

13.1 Criteria and point system for the evaluation are:

**Eligibility criteria of Firm**

Eligibility Criteria of Firm					
S. No.	Description	Marks	Qualifying Marks	Detail of Marks	
1	General Experience of Firm	10	7	0 to 5year	0 Marks
				6 to7 year	7 Marks
				8 and above	10 Marks
2	Experience of Firm(Govt/Semi Govt/autonomous body)	10	7	0 to 5year	0 Marks
				6 to7 year	7 Marks
				8 and above	10 Marks
3	Financial capability (worth) of Firm (Income Statement, Balance Sheet, Bank Statement of last three years.)	10	6	Below 5 million	0 Marks
				5 million to 7 million	6 Marks
				7 million and above	10 Marks
4	Financial Volume of audited Accounts (Govt/Semi Govt/autonomous body).	10	6	Below 4 billion	0 Marks
				5 billion to 7 billion	6 Marks
				8 billion and above	10 Marks
5	QCR (Quality control review)rating from ICAP.	10	10	If No	0 Marks
				If Yes	10 Marks
6	Firms experience in handling accounting and financial services and conducting similar assignments with any department/ project of Sindh Govt.	10	10	Less than 5 assignments	0 Marks
				Above 5 assignments	10 Marks
7	No of chartered Accountant with the Firm	10	6	1 No	0 Marks
				2 Nos	6 Marks
				above 2 Nos	10 Marks
8	Team Leader (C.V.must be attached) a) Experience	10	6	0 to 5year	0 Marks
				6 to7 year	6 Marks
				8 and above	10 Marks
	b) having experience of volume of audited Accounts.	10	6	Below 1 billion	0 Marks
				2 billion to 4 billion	6 Marks
				5 billion and above	10 Marks
9	Key Personnel (6 Nos Graduate) (C.V must be attached) (Experience with the firm). *	10	6	0 to 2 year	0 Marks
				3 to 6 year	6 Marks
				7 and above	10 Marks
<b>Total Marks</b>		<b>100</b>	<b>70</b>		

Note:- (i) Firm must achieve qualifying marks in each category.

(iii) \* Weighted average shall be taken ibid.

(ii) Documentary evidence must be provided with the RFP to authenticate the information given by the firm in each category.

# **KARACHI WATER & SEWERAGE BOARD**



## **REQUEST FOR PROPOSAL**

**OF**

**Selection of Chartered Accountant Firm to Conduct Audit of  
KW&SB's ANNUAL ACCOUNTS**

**FOR THE YEAR 2006-07, 2007-08, 2008-09, 2009-10 & 2010-11**

**(September, 2015)**

**Cost Rs.3,000/-  
Non-Refundable**

**THIS RFP DOCUMENT ISSUED TO M/s \_\_\_\_\_**

**Signature of the Issuing Authority**

**(Sign) \_\_\_\_\_.**

**(Seal) \_\_\_\_\_,**

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## ABSTRACT

This RFP document describe the requirements of KW&SB for its audit of the Annual Accounts for the year 2006-07, 2007-08, 2008-09, 2009-2010 & 2010-11.

All the segments and sections of this documents completely follows the policies and instruction of “**Sindh Public Procurement Rules, 2010 – amendment 2013** to ensure accuracy, impartiality and transparency in procurement process and select the consultant on the basis of defined criteria of selection i.e “**Least Cost Method**” under rule **72(I) of the SPPR-2010**.

The document describes in detail the scope of the work, Bill of Quantities (BOQ), Work Plan, Methodology and Understanding of Assignment and other various aspects of the abovementioned project in the coming sections of the RFP and will mainly cover the tasks:

- Examination of financial records and expression of opinions on financial statements.
- Examination of financial systems and transactions, including an evaluation of compliance with applicable statues and regulations.
- Examination of internal control and internal audit functions.

A brief introduction of KW&SB which provides help to the firms in the process of preparation of their bids is also given below

KW&SB services covers 18 Town within Karachi and one additional “W” division (i.e 19<sup>th</sup>) comprises of cantonment areas. These towns are further divided into 118 Union Councils. In view of high focus of Government, on ensuring the supply of clean water to the people of this mega city, the management of Karachi Water & Sewerage Board has decided to establish the organizational readiness of the Karachi Water & Sewerage Board. The following are the main department of the KW&SB pertain of major accounting and auditing work of the KW&SB.

- Billing Department:** Currently this department is producing bills for 1.10 million consumers.
- Payroll & Personnel Information department:** This department includes functionalities of HR management system and also include Payroll module. This department is handing HR needs, including Payroll of 14,000 KW&SB employees.
- Medical Accounting Department:** supports medical expenses payments to 15,000 beneficiaries (employees & pensioners, successors). This department maintains the medical expenses information by every employee information KW&SB gives medical facility to all the KW&SB employees, those who are in-service, retired and successors (in case, the employee has expired).
- Financial Accounting & General Ledger System:** This application automated Accounts Department functions and handles Chart of Account consisting of over 3,800 Head of Accounts. This module maintains General Ledger, Trial Balance and other subsidiary ledgers and MIS reports.
- Budget Preparation & Controlling Department:** This department deals with budget allocation and control for different heads / departments. It controls the budget throughout the year. KW&SB has 200 divisions/18 Towns. Every division has their own budget. Budget allocation is made, after estimating the budget requirements for all divisions. The Estimated Budget made at the beginning of every financial year. This budget is approved by City Government and then Sindh Government. The department ensures that all expenditures are managed in line with approved budget.

