">Marks</td> </tr> <tr> <td style="text-align: center;">10-20</td> <td style="text-align: center;">10</td> </tr> <tr> <td style="text-align: center;">20 & above</td> <td style="text-align: center;">20</td> </tr> </table>	Years of Existence		Years	Marks	10-20	10	20 & above	20	20	Attach ICAP certificate
Years of Existence											
Years	Marks										
10-20	10										
20 & above	20										

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2	Number of Partners <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">Marks</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">6-10</td> <td style="text-align: center;">10</td> </tr> <tr> <td style="text-align: center;">11-20</td> <td style="text-align: center;">20</td> </tr> </tbody> </table>	Number	Marks	6-10	10	11-20	20	20	CVs of all partners must be attached.						
Number	Marks														
6-10	10														
11-20	20														
3	Number of Audit Staff <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 30%;">Marks</th> </tr> </thead> <tbody> <tr> <td>a) Pakistan</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">200 & above</td> <td style="text-align: center;">5</td> </tr> <tr> <td>b) Islamabad</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Upto 30</td> <td style="text-align: center;">5</td> </tr> <tr> <td style="padding-left: 20px;">50 & above</td> <td style="text-align: center;">15</td> </tr> </tbody> </table>		Marks	a) Pakistan		200 & above	5	b) Islamabad		Upto 30	5	50 & above	15	20	Complete list of staff showing qualification and experience must be attached.
	Marks														
a) Pakistan															
200 & above	5														
b) Islamabad															
Upto 30	5														
50 & above	15														
4	Number of similar assignments conducted in last five years. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">Marks</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">3-5</td> <td style="text-align: center;">10</td> </tr> <tr> <td style="text-align: center;">Above 5</td> <td style="text-align: center;">20</td> </tr> </tbody> </table>	Number	Marks	3-5	10	Above 5	20	20	List of clients along with nature of assignments conducted and in hand must be mentioned.						
Number	Marks														
3-5	10														
Above 5	20														
5	Active Audit Clients from IT sector: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">Marks</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">3-5</td> <td style="text-align: center;">5</td> </tr> <tr> <td style="text-align: center;">6-10</td> <td style="text-align: center;">10</td> </tr> <tr> <td style="text-align: center;">Above 10</td> <td style="text-align: center;">20</td> </tr> </tbody> </table>	Number	Marks	3-5	5	6-10	10	Above 10	20	20	List of clients must be provided.				
Number	Marks														
3-5	5														
6-10	10														
Above 10	20														
Total		100													

7.2 Financial Bid Evaluation Criteria

Financial Proposals of only Technically Qualified Auditing Firms will be opened. The evaluation of financial bids will be calculated as follows:

Max 20 Points:

The formula for determining the Financial Score is the following:

$$Sf = 20 \times Fm / F$$

Where, **Sf** is the Financial Score; **Fm** is the Lowest Price and **F** the Price of the Proposal under consideration.

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The weights given to the Technical (T) and Financial Proposals (F) are:

$$T = 0.8 \text{ and } F = 0.20$$

The score achieved by a bidder will be aggregated as follows:

Total score obtained by a bidder = Technical weightage + Financial weightage

The bidder who achieves the maximum points from Total Score (Technical + Financial) shall be considered a Most Advantageous Bidder.

8. FINANCIAL PROPOSAL

The bidder shall submit financial proposal in separate envelope. Envelop shall be clearly marked with “**Financial Proposal**” and the said proposal should be submitted in Pak Rupees on the following format:

Description	Rs
Per application fee including out of pocket and all taxes	

9. COVER LETTER:

The firm shall address the cover letter to Syed Ali Abbas Hasani, Director Operations & Administration, PSEB Head Office, 2nd Floor, Evacuee Trust Complex, F-5, Agha Khan Road, Islamabad. The format of the cover letter given in **Annexure – A**.

10. REPORTING REQUIREMENTS:

The selected firm will communicate with Managing Director and Director Operations & Administration of PSEB for all the matter related to the services / or any other officer designated by the Managing Director of PSEB.

PSEB shall provide to firm with all available relevant materials that can be useful in relation to the assignment.

PSEB shall liaise with other agencies if required to ensure that the firm has access to all information required as may be allowed under the laws.

The firm will report the progress report of the disbursement cases endorsed for payment and underway indicating the issues requiring special attention of PSEB

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and relevant authorities by pointing out the steps to be taken in this regard for compliance with the defined mechanism and applicable procedures etc. Such reports shall be submitted after every fifteen days.

11. BID VALIDITY PERIOD

Bid validity period will be 90 days from the due date for submission of Technical and Financial Bids.

12. PAYMENT TERMS

Payment shall be made on monthly basis upon submission of invoices based on the number of applications examined, verified and endorsed for disbursement of financial incentive to the respective IT & ITeS exporters.

13. GENERAL TERMS AND CONDITIONS

- a. The selected firm shall within seven (07) days of appointment will compose a team headed by a Chartered Accountant and will depute to carry out the work as per scope of work. Number of team members and their qualification and experience must be agreed by PSEB.
- b. The firm shall always be available on via telephone or email and for meetings, as and when required.
- c. The firm shall not take/accept any assignment which may be in conflict with the interest of the PSEB.
- d. The firm shall keep all provided information, documents and data confidential and shall not disclose any information contained in the applications and supporting documents to anyone except PSEB's authorized officers.
- e. The firm shall not, without seeking prior approval of the PSEB, make a statement that may materially affect the PSEB in anyway.
- f. The firm shall take instructions from the competent authority of the PSEB regarding all matters.
- g. All applicable taxes will be deducted at the time of the payment as per government rules and regulations.

