

## **Disclaimer**

All information contained in this Request for Proposal (RFP) provided/clarified is in the good interest and faith. Though, adequate care has been taken in the preparation of the RFP document, the interested agencies shall satisfy themselves that the document is complete in all respects. The information published in this document is not intended to be exhaustive. Interested Bidders are required to make their own enquiries and assumptions wherever required.

Managing Director, UPMSCL Lucknow reserves the right to reject any or all of the proposals submitted in response to the RFP document at any stage without assigning any reasons whatsoever, Managing Director, UPMSCL also reserves right to withhold or withdraw the process at any stage with intimation to all who have submitted their proposals in response to the RFP. Managing Director, UPMSCL reserves the right to change /modify/amend any or all of the provisions of the RFP document without assigning any reason any such change would be communicated to the bidders by posting it on the website of UPMSCL.

Neither Managing Director, UPMSCL nor their employees and associates will have any liability to any prospective respondent of the RFP or any other person under the law of contract to the principles of resolution or unjust enrichment or otherwise for any loss, expense or damage which may arise from or be incurred or suffered in connection with anything contained in the RFP document, any matter deemed to form part of the RFP document, the award of the Assignment, the information and any other information supplied by or on behalf of Managing Director, UPMSCL or their employees and RFP respondent or otherwise arising in any way from the selection process for the assignment.

Information provided in this document or imparted to any respondent as part of RFP process is confidential to Managing Director, UPMSCL and shall not be used by the respondent for any other purpose, distributed to, or shared with any other person or organization.

## **REQUEST FOR PROPOSAL (RFP) – Background**

1. The Uttar Pradesh Medical Supplies Corporation Ltd- UPMSCL is a Government of Uttar Pradesh undertaking incorporated under Companies Act, 2013. It has been set up for providing timely and effective Health Care Services to the people of Uttar Pradesh. The Key objective of the UPMSCL is to act as central procurement agency for all essential and specialized Drugs as well as Medical Equipments and Services for health care institutions at competitive rates.

### **Objectives**

The key objective of the Internal Audit includes:

- To ensure payment based on voucher/evidence to improve transparency
- To ensure accuracy and timeliness in maintenance of book of accounts
- To improve accuracy and timeliness of periodical financial reporting.
- To ensure compliance with laid down systems, procedures and policies.
- To ensure procurement is as per Drug procurement and Equipment procurement policy.
- To ensure compliance of GST Act, Income Tax Act and Companies Act 2013.
- To Comment and guide upon the applicability of other acts prevailing in the country having a direct or indirect bearing on Procurement of Drugs & Equipment like MSME, NSIC etc.
- To regularly track, follow up and settlement/ adjustment of various advances on a priority basis.
- To asses & improve overall internal control systems.
- To assist in finalization of books of account and support in statutory auditor work on behalf of UPMSCL.

UPMSCL seeks to invite proposals, from **Uttar Pradesh Chartered Accountant/ Cost Accountant firms** for conducting Monthly Internal Audit (including **consultancy & Accounting services**) of office at Suda Bhawan, 7/23 Sector -7, Gomti Nagar Ext. for **Financial year 2021-22**. The Assignment may be extendable for maximum 3 year on satisfactory performance of the work.

The details about the background of the auditee, scope of work, terms of reference, and the eligibility criteria for selection of the C A/CWA firms are given in the following paragraphs.

- a) Uttar Pradesh based Chartered Accountants/Cost Accountants firms having head office located in Uttar Pradesh with one office either head office or branch office at Lucknow will be eligible for the audit of the UPMSCL.

### **Time schedule of various Tender related events**

| <b>Item</b>                            | <b>Description</b>                                 |
|--|--|
| Last Date and Time for Bid Submission  | 28.04.2021 up to 3.00 PM                           |
| Opening Date and time of Technical Bid | 29.04.2021 at 4.00 PM in                           |
| Bid Validity Period                    | 90 days from the date of opening of financial bid. |

### **Address of Communication**

Any queries or communication related to bid must be addressed to the following office at the address given below:

Managing Director, Suda Bhawan, 7/23 Sector-7, Gomti Nagar Extension, Lucknow-226010

### **Terms of Reference (ToR)**

1. **The submission of the proposals:** The proposals shall be submitted in two parts viz., Technical and Financial and should follow the form given in the “Supplementary Information for the Consultants.”
2. **Proposals are invited for Internal Audit of following :**
  - (i) **Monthly Audit** for UPMSCL Books of account which is maintained on tally software. 100% checking of all tenders of Drug procurement and equipment procurement. Vouching of all transactions. Bank reconciliation statement of all Bank A/c of UPMSCL. Audit of administrative expenditure of UPMSCL. Audit of funds received from DGMH, NHM and other departments. Audit of District drug warehouses expenditures. Audit of HR related files. Commenting upon the status of Data uploaded on DVDMS Portal. Finding loopholes in the process and indicating corrective measures. 100% checking of TDS, GST and GST-TDS transactions.

Audit of Tender processing fee, EMD and PBG to ensure that collected correctly and account for in proper accounts. Advances on quarterly basis and if not adjusted in any quarter then reason for non adjustment of advances to be reported separately.

3. **Funding & Accounting Arrangements:** Funds for the various drugs, consumables, equipments, services and warehouse capex and opex grant are transferred to the corporation on the basis of respective budget from NHM, DGMH and other departments.
4. **Objective of audit services:** The objective of the audit is to ensure that State receives adequate, independent, professional audit assurance that the grant proceeds provided to corporation are used for purposes intended in line with approved objective of fund utilization and the objective of the audit of the financial statements is to enable the auditor to express a professional opinion as to whether,
  1. The financial statements give a true and fair view of the Financial Position of the corporation for the accounting period ended.
  2. Advances are adjusted on quarterly basis and if not adjusted in any quarter then reason for non adjustment of advances should be reported separately.
  3. The funds were utilized for the purposes for which they were provided.