- f. **Financial Concurrence System:** It handles over 3800 Head of Accounts. This system checks the validity of Payment bills. Internal Audit (IAO-II) receives bills from any of 200 KW&SB divisions. Here these bills are first verified and then checked for allocated budget. The bill is recorded in the system for Auditing purpose.
- g. **Provident Fund Accounting Department:** 9,000 employees are registered in the Pension Fund. As evident from name, this system deals with Provident Fund record of employees. Organization operates an un-funded provident fund scheme to all of its eligible employees. Separate records of the employees have been maintained, who are transferred from KMC, KDA and KWMB. Their contribution in the fund is 8.34%, 10% and 10% of basic pay respectively. Monthly deduction reports are prepared which is matched with fund ledger, maintained at fund section. Fund book is also maintained for each employee, which usually is submitted by the employees at the time of receiving the fund from fund section. The employee also enjoys the facility of loan against their provident fund as per PF rules.
- h. **Pension Fund Department:** of over 7,000 employees. This system maintains the record of pensions of every KW&SB pensioner. In case the employee expires. The pension goes to his successor, nominated by him before death.
- i. **Bank Reconciliation System:** handles reconciliation of 30 bank accounts. This system is part of financial accounting system. The system reconciles transactions made through bank, throughout the year. It starts by receiving the bank statements of KW&SB's accounts from banks. The statements are received in digital form (Softcopy). These are converted into data file format. The system reads bank data through these files and reconciles with the payment through cheques data of Cheque Preparation System.
- j. **Cheques Preparation Department** prepares 45,000 cheques annually, This system makes cheque for Payroll and Contractors related payments only. All the cheques are sent to main account of KW&SB. From here payment is made to the parties. Through the bank statement cheques are reconciled by Bank Reconciliation application.
- k. **Bulk new Connection Consumer, Challan preparation Department.** This department is concerned with facilitating new water connection and performs necessary steps in this regard. For any new bulk connection,. information goes to three different places; Tax Retail Department, Tax Bulk Department and Meter Cell, Consumers pay charges for a new connection like; Advance fee, security deposit (for 2 years) etc. After the end of 2 years, i.e. when the security period is over, the consumer is added as a Regular Consumer. Later his information is sent to the regular Billing department.
- l. **Temporary Advances System:** This system is concerned with maintaining the advances taken by any KW&SB personnel. Advance taking means that all the routine steps are skipped i.e advance is granted without any verification and establishment related processes. The advance is recorded in the system against that person. This entry against the person will be cleared, when the person submits the clearance details including how the advance was utilized.
- m. **Financial Information Management System:** This system is concerned with accounting procedures including General Ledgers. Receipt Vouchers and Payment Vouchers. Fundamental accounting assumptions are also used for the preparation of final accounts Accruals have been made for recording revenues and liabilities. It also maintains chart of accounts.

**(For clarification / information relating to any aspect of this documents please contact to:**

Mr.Amir Rasheed  
Accounts Officer (Computer)

Karachi Water & Sewerage Board.

Third Floor, Room No. 373, KBCA Building behind Civic Centre  
Gulshan-e-Iqbal Karachi.

Tel; No. (021) 99230719

Fax No. (021) 99231459

**(The contractor is responsible to furnish all Items as specified in the BOQ at the office of the:**

D.M.D. (Finance)

Karachi Water & Sewerage Board.

Third Floor, Room No.372, KBCA Building, behind Civic Centre

Gulshan-e-Iqbal Karachi.

(Note: any item supplied except the specified place shall not be entertained and no claim in this regard will be acceptable by the Employer).



**Section-1. Letter of Invitation**

**Letter of Invitation/advertisement**

**Chartered Accountant Firm to Conduct Audit of  
KW&SB's Account**

Dear Sir/Madam,

Subject: Selection of Chartered Accountant Firms for Audit Annual Accounts of the K.W & S.B.

KW&SB through the Act of is required for Audit Annual Accounts of the K W S & B through a firm of external Chartered Accountants.

2. KWS&B invites sealed Request for proposal from national and international well reputed Chartered Accountant Firms, well versed with Government and International Accounting/Auditing standards to carryout audit of the Account of KW&SB. RFP-Document includes Scope of work, detailed Terms of Reference (TORs), evaluation criteria, instructions to firms etc. are available and can be downloaded from the [www.kwsb.gov.pk](http://www.kwsb.gov.pk) as well as Sindh Public Procurement Regulatory Authority (SPPRA) [www.pprasindh.gov.pk](http://www.pprasindh.gov.pk).
3. Interested Chartered Accountant Firms (national/international) are requested to submit their proposals to the undersigned comprising a single package containing two separate envelopes; each envelope shall contain separately the technical proposal and the financial proposal; envelopes shall be marked as "TECHNICAL PROPOSAL" and "FINANCIAL PROPOSAL" in bold and legible letters by or before **02:00 p.m on September 8, 2015. The Technical proposals shall be opened at 02:30 p.m on September 8, 2015** in the presence of representatives of the firms.
4. The assignment is based at Karachi.
5. It is not permissible to transfer this invitation to any other firm.
6. A firm will be selected in accordance with Rule 72(1) Least Cost Selection Method in accordance with the SPPR 2010(amended 2013).
7. The RFP includes the following documents:
  - Section 1 - Letter of Invitation/ Advertisement
  - Section 2 - Instructions to Consultants (including Data Sheet)
  - Section 3 - Technical Proposal - Standard Forms
  - Section 4 - Financial Proposal - Standard Forms
  - Section 5 - Terms of Reference
  - Section 6 - Standard Forms of Contract

Yours sincerely,  
Deputy Managing Director (Finance),  
KWSB

[www.kwsb.gov.pk](http://www.kwsb.gov.pk)

**Section 2.**  
**Instructions to Consultants**  
**( Including Data Sheet )**

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INSTRUCTIONS TO CONSULTANT**

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## **Instructions to Consultants**

### **Definitions**

- (a) “Procuring Agency (PA)” means KW & SB the department with which the selected Consultant signs the Contract for the Services.
- (b) “Consultant” means a professional who can study, design, organize, evaluate and manage projects or assess, evaluate and provide specialist advice or give technical assistance for making or drafting policies, institutional reforms and includes private entities, consulting firms, legal advisors, engineering firms, construction managers, management firms, procurement agents, inspection agents, auditors, international and multinational organizations, investment and merchant banks, universities, research institutions, government agencies, nongovernmental organizations, and Auditors.
- (c) “Contract” means an agreement enforceable by law and includes General and Special Conditions of the contract.
- (d) “Data Sheet” means such part of the Instructions to Consultants that is used to reflect specific assignment conditions.
- (e) “Day” means calendar day including holiday.
- (f) “Government” means the Government of Sindh.
- (g) “Instructions to Consultants” (Section 2 of the RFP) means the document which provides shortlisted Consultants with all information needed to prepare their Proposals.
- (h) “LOI” (Section 1 of the RFP) means the Letter of Invitation sent by the procuring agency to the Consultant.
- (i) “Proposal” means the Technical Proposal and the Financial Proposal.
- (j) “RFP” means the Request For Proposal prepared by the procuring Agency for the selection of Consultants.
- (k) “Sub-Consultant” means any person or entity to whom the Consultant subcontracts any part of the Services.
- (l) “Terms of Reference” (TOR) means the document included in the RFP as Section 5 which explains the objectives, scope of work, activities, tasks to be performed, respective responsibilities of the procuring agency and the Consultant, and expected results and deliverables of the assignment.

- 2. Introduction**
- 2.1 The Procuring agency named in the Data Sheet will select a consulting firm/organization (the Consultant) from those listed in the Letter of Invitation, in accordance with the method of selection specified in the Data Sheet.
  - 2.2 The eligible Consultants (shortlisted if so) are invited to submit a Technical Proposal and a Financial Proposal, or a Technical Proposal only, as specified in the Data Sheet. The Proposal will be the basis for contract negotiations and ultimately for a signed Contract with the selected Consultant.
  - 2.3 Consultants should familiarize themselves with rules / conditions and take them into account while preparing their Proposals. Consultants are encouraged to attend a pre-proposal conference if one is specified in the Data Sheet. Attending the pre-proposal conference is, however optional. Consultants may liaise with procuring agency's representative named in the Data Sheet for gaining better insight into the assignment.
  - 2.4 Consultants shall bear all costs associated with the preparation and submission of their proposals and contract negotiation. The Procuring Agency reserves the right to annul the selection process at any time prior to Contract award, without thereby incurring any liability to the Consultants.
  - 2.5 Procuring Agency may provide facilities and inputs as specified in Data Sheet.