14. CHANGE OF SCOPE

At any time prior to the deadline for submission of bids, PSEB may, for any reason whether at its own initiative or in response to a clarification requested by a prospective Bidder, amend the Tender. Amendments will be provided in the form of Addenda to the Tender and will be sent in writing by courier, cable,

facsimile, or electronic mail to all prospective Bidders that have received the Tender Document and will be binding on them. Bidders are required to immediately acknowledge receipt of any such addenda, and it will be assumed that the amendments contained in such addenda will have been taken into account by the Bidder in its bid.

In order to afford prospective bidders reasonable time in which to take the amendment into account in preparing their bids, PSEB may, at its discretion, extend the deadline for submission of bids, in which case PSEB will notify all the bidders.

15. FORCE MAJEURE

If either party is temporarily rendered unable, wholly or in part by Force Majeure to perform its duties or accept performance by the other party under the Contract it is agreed that on such party, giving notice with full particulars in writing of such Force Majeure to the other party within 14 (fourteen) days after the occurrence of the cause relied on, then the duties, of such party as far as they are affected by such Force Majeure shall be suspended during the continuance of any inability so caused but for no longer period and such cause shall as far as possible be removed with all reasonable speed. Neither party shall be responsible for delay caused by Force Majeure.

The terms "Force Majeure" as used herein shall mean Acts of God, strikes, lockouts or other industrial disturbance, act of public enemy, war, blockages, insurrections, riots, epidemics (including operational disruptions due to government imposed COVID-19 restrictions), landslides, earthquakes, fires, storms, lightning, flood, washouts, government imposed restrictions due to environmental hazards, civil disturbances, explosion, Governmental Export/Import Restrictions, Government actions/restrictions due to economic and financial hardships, change of priorities and any other causes similar to the kind herein enumerated or of equivalent effect, not within the control of either party and which by the exercise of due care and diligence either party is unable to overcome.

The terms of this Contract shall be extended for such period of time as may be necessary to complete the work which might have been accomplished but for such suspension. If either party is permanently prevented wholly or in part by Force Majeure for period exceeding 4 (four) months from performing or accepting performance, the party concerned shall have the right to terminate this Contract immediately giving notice with full particulars for such Force Majeure in writing to the other party, and in such event, the other party shall be entitled to compensation for an amount to be fixed by negotiations and mutual agreement.

If a Force Majeure situation arises, the Bidder shall promptly notify PSEB in writing of such conditions and the cause thereof. Unless otherwise directed by PSEB in writing, the bidder shall continue to perform its obligations under the Contract as far as is reasonably practicable and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.

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16. BIDDER'S QUERIES.

For any queries you may contact Syed Ali Abbas Hasani, Director Operations & Administration PSEB at PSEB Head Office, 2nd Floor, Evacuee Trust Complex, F-5, Agha Khan Road, Islamabad (Email: ahasani@pseb.org.pk, Phone: 051-9206961).

17. BID SUBMISSION AND OPENING ADDRESS.

Manager Administration & HR
Pakistan Software Export Board
2nd Floor, Evacuee Trust Complex, F-5/1, Islamabad
Tel No. 051-9204074, Fax No. 051-9204075

Annexure-A

Cover Letter for the Submission of Proposal (On Letter Head)

Location: _____
Date: _____
To: _____

Dear Sir,

We, the undersigned, offer to provide the services for Hiring of Firm for providing of services in accordance with your Request for Proposal dated [date here]. We hereby submit our technical and financial proposals in separate sealed envelopes including the required documents contained in a sealed envelope.

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification. Our proposal is binding upon us and subject to the modifications resulting from contract negotiations. We undertake that we will initiate the services as per PSEB's request if our proposal is accepted. We understand that you are not bound to accept any or all proposals you receive.

We understand that the selection process for **Hiring of Firm** will be in accordance with prevailing Procurement Rules and you are not bound to accept any Request for Proposal.

Yours sincerely,

Authorized Signature [In full and initials]: _____
Name of Engagement Partner: _____
Address: _____

Annexure-B

Undertaking for Bidders

(To be Provided on Judicial Stamp Paper)

It is hereby solemnly confirmed that the undertaking is submitted in respect of PSEB's tender titled "IT Industry Readiness Bootcamp".

a. Declaration

It is to certify that I have read, clearly understood, and agreed upon to all the terms and conditions mentioned in the tender documents. Further, I certify that all of the information provided e.g. (certificates, etc.) in our bid is true and accurate and genuine. If at any stage the information provided is found to be false than I/We and my firm shall be held accountable, and our bid shall be rejected.

b. Statement for Non-Blacklisting

I, _____ s/o Mr. _____, Designation of M/s _____ holding CNIC # _____ hereby confirms that our firm/company is not blacklisted by any Ministry / Division / Department of the Government / Semi government / Autonomous body of Federal or Provincial Government in Pakistan.

Annexure-C

Litigation History

(On 100 Rupee Stamp Paper)

Litigation History

Name of Applicant

Applicant should provide information on any history of litigation or arbitration resulting from contracts executed in the **last five years** or currently under execution. (If no history, then submit Nil)

Year	Award FOR Or AGAINST The Applicant	Name of client, cause of litigation, and matter in dispute	Disputed Amount (current value Pak Rs. or equivalent)