**Corporation may renew the Internal audit assignment for further period of Two years with the same professional fees without any increment**

- (i) **Standards:** The audit will be carried out in accordance with **Audit & Assurance Standards** issued by the Institute of Chartered Accountants of India. In this regard the auditor should accordingly consider materiality when planning and performing the audit to reduce the risk to an acceptable low level that is consistent with the objective of the audit. In addition the auditor should specifically consider the risk of material misstatements in the financial statements resulting from fraud.

**(ii) Eligibility criteria :**

Chartered Accountants/ Cost Accountant firms having Head Office located in Uttar Pradesh will be eligible for the audit of the Corporation. In this regard firm has to submit the details about the firm as per Form T-2.

- a. The Firm should be Partnership firm having at least THREE partners out of which 2 partner should be FCA/FCMA.

- b. The firms should be in continuous practice for a period of at least 5 years or more.
- c. Firm must have Head office in Uttar Pradesh as on 01.01.2021 with one office either head office or branch office at Lucknow.
- d. The Firm should have achieved an average turnover of more than Rs.20.00 lacs in the last three financial years i.e. 2017-18, 2018-19, 2019-20 (Copy of Balance sheet and Income Tax return has to be attached).
- e. Firms should have experience of audit of Government / Government undertaking bodies.
- f. It is necessary to have sufficient qualified and experienced staff members.
- g. The firm must have a GST registration
- h. The firm should not be blacklisted at any time by any government agency or organisation.
- i. The firm should not have under disciplinary action initiated by ICAI/ICMA at any time.

(iii) **Audit Fees:** The firms those are interested will have to quote professional audit fees inclusive of all the out of pocket cost excluding GST in **Format F-1.**

**(iv) Project Financial Statements :**

(A) Internal Audit Report of “**Corporation**” should contain the following financial statement and documents-

- Duly filled in Checklist provided in the guidelines
- ❖ Bank Reconciliation Statements of all bank accounts
- Checking of adjustment of advances on quarterly basis and if not adjusted in any quarter then reason for non adjustment of advances should be reported separately.
- Observation and recommendation of Auditor – particularly covering the following aspects :
  - ❖ Serious audit observations
  - ❖ Deficiencies noticed in internal control
  - ❖ Suggestions to improve the internal control
  - ❖ Other liabilities- reason for non adjustments/ recommendation for adjustments
  - ❖ Report on compliance/ non-compliance with GST, Income Tax Act, Companies act, PF and other applicable laws.
  - ❖ Reporting of Financial irregularities and violation of procurement policies must be specifically covered.
- Action Taken by Corporation on the previous audit observations, along with his (Internal auditor’s) observation on the same.

- Preparation of Executive summary for management on the observations which need immediate attention.
  - Audit of the Provisional Utilization Certificates to be sent to NHM, DGMH and other departments.
  - Other task as & when required from the side of management in the interest of corporation.
- (v) **Reporting and Timing:** The Monthly Audit Reports must be submitted to corporation in signed hard copy & soft copy along with Executive Summary by **end of the next month.**
- (vi) **In case of any dispute Jurisdiction of Court should be at Lucknow only.**
- (vii) **Scope & Coverage of audit:** Internal audit is a systematic examination of financial transactions on a regular basis to ensure accuracy, authenticity, compliance with procedure and guidelines. The emphasis under Internal audit is **not on test checking but on substantial checking of transaction.** It is an ongoing appraisal of the financial health of an entity to determine whether the financial management arrangements (including internal control mechanism) are effectively working and identify areas of improvement to enhance efficiency.

**Detailed scope of work of Internal auditor shall be as under:**

Expenditure is incurred against various activities approved in the Annual Work Plan & Budget from funds released by Government of India. The internal auditor is required to exercise tests of accounting records, internal checks, and control and other necessary audit practices for the internal audit of the accounts as per general principles. In conducting the Audit, specific attention should be given to the following:

- a) 100% checking of all entries made in tally software on the basis of approval by sanctioning authority with proper voucher and supporting documents.
- b) If any expenditure founds exceeding from its budget, then its detail scrutiny should be done by audit team and reason for the same should be reported specifically.
- c) Physical verification of Fixed Assets to be done.
- d) Ensure opening balances have been properly entered in the ledger as per audited accounts.
- e) The Internal audit activities should include payment audit as well as independent appraisals of the financial, operational and control activities of the corporation.
- f) The responsibilities of the Internal auditor should include reporting on the adequacy of internal controls, the accuracy and propriety of transactions, the extent to which assets are accounted for and safe guarded, and the level of compliance with financial norms and State Government procedures.

- g) All funds have been used in accordance with the condition of the relevant financial norms and financial regulations with due attention to economy and efficiency, and only for the purpose for which funds are provided.
- h) Generally accepted accounting principles are followed by corporation that are authorized to incur expenditure.
- i) Goods, works and services financed have been procured in accordance with relevant provisions of the Procurement Procedure prescribed for the purpose. Proper documents namely, purchase orders, tender documents, invoices, vouchers, receipts, pay bills, TA bills, etc. are maintained and linked to the transactions.
- j) All necessary supporting documents, records and accounts have been kept in respect of all expenditure. Clear linkages should exist between the books of accounts and Financial Statements presented to the Board of Directors.
- k) Expenditure incurred is strictly in accordance with the prescribed financial norms as per guidelines issued time to time. The expenditure statements / financial statements are drawn from the books of accounts and reporting proper utilization of funds as per the prescribed norms and in the best interest of the corporation
- l) Verification of approval of competent authority in case, actual expenditures exceeds the budget allocation sanctioned.
- m) Funds are used efficiently and economically to the purpose which they are provided.
- n) Ensure the monthly bank reconciliation of all the bank accounts.
- o) The auditor shall submit necessary details as required by corporation from time to time.
- p) The auditor has to ensure that each item of expenditure has been covered by a sanction, either general or specific, accorded by competent authority, authorizing such expenditure. The audit of sanction is directed both in respect of ensuring that the expenditure is properly covered by a sanction and also to satisfy that the authority sanctioning it is competent for the purpose by virtue of powers vested in it.
- q) It is required to be seen that the expenditure is incurred with due regard to the broad and general principle of financial propriety. The auditor needs to bring out the cases of improper, avoidable or in-fructuous expenditure even though the expenditure has been incurred in conformity with the existing rules and regulations. The Auditor is required to secure a reasonably high standard of public morality by looking into the wisdom, faithfulness and economy of transactions.
- r) Specific Scope of Internal Audit