**3. Conflict of Interest:**

- 3.1.1 Consultants are required to provide professional, objective, and impartial advice and holding the Procuring Agency interest paramount. They shall strictly avoid conflict with other assignments or their own corporate interest. Consultants have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of the Procuring Agency, or that may reasonably be perceived as having such effect. Failure to disclose said situations may lead to the disqualification of the Consultant or the termination of its Contract.
- 3.1.2 Without limitation on the generality of the foregoing, Consultants, and any of their affiliates, shall be considered to have a conflict of interest and shall not be recruited, under any of the circumstances set forth below:
  - (i) A consultant that has been engaged by the procuring agency to provide goods, works or services other than consulting services for a project, any of its affiliates, shall be disqualified from providing consulting services related to those goods, works or services. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, any of its affiliates, shall

disqualified from subsequently providing goods or works or services other than consulting services resulting from or directly related to the firm's consulting services for such preparation or implementation.

- (ii) A Consultant ( including its Personnel and Sub-Consultants) or any of its affiliates shall not be hired for any assignment that, by its nature, may be in conflict with another assignment of the Consultant to be executed for the same or for another Procuring Agency.
- (iii) A Consultant (including its Personnel and Sub-Consultants) that has a business or family relationship with a member of the Procuring Agency's staff who is directly or indirectly involved in any part of (i) the preparation of the Terms of Reference of the assignment, (ii) the selection process for such assignment, or (iii) supervision of the Contract, may not be awarded a Contract, unless the conflict stemming from this relationship has been resolved.

### **3.2 Conflicting Relationships:**

Government officials and civil servants may be hired as consultants only if:

- (i) They are on leave of absence without pay;
- (ii) They are not being hired by the agency they were working for, six months prior to going on leave; and
- (iii) Their employment would not give rise to any conflict of interest.

### **4. Fraud and Corruption:**

It is Government's policy that Consultants under the contract(s), observe the highest standard of ethics during the procurement and execution of such contracts. In pursuit of this policy, the Procuring Agency follows the instructions contained in Sindh Public procurement Rules 2010 which defines:

“corrupt and fraudulent practices” includes the offering, giving, receiving, or soliciting, directly or indirectly of anything of value to influence the act of another party for wrongful gain or any act or omission, including misrepresentation, that knowingly or recklessly misleads or attempt mislead a party to obtain a financial or other benefit or to avoid an obligation;

Under Rule 35 of SPPR 2010, “The PA can inter-alia blacklist Bidders found to be indulging in corrupt or fraudulent practices. Such Sindh Public Procurement Regulatory Authority (SPPRA) barring action shall be duly publicized and communicated to the SPPRA. Provided that any supplier or contractor who is to be blacklisted shall be accorded adequate opportunity of being heard”.

### **5. Integrity Pact:**

Pursuant to Rule 89 of SPPR 2010 Consultant undertakes to sign an Integrity pact in accordance with prescribed format attached hereto for all the procurements estimated to exceed Rs. 2.5 million. (Annex-A).

**Eligible Consultant:**

- 6.1 Outlined under Rule 73 and 74 of SPPR-2010 for the Contract(s) for which these RFP documents are being issued, those firms - in case of Joint Ventures with the same partner(s) and Joint Venture structure - that had been pre-qualified are eligible.
- 6.2 Short listed consultants emerging from request of expression of interest are eligible.

**7. Eligibility of Sub-Consultants:**

- 7.1 A shortlisted Consultant would not be allowed to associate with Consultants who have failed to qualify the short listing process.

**8. Only one Proposal:**

Shortlisted Consultants may only submit one proposal. If a Consultant submits or participates in more than one proposal, such proposals shall be disqualified. Participation of the same Sub- Consultant, including individual experts, to more than one proposal is not allowed.

**9. Proposal Validity:**

9.1 The Data Sheet indicates Proposals validity that shall not be more than 90 days in case of National Competitive Bidding (NCB) and 120 days in case of International competitive Bidding (ICB). During this period, Consultants shall maintain the availability of Professional staff nominated in the Proposal. The Procuring Agency will make its best effort to complete negotiations within this period. Should the need arise; however, the Procuring Agency may request Consultants to extend the validity period of their proposals. Consultants who agree to such extension shall confirm that they maintain the availability of the Professional staff nominated in the Proposal, or in their confirmation of extension of validity of the Proposal, Consultants may submit new staff in replacement, who would be considered in the final evaluation for contract award. Consultants who do not agree have the right to refuse to extend the validity of their Proposals.

9.2 Consultants shall submit required bid security along with financial proposal defined in the data sheet (which shall not be less than one percent and shall not exceed five percent of bid amount)

**10. Clarification and Amendment in RFP Documents:**

10.1 Consultants may request for a clarification of contents of the bidding document in writing, and procuring agency shall respond to such queries in writing within three calendar days, provided they are received at least five calendar days prior to the date of opening of proposal. The procuring agency shall communicate such response to all parties who have obtained RFP document without identifying the source of inquiry. Should the PA deem it necessary to amend the RFP as a result of a clarification, it shall do so.



10.2 At any time before the submission of Proposals, the Procuring Agency may amend the RFP by issuing an addendum/ corrigendum in writing. The addendum shall be sent to all Consultants and will be binding on them. Consultants shall acknowledge receipt of all amendments. To give Consultants reasonable time in which to take an amendment into account in their Proposals the Procuring Agency may, if the amendment is substantial, extend the deadline for the submission of Proposals.

**11. Preparation of Proposals:**

11.1 In preparing their Proposal, Consultants are expected to examine in detail the documents comprising the RFP. Material deficiencies (deviation from scope, experience and qualification of personnel) in providing the information requested may result in rejection of a Proposal.

11.2 The estimate number of professional staff months or the budget required for executing the assignment should be shown in the data sheet, but not both. However, proposal shall be based on the professional staff month or budget estimated by the consultant.

**12. Language:**

12.1 The Proposal as well as all related correspondence exchanged by the Consultants and the Procuring Agency shall be written in English. However, it is desirable that the firm's Personnel have a working knowledge of the national and regional languages of Islamic Republic of Pakistan.