| <b>Sr. No</b> | <b>Particulars</b>  | <b>Scope</b> | <b>Remarks</b> |
|---------------|---|--------------|----------------|
| 1.            | Carry forward of Opening Balance on 1 <sup>st</sup> April of financial year correctly in the books of accounts. | 100%         |                |
| 2.            | Checking of Cash / Bank Book Totals including carried   | 100%         |                |

|     |   |                 |  |
|-----|---|-----------------|--|
|     | forwards.   |                 |  |
| 3.  | Vouching of receipts and payment with supporting documents.   | 100%            |  |
| 4.  | Whether sanctioned amount of all vouchers are tallying with Cash / Bank –Book?  | 100%            |  |
| 5.  | Checking of Cash-Bank Contra entries.   | 100%            |  |
| 6.  | Verify all vouchers entered in the Petty Cash / Bank Book duly sanctioned/ attested by Officer in charge?   | 100%            |  |
| 7.  | Physical Cash Verification –Random.   | Once each visit |  |
| 8.  | Preparation of Bank Reconciliation Statements.  | 100%            |  |
| 9.  | Checking Monthly expenditures incurred & entered in tally on daily basis submitted along with supporting documents.   | 100%            |  |
| 10. | General Ledger scrutiny, accounting transactions are correctly accounted for in the respective Account Heads.   | 100%            |  |
| 11. | Check calculation of salary payments, EPF payments, NPS and entry for the salary payments.  | 100%            |  |
| 12. | Check that payment to government, other departments towards TDS, GST etc are made timely.   | 100%            |  |
| 13. | Verification of different deductions against payments for procurements.   | 100%            |  |
| 14. | Ensure Compliance of Statutory Acts timely- Ex. EPF liability, TDS, GST.  | 100%            |  |
| 15. | TDS has been deducted as per the provisions of the IT Act and deposition in made within prescribed time period.   | 100%            |  |
| 16. | To check credits for interest on bank deposits and saving account with bank statements/bank reconciliation statement & its proper treatment as per operational guidelines | 100%            |  |
| 17. | Check irregularities in payments on the following counts  | 100%            |  |
|     | a) Purchase expenses without following procurement norms.   |                 |  |
|     | b) Overwriting on bills.  |                 |  |
|     | c) Inadequate/improper supporting/authorization for payments.   |                 |  |
|     | d) Inadequate delays in payments.   |                 |  |
|     | e) Purchase made directly for which rate contract is available.   |                 |  |
| 18. | Guidelines for verification of Procurement  | 100%            |  |
|     | a) The proposal of purchase has been approved by the competent authority or purchase committee.   |                 |  |



|    |  |      |  |
|----|--|------|--|
| b) | Indent for purchase should give details of the quantity required, last purchase rate, lead time and the name / address of the consignee, etc.  | 100% |  |
| c) | Approval of mode of procurement.   |      |  |
| d) | Tender documents.  |      |  |
| f) | Contract award and its execution & comments about progress of contract   |      |  |
| g) | The Internal audit should check that the stores/goods received are properly recorded in the stock registers.   |      |  |
| h) | The quality of the Goods / stores purchased are certified by the competent person and are as per the purchase order in terms of quality, quantity specification and price and store register number is recorded on the bill / invoice. |      |  |
| i) | A summary of number of contracts awarded with their values, with the full particulars should be included in the report.  |      |  |
| j) | Ascertain whether all tendering procedures like invitation if bids, the requirement of Earnest Money, Security Deposit, specifying Bid opening date, Awarding of tender has bee done as per the requirement.                           |      |  |
| k) | Analyze and comment on the reasonableness of the justification given in cases where contracts have been awarded on single tender basis.  |      |  |
| l) | Ascertain whether financial capabilities of tenderers have been properly assessed and award of contract made to financially sound and capable parties.   |      |  |
| m) | Analyze and comment on the reasonableness of the justification given in cases where contracts have been awarded on single tender basis.  |      |  |
| n) | Verify whether the comparative statement which shows the evaluation of the tenderers has been drawn up correctly.  |      |  |
| o) | Examine the cases where the most evaluated commercially and technically viable tenders have been overlooked and the reasons thereof.   |      |  |
| p) | Verify whether the delegation of powers have been followed strictly at all stages-i.e. at the time of technical approval, administrative approval, calling for tenders, calling for negotiation and approval of the award.             |      |  |
| q) | Examine whether any approved qualifying requirements   |      |  |