**13. Technical Proposal Format and Content:**

13.1 While preparing the Technical Proposal, consultants must give particular attention to the following:

- (i) For assignments on a staff-time basis, the estimated number of professional staff-months is given in the Data Sheet. The proposal shall, however, be based on the number of professional staff-months estimated by the firm. For fixed-budget-based assignments, the available budget is given in the Data Sheet, and the Financial Proposal shall not exceed this budget.
- (ii) It is desirable that the majority of the key professional staff proposed be permanent employees of the firm or have an extended and stable working relationship with it.

- (iv) Proposed professional staff must, at a minimum, have the experience indicated in the Data Sheet, Preferably working under similar geographical condition.
- (v) Alternative professional staff shall not be proposed, and only one curriculum vitae (CV) shall submitted for each position.

13.2 The Technical Proposal shall provide the following information using the attached Standard Forms (Section 3):

- (i) A brief description of the consultant organization and an outline of recent experience on assignments (Section 3B) of a similar nature. For each assignment, the outline should indicate, *inter alia*, the profiles of the staff, duration of the assignment, contract amount, and firm's involvement.
- (ii) Any comments or suggestions on the Terms of Reference and on the data, a list of services, and facilities to be provided by the PA (Section 3C).
- (iii) The list of the proposed staff team by specialty, the tasks that would be assigned to each staff team member, and their timing (Section 3E).
- (iv) CVs recently signed by the proposed professional staff and the authorized representative submitting the proposal (Section 3F). Key information should include number of years working for the consultant and degree of responsibility held in various assignments during the last \_\_\_\_ (PA may give number of years as per their requirement) years
- (v) Estimates of the total staff input (professional and support staff; staff time) needed to carry out the assignment supported by bar chart diagrams showing the time proposed for each professional staff team member (Sections 3E and 3G).
- (vi) A detailed description of the proposed methodology, work plan for performing the assignment, staffing, and monitoring of training, if the Data Sheet specifies training as a major component of the assignment (Section 3D).
- (vii) Any additional information requested in the Data Sheet.

13.3 The Technical Proposal shall not include any financial information.

**14. Financial Proposal:**

14.1 The Financial Proposal shall be prepared using the attached Standard Forms (Section 4). It shall list all costs associated with the assignment, including (a) remuneration for staff (in the field and at Consultants office) and (b) reimbursable expenses indicated in the Data Sheet (if applicable). Alternatively Consultant may provide their own list of cost. If appropriate, these costs should be broken down by activity. All activities and items described in the Technical Proposal must be priced separately; activities and items described in the Technical Proposal but not priced, shall be assumed to be included in the prices of other activities or items.

**15. Taxes:**

15.1 The Consultant will be subject to all admissible taxes including stamp duty and service charges at a rate prevailing on the date of contract agreement unless exempted by relevant tax authority.

**16. Submission, Receipt, and Opening of Proposals:**

16.1 Proposal shall contain no interlineations or overwriting. Submission letters for both Technical and Financial Proposals should respectively be in the format of TECH-1 of Section 3, and FIN-1 of Section 4. All pages of the original Technical and Financial Proposals will be initialed by an authorized representative of the Consultants (Individual Consultant). The authorization shall be in the form of a written power of attorney accompanying the Proposal.

16.2 All required copies of the Technical Proposal are to be made from the original. If there are discrepancies between the original and the copies of the Technical Proposal, the original governs.

16.3 The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked “ Technical Proposal” Similarly, the original Financial Proposal (if required under the selection method indicated in the Data Sheet) shall be placed in a sealed envelope clearly marked “Financial Proposal” followed by name of the assignment and with a warning “**DO NOT OPEN WITH THE TECHNICAL PROPOSAL.**” If the Financial Proposal is not submitted in a separate sealed envelope duly marked as indicated above, this will constitute grounds for declaring the Proposal non-responsive.

16.4 The Proposals must be sent to the address indicated in the Data Sheet and received by the PA no later than the time and the date indicated in the Data Sheet, or any extension to this date. Any proposal received by the PA after the deadline for submission shall be returned unopened. In order to avoid any delay arising from the postal or PA’s internal despatch workings, Consultants should ensure that proposals to be sent through couriers should reach a day before the deadline for submission.

**17. Proposal Evaluation:**

17.1 From the time the Proposals are opened to the time the Contract is awarded, the Consultants should not contact the PA on any matter related to its Technical and/or Financial Proposal. Any effort by Consultants to influence the PA in the examination, evaluation, ranking of Proposals, and recommendation for award of Contract may result in the rejection of the Consultant's Proposal.

Evaluators of Technical Proposals shall have no access to the Financial Proposals until the technical evaluation is concluded.

**18. Evaluation of Technical Proposal:**

18.1 The evaluation committee shall evaluate the Technical Proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria, sub-criteria, and point system specified in the Data Sheet. Each responsive Proposal will be given a technical score (St). A Proposal shall be rejected at this stage if it fails to achieve the minimum technical score indicated in the Data Sheet.

18.2 After the technical evaluation is completed, the PA shall notify in writing Consultants that have secured the minimum qualifying marks, the date, time and location, allowing a reasonable time, for opening the Financial Proposals. Consultants' attendance at the opening of Financial Proposals is optional.

Financial proposals of those consultants who failed to secure minimum qualifying marks shall be returned unopened.

**19. Evaluation of Financial Proposal:**

19.1 Financial Proposals shall be opened publicly in the presence of the Consultants' representatives who choose to attend. The name of the Consultants and the technical scores of the Consultants shall be read aloud. The Financial Proposal of the Consultants who met the minimum qualifying mark will then be inspected to confirm that they have remained sealed and unopened. These Financial Proposals shall be then opened, and the total prices read aloud and recorded. Copy of the record shall be sent to all Consultants.

19.2 The Evaluation Committee will correct any computational errors. When correcting computational errors, in case of discrepancy between a partial amount and the total amount, or between word and figures the former will prevail. In addition to the above corrections, activities and items described in the Technical Proposal but not priced, shall be assumed to be included in the prices of other activities or items.

19.3 In case of **Least Cost Selection LCS Method**, the bid found to be the lowest evaluated bid shall be accepted.

**20. Negotiations:**

20.1 Negotiations will be held at the date and address indicated in the Data Sheet. The invited Consultant will, as a pre-requisite for attendance at the negotiations, confirm availability of all Professional staff. Failure in satisfying such requirements may result in the PA proceeding to negotiate with the next-ranked Consultant. Representatives conducting negotiations on behalf of the Consultant must have written authority to negotiate and conclude a Contract.

**21. Technical Negotiations:**

21.1 Technical Negotiations will include a discussion of the Technical Proposal, the proposed technical approach and methodology, work plan, organization and staffing, and any suggestions made by the Consultant to improve the Terms of Reference. The PA and the Consultants will finalize the Terms of Reference, staffing schedule, work schedule, logistics, and reporting. These documents will then be incorporated in the Contract as "Description of Services". Minutes of negotiations, which will be signed by the PA and the Consultant, will become part of Contract Agreement.