|       |   |      |  |
|-------|---|------|--|
|       | were set before invitation of bids and whether successful bidders meet such requirements.   |      |  |
| r)    | Review and comment on the progress of supply in respect of purchases under execution with reference to scheduled completion period provided in respective contracts. Also refer to the penal action taken against defaulting suppliers. |      |  |
| s)    | Comment on the reasonableness of the rates against proprietary and standardized purchases.  |      |  |
| t)    | Examine whether the payment for supplies is in line with the terms of the payment and are not prejudicial to the interest of the corporation. Also highlight the deviations thereof.  |      |  |
| u)    | Examine whether the items purchased made on urgent basis has been utilized for the purpose for which it was procured or is still laying in stores.  |      |  |
| v)    | Examine and comment on the control maintained by the competent authority over high value contract.  |      |  |
| w)    | Ensure tender form fees collected deposited in bank account and entered in the books of accounts.   |      |  |
| X     | Auditor also have to furnish a certificate for having checked 100% of the awards of contracts.  |      |  |
| y)    | Original bills duly signed by the supplier is submitted.  | 100% |  |
| z)    | Supplier has put his initials in all cuttings/ corrections in the bill.   |      |  |
| i)    | All supporting documents are attached with the bills.   |      |  |
| ii)   | Performance certificate should be processed by the dealing Officer  |      |  |
| iii)  | Bills are passed for payment as per the norms of corporation.   |      |  |
| iv)   | Before passing the bills it is to be checked that all the terms and conditions have been complied with.   |      |  |
| vi)   | Examine whether the discrepancies observed on physical verification have been investigated and adjusted with due approval of competent authority.   |      |  |
| vii)  | Whether all the EMD/ security deposits/PBG money held by whatsoever name called have been released only after approval of competent authority.  |      |  |
| viii) | Whether advances, if paid any, have been properly adjusted while making the final settlement with the   |      |  |

|     |   |      |  |
|-----|---|------|--|
|     | Warehouse owner.  |      |  |
| 19. | Checking those legal recourses that have been taken in due course against defaulting contractors/suppliers. | 100% |  |
| 20. | Physical Verification of Fixed Assets with the Fixed Assets Register.                                       | 100% |  |
| 21  | List of bank accounts maintained by the corporation and Bank account reconciliation there of                | 100% |  |
| 22  | Audit of HR related files.  | 100% |  |

a. PENAL CLAUSE –

It is required for the auditor to make 100% coverage of the points mentioned in scope & coverage of audit. In case of failure to do so and if it is disclosed in future that some major points have not been recorded in the audit report of corporation then same will be treated as default on the part of audit firm, and penalty @10% of the audit fees will be charged and Issue will be referred to ICAI for disciplinary action if serious negligence found on the part of auditors.

## **Guidelines for Submitting the Proposals:**

Firms are required to submit the proposal as per the guidelines and formats detailed out in the following paras:

- i. **Technical Proposal:** The Technical Proposal shall be placed in a sealed envelope clearly marked “**TECHNICAL PROPOSAL**”. There will be only one Technical Proposal for a firm.
- ii. **Financial Proposal** : The Financial Proposal shall be placed in a separate sealed envelope clearly marked “**FINANCIAL PROPOSAL**” followed by the name of the assignment, and with a warning “**DO NOT OPEN WITH THE TECHNICAL 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, reference number and title of the Assignment, and be clearly marked “**DO NOT OPEN, EXCEPT IN PRESENCE OF THE OFFICIAL APPOINTED.**”

**The Corporation shall not be responsible for misplacement, loss or premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may provide a case for Proposal’s/ bid’s rejection.**

***If the Financial Proposal is not submitted in a separate sealed envelope duly marked as indicated above, this shall constitute grounds for declaring the Proposal non-responsive/ invalid.***

### iii. **Important instructions for submission of bids :**

(1) Technical proposals ( **as prescribed in format T2**) which fulfill the eligibility criteria will only be considered for financial evaluation.

The Corporation shall notify those consultants whose proposal did not meet the minimum norms fixed by the evaluation committee or were considered non responsive to the Letter of invitation and Terms of Reference, indicating that their financial proposals will be kept unopened. The Corporation shall simultaneously notify the consultants that have secured the qualifying mark, indicating the date and time set for opening of financial proposals. The notification may sent by the registered letter, telephone or email.

- (2) The Financial proposals of selected consultants shall be opened publicly in the presence of the consultants' representatives. The name of consultant, the quality scores, and the proposed price shall be read aloud and recorded when the financial proposals are opened. The client shall prepare minutes of the public opening.
- (3) During negotiations the consultants must be prepared to furnish the detailed cost breakup and other clarifications to the proposals submitted by him, as may be required. If the negotiations with this consultant are successful, the award will be made to him and all other consultants notified. If negotiations fail, and if it is concluded that a contract with reasonable terms cannot be concluded with this consultant, the consultant obtaining the second highest score will be invited for negotiations. This process will be repeated till an agreed contract is concluded.
- iv. If single financial bid is received and if it is technically qualified & its rates found reasonable by Tender Committee, same will be acceptable.
- v. It is mandatory for bidders to comply with the Technical Specification, General Conditions, Format/Requirements for Technical and Financial proposal and other instructions given in the RFP.
- vi. Financial proposals submitted by the firm should be valid for 90 days from the date of opening of financial bid.
- vii. Each page, Form, Annexure and Appendices of the Proposal must be signed by the Authorized signatory of the firm.
- viii. All blank spaces in the financial proposal must be filled in completely where indicated, either typed or written in ink.
- ix. UPMSCCL reserves the right to accept or reject any application without giving any explanation and can change the evaluation criteria as per its requirements in the interest of the corporation.

**Technical & Financial Proposal will consist:**

- i. Letter of Transmittal (Form **T-1**)
- ii. Details of the Firm along with Details of Partners (**Form T-2, T-3 & T-4**)
- iii. Financial Bid (**Form F-1**)

**Letter of Transmittal**

To,

Managing Director,  
Uttar Pradesh Medical Supplies Corporation Limited,  
Lucknow

Dear Madam,

We, the undersigned, offer to provide the audit services for UPMSCL in accordance with your Request for Proposal dated [*Insert Date*]. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate 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.

The prices quoted by us in the Financial Proposal (Form F-1) are valid till 90 days from the date of opening of financial bid. 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 accept the Internal audit assignment in case if it is allotted for the financial year 2021-22 and renewed for further period of two years with the same professional fees without any increment.

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 hereby confirm that our firm has not been black listed by any government department / agencies in Uttar Pradesh.

We understand that UPMSCL 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 C.A./ CWA Firm*] to submit the proposal and to negotiate on its behalf.

Yours faithfully,

( )

**SECTION-B**  
**Undertaking**

We the following partners of M/s. \_\_\_\_\_, Chartered Accountant/ Cost Accountant do hereby jointly and severally verify and declare-

- (i) That the particulars given are complete and correct and that if any of the statements made or the information so furnished in the application from is later found not correct or false or there has been suppression of material information, the firm would not only stand disqualified from allotment but would be liable for disciplinary action under the Chartered Accountants Act, 1949 / Cost and Works (Management) accountants act 1959 and the regulations framed there under;
- (ii) That the firm or partners has not been debarred or cautioned by ICAI/ICMAI during the last three years, (if debarred, give details);
- (iii) That individually we are not engaged in practice otherwise or in any other activity which would be deemed to be in practice under Section 2 (2) of the Chartered Accountants Act, 1949/ Aection 2(2) (iv) of Cost and Works Accountant Act 1959;
- (iv) That the constitution of the firm as on 1<sup>st</sup> January of the relevant year shown in the Expression of Interest is same as that in the constitution certificate issued by the ICAI/ICMAI.

| Sl. No. | Name of the partner | ACA/ACM A/FCA/FC MA | Membership Registration No. | PAN No | Dates of joining of the firm | Signature of partner |
|---------|---------------------|---------------------|-----------------------------|--------|------------------------------|----------------------|
|         |                     |                     |                             |        |                              |                      |
|         |                     |                     |                             |        |                              |                      |
|         |                     |                     |                             |        |                              |                      |

(Seal of the Firm)

Place:

Date:

Enclosures: \_\_\_\_\_ pages

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## SUPPLEMENTARY INFORMATION FOR CONSULTANTS

### (1) Proposals should include the following information:

#### (a) Technical Proposal

- I. A brief description of the firm,/organization, name, address, phone/ fax numbers, email, establishment date, registration number PAN, TAN, GST and Partners details and outline of recent experience on assignment / projects of similar nature executed during the last 5 years.
- II. Any comments or suggestions of the consultant on the Terms of Reference (TOR).
- III. Approach or methodology proposed for carrying out the required work.
- IV. Description about the similar type of assignments carried out for other public health, social sector, Rural Development, Education programs of Government
- V. The composition of the team of personnel which the consultant would propose to provide and the task which would be assigned to each team member.
- VI. The consultant's comments, if any, on the data, services and facilities to be provided as indicated in the Terms of Reference (TOR).
- VII. Infrastructure facilities available with the firm.

#### (b) Financial Proposals:

The financial proposals should include the following:

- I. Schedule of Price Bid.

(2) The proposal should be submitted to the UPMSCL, Lucknow.

### (3) Contract Negotiations :

The aim of the negotiation is to reach an agreement on all points with the consultants and initial a draft contract by the conclusion of negotiation. Negotiations commence with a discussion of consultant's proposal, the proposed work plan, staffing and any suggestions you may have made to improve the Terms of Reference. Agreement will then be reached on the final Terms of Reference,.

### (4) Review.

Managing Director, UPMSCL, Lucknow is charged with the custody of government funds and is expected to exercise prudence in the expenditure of these funds. Managing Director, UPMSCL, Lucknow is, therefore, concerned with the reasonableness of a firm's Financial proposal and, during negotiations, expects to be able to review consultant's rates.



**(5) Terms of Payment :**

The UPMSCL, Lucknow will pay in due time after the receipt of Reports and invoice as stated in RFP. This remuneration includes all costs related to carrying out the services excluding GST.

**Review of reports:**

A review committee consisting of following officers of the UPMSCL will review all reports of consultants (inception, progress, intermediate and draft final) and suggest any modifications/changes considered necessary within 15 days of receipt.

- Managing Director
- Additional Managing Director
- Finance Controller.

Whenever the auditor comes across major issues such as defalcation/irregularities a special report should be submitted directly to the Managing Director, UPMSCL.

## Selection of Chartered Accountant/Cost Accountant firms for the Internal audit of UPMSCL Accounts for the financial year 2021-22

Expression of Interest is invited from Chartered Accountants/ Cost Accountant firms having Head Office located in Uttar Pradesh in the prescribed format for short listing for the engagement of audit of the accounts of UPMSCL as per the enclosed Terms of Reference.

1. The last date for receipt of expression of interest in the specified format is 19.04.2021 at 3.00 PM Incomplete formats / format received after the prescribed last date will not be entertained.
2. The term full time partner / CA/CMA employee does not include those persons [Partner] who are: -
  - (i) Partners in other firms
  - (ii) Employed part-time / full-time elsewhere, practicing in their own name or engaged in practice otherwise or engaged in any other activity which would be deemed to be in practice under section 2 (2) of the Chartered Accountants Act, 1949/ Cost and Management Accountant Act 1959.
  - (iii) Partners who have earned more professional income from other sources than their income from the firm.
3. The Expression of Interest must be submitted in the prescribed format given in the attachment. Only the Expression of Interest in the prescribed format accompanied with all requisite documents would be considered.
4. All firms are required to enclose the following documents along with the Expression of Interest.
  - (i) A copy of constitution certificates of firm issued by the ICAI/ICMAI containing inter-alia.  
Date of formation of the firms with a full time FCA/FCMA
    - (a) Details of partners / Employees as on 1<sup>st</sup> January of the relevant year, date of joining the firm, date of becoming FCA/FCMA, their other interest, if any.
  - (ii) A copy of the latest partnership deed in the case of partnership firms.
  - (iii) A copy of the acknowledgement of the IT return of the firm and of all full time partners / for the last three Assessment Years and a copy of computation of income of full time partners
  - (iv) A copy of financial statements year 2017-18 to 2019-20 of the firm along with schedules for the preceding financial year.
  - (v) Details of court cases / arbitration cases / or any other case pending against the firm.
5. Details of audit experience of the firm for the last 5 years in the following proforma. (Only assignments which carry a fee of Rs. 3,60,000/- and above should be mentioned).