**22. Financial Negotiations:**

22.1 If applicable, it is the responsibility of the Consultant, before starting financial negotiations, to contact the local tax authorities to determine the tax amount to be paid by the Consultant under the Contract. The financial negotiations will include a clarification (if any) of the firm's tax liability, and the manner in which it will be reflected in the Contract; and will reflect the agreed technical modifications in the cost of the services. Consultants will provide the PA with the information on remuneration rates described in the Appendix attached to Section 4 (i.e. Financial Proposal - Standard Forms of this RFP).

**23. Availability of Professional Staff / Experts:**

23.1 Having selected the Consultant on the basis of, among other things, an evaluation of proposed Professional staff, the PA expects to negotiate a Contract on the basis of the Professional staff named in the Proposal. Before contract negotiations, the PA will require assurances that the Professional staff will be actually available. The PA will not consider substitutions during contract negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable or for reasons such as death or medical incapacity. If this is not the case and if it is established that Professional staff were offered in the proposal without confirming their availability, the Consultant may be disqualified. Any proposed substitute shall have equivalent or better qualifications and experience than the original candidate and be submitted by the Consultant within the period of time specified in

the letter of invitation to negotiate.

**24. Award of Contract:**

- 24.1 After completing negotiations, the Procuring Agency shall award the Contract to the selected Consultant and within seven of the award of contract, Procuring Agency shall publish on the website of the Authority and on its own website, if such a website exists, the result of the bidding process, identifying the bid through procuring identifying number, if any and the following information, evaluation report, form of contract and letter of award, bill of quantity or schedule of requirement, as the case may be.
- 24.2 After publishing of award of contract consultant required to submit a performance security at the rate indicated in date sheet.
- 24.3 The Consultant is expected to commence the assignment on the date and at the location specified in the Data Sheet.

**25. Confidentiality:**

- 25.1 Information relating to evaluation of Proposals and recommendations concerning awards shall not be disclosed to the Consultants who submitted the Proposals or to other persons not officially concerned with the process, until the publication of the award of Contract. The undue use by any Consultant of confidential information related to the process may result in the rejection of its Proposal.

**DATA SHEET**

<b>Clause / Reference</b>	<b>Description</b>
1.1	Name of the Assignment is: Audit of KW&SB's Annual Accounts for the year 2006-07, 2007-08, 2008-09, 2009-10 & 2010-11 Name of PA: Karachi Water & Sewerage Board. Name of PA Official/Employer Dy. Managing Director (F), KW&SB Employer Address: Third Floor, Room No.373, KBCA Building, behind Civic Centre, Gulshan-e-Iqbal Karachi. Telephone No. (021) 99230719 Fax No. (021)9231459
1.2	The method of Selection is " <b>Least Cost Method</b> " The edition of the Guideline is : SPP Rules-2010 (amended 2013) & Standard RFP document of SPPRA.
1.3	Financial Proposal is submitted together with Technical Proposal: yes ___ No. ___
1.4	KW&SB will provide the following inputs and facilities:- i) All the necessary record in shape of hard & soft comp related to the assignment. ii) A reasonable office space with necessary equipment and furniture.
1.5	Proposal Submission D.M.D. (Finance), KW&SB Address Third Floor, Room No.373, KBCA Building, behind Civic Centre, Gulshan-e-Iqbal Karachi. Proposal must be submitted on _____ at 12:30 P.M
1.6	Expected date for Commencement of consulting services on above mentioned assignment will be _____ at Employer Address
5.1	Consultant under take to sign <b>Integrity Pact</b> for the <b>Assignment</b> if it estimated exceed to Pak Rs. 2.5 million.
6.3	Consultant to state all the fees / charges payable by KW&SB in Pakistani Rupee.
9.1	Proposals shall remain valid till 90 days after the opening date.
9.2	The Consultant shall <b>deposit a bid security in original Financial Proposal</b> of an amount equivalent to 2% (Two per cent) of the bid price, which shall remain valid for a period of 28 days beyond the Proposal validity period for bids, in order to provide the Procuring Agency reasonable time to act, if the security is to be called;
10.1	Clarifications may be requested not later than five days before the Submission/opening date. The address for requesting clarifications is: as stated at para 1.1 above
11.2	The estimated number of professional staff –months required for the work is Eight (8) months up to 30th June 2016.
12	The Proposal as well as related correspondence exchanged by the Consultants and KW&SB shall be written in English.
13.1	The Evaluation criteria at Technical Proposal.
13.2 (vii)	Training is a specific component of this assignment: Yes _____ No. _____ [ if yes, provide appropriate information]:
14.1	There is no reimbursable expense or cost is applicable during entire course of work.
15.1	All the charges like any taxation, stump duty and service charges associated to any part of the assignment /work will be borne by the Consultant.
16.2	Consultant must submit Financial Proposal in original
20.1	Expected date and address for contract negotiations will be intimated as and when required.
24.2	Successful consultant is required to <b>submit performance security in form of Pay order, demand draft or Bank Guarantee @10%</b> of the contract amount valid beyond the 90 days of completion of the work i.e " Audit of KW&SB's Annual Accounts for the years 2006-07, 2007-08, 2008-09, 2009-10 & 2010-11"
24.4	Formal Agreement on judicial stamp paper on the prevailing rates of stamp duty.

13.1 Criteria and point system for the evaluation are:

**Eligibility criteria of Firm**

<b>Eligibility Criteria of Firm</b>					
S. No.	Description	Marks	Qualifying Marks	Detail of Marks	
1	General Experience of Firm	10	7	0 to 5year	0 Marks
				6 to7 year	7 Marks
				8 and above	10 Marks
2	Experience of Firm(Govt/Semi Govt/autonomous body)	10	7	0 to 5year	0 Marks
				6 to7 year	7 Marks
				8 and above	10 Marks
3	Financial capability (worth) of Firm (Income Statement, Balance Sheet, Bank Statement of last three years.)	10	6	Below 5 million	0 Marks
				5 million to 7 million	6 Marks
				7 million and above	10 Marks
4	Financial Volume of audited Accounts (Govt/Semi Govt/autonomous body).	10	6	Below 4 billion	0 Marks
				5 billion to 7 billion	6 Marks
				8 billion and above	10 Marks
5	QCR (Quality control review)rating from ICAP.	10	10	If No	0 Marks
				If Yes	10 Marks
6	Firms experience in handling accounting and financial services and conducting similar assignments with any department/ project of Sindh Govt.	10	10	Less than 5 assignments	0 Marks
				Above 5 assignments	10 Marks
7	No of chartered Accountant with the Firm	10	6	1 No	0 Marks
				2 Nos	6 Marks
				above 2 Nos	10 Marks
8	Team Leader (C.V.must be attached) a) Experience	10	6	0 to 5year	0 Marks
				6 to7 year	6 Marks
				8 and above	10 Marks
	b) having experience of volume of audited Accounts.	10	6	Below 1 billion	0 Marks
				2 billion to 4 billion	6 Marks
				5 billion and above	10 Marks
9	Key Personnel (6 Nos Graduate) (C.V must be attached) (Experience with the firm). *	10	6	0 to 2 year	0 Marks
				3 to 6 year	6 Marks
				7 and above	10 Marks
<b>Total Marks</b>		<b>100</b>	<b>70</b>		

- Note:-
- (i) Firm must achieve qualifying marks in each category.
  - (iii) \* Weighted average shall be taken ibid.
  - (ii) Documentary evidence must be provided with the RFP to authenticate the information given by the firm in each category.



**Section 3.**  
**Technical Proposal - Standard Forms**

### Section 3. Technical Proposal - Standard Forms

*[Comments in brackets] provide guidance to the shortlisted Consultants for the preparation of their Technical Proposals; they should be deleted from the Technical Proposals to be submitted.]*

Refer to Reference Paragraph 3.4 of the Data Sheet for format of Technical Proposal to be submitted, and paragraph 3.4 of Section 2 of the RFP for Standard Forms required and number of pages recommended.

Form TECH-1. Technical Proposal Submission Form .....	24
Form TECH-2. Consultant"s Organization and Experience.....	25
A - Consultant"s Organization.....	25
B - Consultant"s Experience.....	26
Form TECH-3. Comments and Suggestions on the Terms of Reference and on Counterpart Staff and Facilities to be Provided by the PA .....	27
A - On the Terms of Reference .....	27
B - On Counterpart Staff and Facilities.....	30
Form TECH-4. Description of Approach, Methodology and Work Plan for Performing the Assignment.....	31
Form TECH-5. Team Composition and Task Assignments .....	32
Form TECH-6. Curriculum Vitae (CV) for Proposed Professional Staff.....	33
Form TECH-7. Staffing Schedule <sup>1</sup> .....	35
Form TECH-8. Work Schedule.....	36

FORM TECH-1. TECHNICAL PROPOSAL SUBMISSION FORM

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[Location, Date]

To:  
The Deputy Managing Director (Finance),  
3rd Floor, Room No. 372,  
KBCA Building behind Civic Centre,  
Gulshan-e-Iqbal Karachi.

Dear Sirs:

We, the undersigned, offer to provide the consulting services for Selection of Chartered Accountant Firm to Conduct Audit of KW&SB's Annual Accounts for the year 2006-07, 2007-08, 2008-09, 2009-10 & 2010-11 in accordance with your Request for Proposal dated **Insert Date** and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope<sup>1</sup>.

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.

If negotiations are held during the period of validity of the Proposal, i.e., before the date indicated in the Data Sheet, we undertake to negotiate on the basis of the proposed staff. Our Proposal is binding upon us and subject to the modifications resulting from Contract negotiations.

We undertake, if our Proposal is accepted, to initiate the consulting services related to the assignment not later than the date indicated in the Data Sheet.

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature [*In full and initials*]: \_\_\_\_\_

Name and Title of Signatory: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_

**FORM TECH-2. CONSULTANT'S ORGANISATION EXPERIENCE**

---

***A – Consultant's Organisation***

[Provide here a brief (two pages) description of the background and organization of your firm/entity and each associate for this assignment.]

***B- Consultant's Experience***

*[Using the format below, provide information on each assignment for which your firm, and each associate for this assignment, was legally contracted either individually or as a corporate entity or as one of the major companies within an association, for carrying out consulting services similar to the ones requested under this assignment. Use 20 pages.]*

Assignment name:	Approx. value of the contract (in current US\$ or Euro):
Country: Location within country:	Duration of assignment (months):
Name of PA:	Total No of staff-months of the assignment:
Address:	Approx. value of the services provided by your firm under the contract (in current US\$ or Euro):
Start date (month/year): Completion date (month/year):	No of professional staff-months provided by associated Consultants:
Name of associated Consultants, if any:	Name of senior professional staff of your firm involved and functions performed (indicate most significant profiles such as Project Director/Coordinator, Team Leader):
Narrative description of Project:	
Description of actual services provided by your staff within the assignment:	

Firm's Name: \_\_\_\_\_

FORM TECH-3. COMMENTS AND SUGGESTIONS ON THE TERMS OF  
REFERENCE AND ON COUNTERPART STAFF AND FACILITIES TO BE  
PROVIDED BY THE PA

---

***A - On the Terms of Reference***

*[Present and justify here any modifications or improvement to the Terms of Reference you are proposing to improve performance in carrying out the assignment (such as deleting some activity you consider unnecessary, or adding another, or proposing a different phasing of the activities). Such suggestions should be concise and to the point, and incorporated in your Proposal.]*

- 1.
- 2.
- 3.
- 4.
- 5.
- ..
- ..

### **Objective of the Audit:**

**Responsibility for preparation of financial statements:** The responsibility for the preparation of financial statements including adequate disclosure is that of the entity's management. This includes keeping of adequate accounting records and internal controls, the selection and application of accounting policies, and the safe guarding of the assets of the Board. As part of the audit process, the auditor will request from management written confirmation concerning representations made in connection with the audit.

The primary responsibility of the Chartered Accountant Firm is to conduct audit of entity's annual financial statements and compliance with the General Financial Rules of Government of Sindh and agreed upon procurement procedures to ensure transparency and accountability in Board's overall operations. The auditors would be required to submit their opinion on the annual financial statements.

### **Scope of Work:**

Keeping in view the overall objective of the audit, the auditors would mainly be responsible to:

“Carry out the statutory audit (for the FY 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11) of the annual financial statements prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the contextual provisions and express an opinion on the financial statements. The specific scope of work in respect of the annual audit of the financial statements shall be as determined under the International Standards on Auditing and requirements of Accounting and Financial Reporting Standards (AFRSs) as notified/applicable for the Government. However, it is highly desirable that auditors become familiar with approved financial and audit procedures (Public Accounts); besides that of the World Bank “Guidelines: Annual Financial Reporting and Auditing for World Bank-Financial Activities” – in case of WB funded scheme.

### **Deliverables:**

1. Report on the internal audit checks and controls and credibility and efficacy of the systems/procedures as to whether the accounts are properly kept and annual financial statements are prepared in accordance with the financial rules.
2. Annual Audit Report for the FY 2006-07.
3. Annual Audit Report for the FY 2007-08.
4. Annual Audit Report for the FY 2008-09.
5. Annual Audit Report for the FY 2009-10.
6. Annual Audit Report for the FY 2010-11.