| Name of the area / sector | Name of the company / body audited<br>(a) Society/PSU/ | Years of audit e.g.<br>2019-20<br>2018-19 | Fees charged for each of the | Nature of audit assignment viz. Internal | Nature of special assignment | Name of the full time partner who supervised the |
|---------------------------|--|---|------------------------------|--|------------------------------|--|
|                           |  |   |                              |  |                              |  |

|  |  |                               |                          |   |  |   |
|--|--|-------------------------------|--------------------------|---|--|---|
|  | autonomous body<br>(b) Companies in private sector<br>(c) Banks<br>(d) Social Sector Programmes / Projects<br>(e) Externally aided social sector projects<br>(f) Education Projects / Programmes | 2017-18<br>2016-17<br>2015-16 | assignments in each year | Audit/ Internal Audit/Statutory audit / or Branch audit |  | audit or signed the financial statements and who is still working in the firm |
|  |  |                               |                          |   |  |   |
|  |  |                               |                          |   |  |   |

6. The Expression of Interest must be delivered by post in a sealed envelope/or by hand in the office of the UPMSCCL, Lucknow. The Expression of Interest must be addressed to:

**Managing Director,  
Uttar Pradesh Medical Supplies Corporation Limited  
Suda Bhawan, 7/23, Sector-7  
Gomti Nagar Ext., Lucknow**

7. Please indicate: -  
The particulars of specialisation gained by the firm in audit of  
(i) Electronic Data Processing systems  
(ii) IT assisted audit  
(iii) Any other important special assignments etc. in the following format

| S.No. | Description of specialization | Specify nature of assignment, if other than audit | Name of the organisation | Name of the partner who handled this assignment | Whether partner mentioned in is still with the firm (Y/N) |
|-------|-------------------------------|---|--------------------------|---|---|
|       |                               |   |                          |   |   |
|       |                               |   |                          |   |   |

8. All full time partners should invariably sign the undertaking appended as Section B to the Expression of Interest. Similarly, all the full time Chartered Accountant/Cost Accountant employees of the firm should sign in the column provided at Annex A-2 to the format.

**Form T-2**

**Expression of Interest Format**

| SI. | PARTICULARS | Supporting Documents required to be |
|-----|-------------|-------------------------------------|
|-----|-------------|-------------------------------------|

| No.           | submitted along with this Form  |   |                           |
|---------------|---|---|---------------------------|
| 1             | Name of the Firm  |   |                           |
| 2             | Addresses of Head office of the Firm:   |   |                           |
|               | <b>Head Office</b>  | Phone No:<br>Fax No:<br>Name & Mobile No. of Head Office In-charge:   |                           |
|               | Date of establishment of the firm   |   |                           |
|               | Date since when is H.O. at the existing Station   |   |                           |
|               | Branch Office 1,2,3.....<br>(Particulars of each branch to be given)  | Location:<br>Address:<br>Name of Partner In Charge:<br>Date of opening of Branch:<br>Phone No & Fax No:<br>Name & Mobile of each Branch Office In-charge: |                           |
|               | Mention the date of each branch offices since when existed at the existing place  |   |                           |
| 3             | Firm Income Tax PAN No.   | Attach copy of PAN card   |                           |
| 4             | Firm GST Registration No.   | Attach copy of Registration   |                           |
| 6             | Firm constitution certificates of the firm on 01.01.2021 issued by the ICAI/ICMAI (downloaded from website)<br><b>Details of Partners:</b><br>Provide following details: <ul style="list-style-type: none"> <li>• Number of Full Time Fellow Partners associated with the firm.</li> <li>• Name of each partner,</li> <li>• Date of becoming ACA/ ACMA and FCA/FCMA</li> <li>• Date of joining the firm,</li> <li>• Membership No.,</li> <li>• Qualification</li> <li>• Whether the partners is engaged full time or part time with the firm.</li> </ul> Their Contact Mobile No., email and full Address | Attach copy of ICAI/ICMAI 01.01.2021 (Downloaded from website)  |                           |
| 7             | Full Time Partners of the Firm (Please fill up annex A-1)   |   |                           |
| <b>S. No.</b> | <b>Years of continuous association in the firm</b>  | <b>Number of FCA/FCMA</b>   | <b>Number of ACA/ACMA</b> |
| (a)           | Less than one year  |   |                           |
| (b)           | 1 year or more but less than 5 years  |   |                           |
| (c)           | 5 Years or more but less than 10 years  |   |                           |
| (d)           | 10 years or more but less than 15 years   |   |                           |
| (e)           | 15 years or more  |   |                           |
| 8             | Number of Full Time Chartered Accountant Employees (Please fill up Annex A-2)   |   |                           |
| 9             | No. of Years of Firm Existence & Date of establishment of Firm  | Attach copy of Partnership Deed   |                           |
| 10            | Turnover of the Firm in last three years (FY 2017-  | Attach Balance sheet and P&L Account of the   |                           |