### **Code of Ethics:**

Following the IFAC-Code of Ethics, the Auditing firm is expected to maintain the highest standards of:

**Integrity:** The integrity of auditors establishes trust and thus provides the basis for reliance on their judgment.

**Objectivity:** The auditors exhibit the highest level of professional objective lying, evaluating and communicating information about the activity or process being examined. A u d i t o r s make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by other informing judgments.

**Confidentiality:** Internal Auditors respect the value and the ownership of information they received and do not disclose information without appropriate authority unless the has a legal or professional obligation to do so.

**Competency:** The auditors apply the knowledge, skills and experience needed in the performance of auditing services.



***B - On Counterpart Staff and Facilities***

*[Comment here on counterpart staff and facilities to be provided by the PA according to Paragraph Reference 1.4 of the Data Sheet including: administrative support, office space, local transportation, equipment, data, etc.]*

FORM TECH-4. DESCRIPTION OF APPROACH, METHODOLOGY AND  
WORK PLAN FOR PERFORMING THE ASSIGNMENT

---

{Suggested structure of your Technical Proposal}

- a) **Technical Approach, Methodology, and Organization of the Consultant's team.**  
{Please explain your understanding of the objectives of the assignment as outlined in the Terms of Reference (TOR), the technical approach, and the methodology you would adopt for implementing the tasks to deliver the expected output(s); the degree of detail of such output; and describe the structure and composition of your team. Please do not repeat/copy the TORs in here.}
- b) **Work Plan and Staffing.** {Please outline the plan for the implementation of the main activities/tasks of the assignment, their content and duration, phasing and interrelations, milestones (including interim approvals by the Client), and tentative delivery dates of the reports. The proposed work plan should be consistent with the technical approach and methodology, showing understanding of the TOR and ability to translate them into a feasible working plan and work schedule showing the assigned tasks for each expert. A list of the final documents (including reports) to be delivered as final output(s) should be included here. The work plan should be consistent with the Work Schedule Form.}
- c) **Comments (on the TOR and on counterpart staff and facilities)**  
{Your suggestions should be concise and to the point, and incorporated in your Proposal. Please also include comments, if any, on counterpart staff and facilities to be provided by the Client. For example, administrative support, office space, data, background reports, etc. }

**FORM TECH-5. TEAM COMPOSITION AND TASK ASSIGNMENTS**

Name of Staff	Firm	Area of Expertise	Position Assigned	Task Assigned

**FORM TECH-6. CURRICULUM VITAE (CV) FOR PROPOSED  
PROFESSIONAL STAFF (Each Personnel)**  
(CVs in conformity with the numbers required in criteria given at 13.1 of the data sheet)

---

**1. Proposed Position** [*only one candidate shall be nominated for each position*]: \_\_\_\_\_

**2. Name of Firm** [*Insert name of firm proposing the staff*]: \_\_\_\_\_

\_\_\_\_\_

**3. Name of Staff** [*Insert full name*]: \_\_\_\_\_

**4. Date of Birth:** \_\_\_\_\_ **Nationality:** \_\_\_\_\_

**5. Education** [*Indicate college/university and other specialized education of staff member, giving names of institutions, degrees obtained, and dates of obtainment*]: \_\_\_\_\_

\_\_\_\_\_

**6. Membership of Professional Associations:** \_\_\_\_\_

\_\_\_\_\_

**7. Other Training** [*Indicate significant training since degrees under 5 - Education were obtained*]: \_\_\_\_\_

\_\_\_\_\_

**8. Countries of Work Experience:** [*List countries where staff has worked in the last ten years*]: \_\_\_\_\_

\_\_\_\_\_

**9. Languages** [*For each language indicate proficiency: good, fair, or poor in speaking, reading, and writing*]: \_\_\_\_\_

\_\_\_\_\_

**10. Employment Record** [*Starting with present position, list in reverse order every employment held by staff member since graduation, giving for each employment (see format here below): dates of employment, name of employing organization, positions held.*]:

(i) Date of Appointment : \_\_\_\_\_ (ii) Experience (in year) : \_\_\_\_\_

From [Year]: \_\_\_\_ To [Year]: \_\_\_\_\_

Employer: \_\_\_\_\_

Positions held: \_\_\_\_\_

<b>11. Detailed Tasks Assigned</b>	<b>12. Work Undertaken that Best Illustrates Capability to Handle the Tasks Assigned</b>
<p><i>[List all tasks to be performed under this assignment]</i></p>	<p><i>[Among the assignments in which the staff has been involved, indicate the following information for those assignments that best illustrate staff capability to handle the tasks listed under point 11.]</i></p> <p>Name of assignment or project: _____</p> <p>Year: _____</p> <p>Location: _____</p> <p>PA: _____</p> <p>Main project features: _____</p> <p>Positions held: _____</p> <p>Activities performed: _____</p>

**13. Certification:**

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes me, my qualifications, and my experience. I understand that any wilful misstatement described herein may lead to my disqualification or dismissal, if engaged.

\_\_\_\_\_ Date: \_\_\_\_\_  
*[Signature of staff member or authorized representative of the staff]* *Day/Month/Year*

Full name of authorized representative: \_\_\_\_\_

FORM TECH-7. STAFFING SCHEDULE																		
N°	Name of Staff	Staff input (in the form of a bar chart)											Total staff-month input					
		1	2	3	4	5	6	7	8	9	10	11	12	n	Home	Field	Total	
	<b>Foreign</b>																	
1	[Home]																	
	[Field]																	
2																		
3																		
n																		
		Subtotal																
	<b>Local</b>																	
	[Home]																	
1	[Field]																	
2																		
n																		
		Subtotal																
		<b>Total</b>																

- 1 For Professional Staff the input should be indicated individually; for Support Staff it should be indicated by category (e.g. : draftsmen, clerical staff).
- 2 Months are counted from the start of the assignment. For each staff indicate separately staff input for home and field work.
- 3 Field work means work carried out at a place other than the Consultant's home office

Full time input       Part time input



**Section 4.**  
**Financial Proposal - Standard Forms**



## Section 4. Financial Proposal - Standard Forms

*[Comments in brackets [ ] provide guidance to the shortlisted Consultants for the preparation of their Financial Proposals; they should be deleted from the Financial Proposals to be Submitted.]*

Financial Proposal Standard Forms shall be used for the preparation of the Financial Proposal according to the instructions provided under para. 3.6 of Section 2. Such Forms are to be used whichever is the selection method indicated in para. 4 of the Letter of Invitation.

Form FIN-1. Financial Proposal Submission Form .....	39
Form FIN-2. Bill of Quantities .....	40

FORM FIN-1.

FINANCIAL PROPOSAL SUBMISSION FORM

---

[Location, Date]

To,  
The Deputy Managing Director (Finance),  
3rd Floor, Room No. 373,  
KBCA Building behind Civic Centre,  
Gulshan-e-Iqbal Karachi.