|     | 18 to 2019-20   | last three years     |                          |                      |                          |  |  |  |  |  |  |  |  |  |
|-----|---|----------------------|--------------------------|----------------------|--------------------------|--|--|--|--|--|--|--|--|--|
| 11  | <p>Audit Experience of the Firm (FY 2015-16 to 2019-20)</p> <ol style="list-style-type: none"> <li>Number of Assignments in Commercial/Statutory Audit</li> <li>Experience in the relevant assignment.</li> <li>Health Sector Relevant Experience.</li> </ol> <table border="1"> <thead> <tr> <th>S.N</th> <th>Name of the PSU/Unit</th> <th>Nature of assignment</th> <th>Year for which appointed</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> | S.N                  | Name of the PSU/Unit     | Nature of assignment | Year for which appointed |  |  |  |  |  |  |  |  | <p>Copy of the Offer Letter &amp; the Fee Charged.<br/>Copy of the Offer Letter &amp; the Fee Charged<br/>(Relevant evidences to be given of the turnover and fee)</p> |
| S.N | Name of the PSU/Unit  | Nature of assignment | Year for which appointed |                      |                          |  |  |  |  |  |  |  |  |  |
|     |   |                      |                          |                      |                          |  |  |  |  |  |  |  |  |  |
|     |   |                      |                          |                      |                          |  |  |  |  |  |  |  |  |  |
| 12  | Whether the firm implementing quality control and procedures designed to ensure that all audits are conducted in accordance with statements on Auditing and Assurance Standards   | Yes/No               |                          |                      |                          |  |  |  |  |  |  |  |  |  |
| 13  | Whether there are any court/ arbitration/ any other legal case against the firm (If yes, give a brief note of the case indicating its present status)   | Yes/No               |                          |                      |                          |  |  |  |  |  |  |  |  |  |

### Details of Qualified Staff (Chartered Accountants/Cost Accountant)

### Annex A-1

Details of Full Time Partners of the firm (Please refer to SI No.7 of the Expression of Interest format)

| S.No. | Name of the partner | Membership No. | Whether FCA/FCMA/ACA/CMA | Date of Joining the firm (full time) | Date of becoming FCA/FCMA | Station & region where residing at present | Whether acknowledged -gement of Income Tax Return for the relevant year Attached Yes/No. | Whether ISA (information system Audit/CISA or any other equivalent Qualification (Specify the qualification) |
|-------|---------------------|----------------|--------------------------|--------------------------------------|---------------------------|--|--|--|
|       |                     |                |                          |                                      |                           |  |  |  |
|       |                     |                |                          |                                      |                           |  |  |  |
|       |                     |                |                          |                                      |                           |  |  |  |

\*If yes, please attach a copy of the certificate

### (Annex A-2)

Details of full time Chartered/Cost Accountant Employees (Please refer to Point No. 8 of the Expression of Interest format)

| S.No. | Name | Membership No. | Whether FCA/FC | Date of joining the | Whether has ISA (Information | Signature of the employee |
|-------|------|----------------|----------------|---------------------|------------------------------|---------------------------|
|       |      |                |                |                     |                              |                           |

|  |  |  |                |                            |   |  |
|--|--|--|----------------|----------------------------|---|--|
|  |  |  | MA / ACA/AC MA | firm as full time employee | systems Audit / CISA or any other equivalent qualification* (specify the qualification) |  |
|  |  |  |                |                            |   |  |
|  |  |  |                |                            |   |  |

**Form T-3**

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

| S. No.                        | Name of Staff | Length of Association with the Firm (in years) | Educational Qualifications | Area of Key Expertise | Relevant Experience | Remarks |
|-------------------------------|---------------|--|----------------------------|-----------------------|---------------------|---------|
| <b>Semi Qualified Staffs:</b> |               |  |                            |                       |                     |         |
| 1                             |               |  |                            |                       |                     |         |
| 2                             |               |  |                            |                       |                     |         |
| ..                            |               |  |                            |                       |                     |         |
| <b>Article Clerks:</b>        |               |  |                            |                       |                     |         |
| 1                             |               |  |                            |                       |                     |         |
| 2                             |               |  |                            |                       |                     |         |
| ..                            |               |  |                            |                       |                     |         |
| <b>Others</b>                 |               |  |                            |                       |                     |         |
| 1                             |               |  |                            |                       |                     |         |
| 2                             |               |  |                            |                       |                     |         |

**Form T-4**

**Details of Structure & Composition of Team and Task Assignments – DEPLOYED FOR Proposed Assignment.**

| Name                                  | Position/ Team Number  | No's (Minimum) | Names of Staff | Educational Qualification | Key Responsibilities | Number of Man days estimated for task completion |
|---------------------------------------|------------------------|----------------|----------------|---------------------------|----------------------|--|
| Chartered Accountant/ Cost Accountant | Team Leader            | 1              |                |                           |                      | 2  |
| Semi-Qualified (CA/CMA Inter)         | Support to Team Leader | 1              |                |                           |                      | 5  |
| Support Staff (Jr.                    | Support to team leader | 2              |                |                           |                      | 5  |

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Auditors) |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|

**FORMAT FOR FINANCIAL BID**

**Form F-1**

| S. No. | UPMSCL | Total Audit Fees per month and out of pocket expenses (Excluding GST) | Rs. In words |
|--------|--------|---|--------------|
|        |        |   |              |

(Signature of Authorised Person and Seal)

**IMPORTANT TO NOTE-**

1. The Total Professional Fees constitutes Internal Audit Fees for UPMSCL.
2. The rates should be workable and justified on the basis of man power to be deployed according to scope of work.
3. The firm must have Head Office in Uttar Pradesh with one office either head office or branch office at Lucknow (**mandatory condition**) otherwise the proposal will be rejected.
4. Total Audit Fee constitutes of Professional Charges and out of pocket expenses, excluding GST which will be considered for comparison.
5. Break up of Audit Fees for the (Professional Fees + out of pocket cost excluding GST) must be submitted by every firm in the following format. It is mandatory for the firms to submit information in this format only otherwise proposal will be rejected.–

| UPMSCL -Lucknow               |                |                |      |                         |
|-------------------------------|----------------|----------------|------|-------------------------|
| Break up Audit fee            | Team Members   | No. of Mandays | Rate | Total Professional Fees |
|                               |                | (a)            | (b)  | ©=(a)*(b)               |
| Internal Audit of UPMSCL      | CA/CMA         |                |      |                         |
|                               | Semi Qualified |                |      |                         |
|                               | Support Staff  |                |      |                         |
| TOTAL Professional fees       |                |                |      |                         |
| Out of pocket cost.           |                |                |      |                         |
| TOTAL AUDIT FEES (excl. GST.) |                |                |      |                         |

(Signature of Authorised Person)

**Selection Process:-**

1) Technical evaluation will be based on the following criteria:

Assignment will be allotted on the basis of below mentioned marks:

| Sl. No | Condition  | Remarks   | Maximum marks | Marks obtained (to be filled by the applicant) |
|--------|--|---|---------------|--|
| A      | C. A./CMA Firm with 5 year experience having 2 FCA/FCWA (as on 1.1.2021) - 5 marks and above 5 year (in continues practice), for each year 1 mark maximum 15 marks under this head   | -   | 15            |  |
| B      | No. of Partners:<br>3 partners – 5 marks<br>(after that 5 marks for each full time partner maximum 15 marks under this head)   | -   | 15            |  |
| C      | The firm having audit experience with Government/ Semi-Government / Public Sector Undertaking / Implementing agencies State/ Central government schemes (5 marks for minimum of 1 unit and thereafter 2 marks for each additional unit with a maximum of 20 marks) | No. of years/no. of schemes done under 1 unit would be counted One. | 20            |  |
| D      | The number of Article/CA /CMA Inter Staff (1 marks every article with a maximum of 10 marks)   | -   | 10            |  |
| E      | The number of full time CA/CMA Employee (5 marks for each CA/CMA with a maximum of 15 marks)   | -   | 15            |  |
| F      | The firm with an average turnover of Rs. 20 Lakhs for the last 3 years (FY 2017-18, 2018-19 & 2019-20)<br>(Rs. 20 Lakhs - 5 marks and then for each 3 lakhs of turnover – 1 mark with a maximum of 15 marks)   | -   | 15            |  |
|        |  | <b>Total Marks</b>  | <b>100</b>    |  |

**Note:**

1. Minimum marks for qualification for Technical bid would be 65 marks.
  2. Please enclose the attested legible photocopies of the required documents.
- 2) UPMSCL **reserves right** to obtain any additional information or clarification of documents relevant to technical bid before opening of financial bid.
- 3) *Financial proposals for UPMSCL must be submitted in FORMAT F-1. Technical & Financial proposal should be submitted in separate envelopes marked as technical/ financial proposal on envelop, otherwise will be treated as disqualified.*
- 4) Please note that the Managing Director, UPMSCL, Lucknow is not bound to select any of the firms submitting proposals. Further, as quality is the principal selection criterion, the **Managing Director, UPMSCL, Lucknow does not bind in any way to select the firm offering the lowest price.**



- 5) *In case of any two or more firms becoming L-1, then technical evaluation will be done on following basis and firm getting higher technical score will be selected.*

Assignment will be allotted on the basis of below mentioned marks:

| <b>Sl. No</b> | <b>Condition</b>  | <b>Remarks</b>  | <b>Maximum marks</b> | <b>Marks obtained</b> |
|---------------|---|---|----------------------|-----------------------|
| A             | C A/CMA Firm with 5 year experience having 2 FCA/FCMA (as on 1.1.2021) - 5 marks and above 5 year (in continues practice), for each year 1 mark maximum 15 marks under this head  | -   | 15                   |                       |
| B             | No. of Partners: 5 partners – 5 marks ( <i>after that 5 marks for each full time partner maximum 15 marks under this head</i> )   | -   | 15                   |                       |
| C             | The firm having audit experience with Government/ Semi-Government / Public Sector Undertaking / Implementing agencies State/ Central government schemes ( <i>5 marks for minimum of 1 unit and thereafter 2 marks for each additional unit with a maximum of 20 marks</i> ) | No. of years/no. of schemes done under 1 unit would be counted One. | 20                   |                       |
| D             | The number of Article/CA/CMA Inter Staff ( <i>4 marks for a minimum of 7 Article/CA/CMA Inter and 1 mark for every additional number with a maximum of 10 marks</i> )   | -   | 10                   |                       |
| E             | The number of full time CA/CMA Employee ( <i>5 marks for a minimum of 2 CA/CMAs and 2 marks for every additional member with a maximum of 15 marks</i> )  | -   | 15                   |                       |
| F             | The firm with an average turnover of Rs. 20 Lakhs for the last 3 years (FY 2017-18, 2018-19 & 2019-20) ( <i>Rs. 20 Lakhs - 5 marks and then for each 3 lakh of turnover – 1 mark with a maximum of 15 marks</i> )   | -   | 15                   |                       |
|               |   | <b>Total Marks</b>  | <b>100</b>           |                       |

- 6) *In case any two firms getting same score in above technical evaluation, then firm having more audit experience (Statutory audit or Internal audit) of Government undertakings gets preference in selection.*

- 7) *The final selection of auditors is subject to review by Review Committee (Clause no: 6 to supplementary information for consultants given in the RFP) & can take necessary decision in the interest of Corporation for selection of auditor.*

### **Award of Contract-**

On completion of selection process, the firm selected shall be awarded the contract of Internal audit of UPMSCL by issuing Letter of Award (Appointment letter).The Firm will have to execute a contract with the UPMSCL within 2 weeks of the issuance of the letter of Award.

**UPMSCL may renew the Internal audit assignment for further period of Two years with the same professional fees without any increment.**

***Finance Controller  
UPMSCL  
UTTAR PRADESH***