Dear Sir,

We, the undersigned, offer to provide the consulting services for Selection of Chartered Accountant Firm to Conduct Audit of KW&SB's Annual Accounts for the year 2006-07, 2007-08, 2008-09, 2009-10 & 2010-11 in accordance with your Request for Proposal dated [Insert Date] and our Technical Proposal. Our attached Financial Proposal is for the sum of [Insert amount(s) in words and figures<sup>1</sup>].

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal, i.e. before the date indicated in Paragraph Reference 1.12 of the Data Sheet.

No commissions and gratuities have been or are to be paid by us to agents relating to this Proposal and Contract execution.

We understand you are not bound to accept any Proposal you

receive. We remain,

Yours sincerely,

Authorized Signature [*In full and initials*]:

\_\_\_\_\_  
Name and Title of Signatory: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
,

1 Amounts must coincide with the ones indicated under Total Cost of Financial proposal in Form FIN-2.

FORM FIN-2. BILL OF QUANTITIES

**OFFICE OF THE A.O.(COMPUTER)  
KARACHI WATER & SEWERAGE BOARD**

ROOM NO.373, THIRD FLOOR, KBCA BUILDING  
BEHIND CIVIC CENTRE, GULSHAN-E-IQBAL

**BILL OF QUANTITIES**

Estimated Amount : (on Item Rate Tender)

Issued to M/s \_\_\_\_\_

Cost of Tender : Rs.3000/-

Date of Opening \_\_\_\_\_

Book No:

Time Limit: 08 Months

Receipt No. \_\_\_\_\_

Dated: \_\_\_\_\_

Signature of issuing authority \_\_\_\_\_

**Name of Work: AUDIT OF KW&SB'S ANNUAL ACCOUNTS FOR THE YEAR 2006-07, 2007-08, 2008-09, 2009-10 & 2010-11.**

S. No	Item	Quantity	Unit	Rate (Inclusive All Taxes)		Amount
				In Figure	In Words	
1	2	3	4	5	6	7 (3X5)
1	Audit of Account for the year 2006-07 and submission of Audit Report.	1	Job			
2	Audit of Accounts for the year 2007-08 and submission of Audit Report.	1	Job			
3	Audit of Accounts for the year 2008-09 and submission of Audit Report.	1	Job			
4	Audit of Accounts for the year 2009-10 and submission of Audit Report.	1	Job			
5	Audit of Accounts for the year 2010-11 and submission of Audit Report.	1	Job			
<b>Total Rs.</b>						

The Specific Input & Output of the Audited Report is defined in(TOR) at Section-5

We hereby quoted Bid Price in PKR. \_\_\_\_\_.

Rupees \_\_\_\_\_.

Authorized Sign of Bidder \_\_\_\_\_.

Seal of Firm \_\_\_\_\_.

**SECTION -5**  
**TERM OF REFERENCE**

**A. Scope of work and Methodology**

1. The auditor appointed by KW&SB would be required to carry out audit of the accounts of KW&SB for the year July 2006 –June-2007, July 2007 –June-2008, July 2008 –June-2009, July 2009 –June-2010, July 2010 –June-2011 and July 2011 –June-2012.
2. The audits will be carried out in accordance with generally accepted auditing principles and standards as prescribed by the Institute of Chartered Accountants in Pakistan. In response to the TOR, the auditors should indicate the extent (if any), to which their examination would not conform to those standards. They would also be required to make a statement of the effects of non-applications of any auditing standard of International Federation of Accountants (IFAC) by the auditor and accounting standard issued by the international Auditing Standard Committee (IASC).
3. It is expected that the auditors would apply routine tests applicable to after-the-event, verification. During this process, they will maintain focus on identification of key issues and need for improvement in system for financial management and accounting. It is anticipated that the auditors, would have completed and exhaustive evaluation of accounting sub-system and presented their opinion on the accounts as well evaluation reports on system deficiencies and need for improvement.
4. In devising audit programs the auditors will takes into consideration the effectiveness and reliability of the accounting and administrating procedures controls and checks currently inforce. They shall specifically appraise the procedures for:
  - (a) Safeguarding assets by means of an adequate division of responsibilities between operating, custodial, accounting, and other duties and providing assurance that such duties and responsibilities are clearly and that sufficient staff are available to perform them accurately and efficiently.
  - (b) Ensuring the assets and resources are used in accordance with instruction and regulations in an effective and economical manner.

**B. Auditor Responsibilities:-**

The audit firms invited to bid for this engagement are required to do the following task from their behalf:-

1. An over all time-frame for completion of the audits and provision of audit opinion and reports.
2. The approach to be adopted for obtaining familiarity with KW&SB's accounting system, policies and control procedures.
3. Specification of audit programs and their timing.
4. The extent to which reliance will be placed on KW&SB's control system.
5. Statutory responsibilities that would be assumed by the auditor.
6. Framework and timetable for provision of record and access to information.
7. An estimate of staff time requirements and remuneration, including out-of-pocket expenses.

**C. Specific Outputs**

1. At the conclusion of audit of account the auditors shall deliver an opinion based on the scope and detail of the audit of accounts and year-end financial statement including the Balance Sheet. Income Statement and Statement of Sources and Applications of funds. They shall also comment on and confirm the extent to which generally accepted accounting principles have been and are being consistently applied.
2. In addition to their opinion, the auditors shall provide a “ Management Letter” describing the improvements need, if any, in the accounting and internal control system and the proper use of the resources ensuring that all transaction are accounted for accurately and properly.
3. During the process of audit, the auditors should obtain sufficient supporting evidence through the examination of accounting records and corroborative material, physical inspection, general observation, inquiry, and confirmations. They should include but not be limited to:
  - a) Examination for ascertaining that all assets and liabilities are properly recorded both at divisional and head office levels.
  - b) Verification of assets and inventory accounts where required by physical inspection through technical staff qualified for the purpose and fixing of responsibility at the divisional level for difference identified.
  - c) Assurance that expenditure are in accordance with budgetary provision and that appropriate rules, regulations i.e. Sindh Financial Rules, Budget Rules. Audit Rules etc, directives issued by Head of Finance and KW&SB’s Accounting Manual have been observed.
  - d) Test of calculations e.g Payrolls:
  - e) Review of system of commitments and payments of verify and confirm entitlement and actual discharge by creditors, and of receipts to ascertain that all dues have been received or amounts receivable properly brought to accounts. The verifications should also cover certificates or other forms of confirmation debtors and creditors and bank accounts reconcillation.
  - f) Verification of securities and funds on deposit by direct confirmation form the depositories, together with appropriate reconciliation’s.
  - g) Review of the adequacy of the data processing controls: and
  - h) Verification of the financial statements against entries in the main books of accounts. Supplemented by tests of the latter with subsidiary books, records and vouchers, contracts purchase order, and the original documents.
4. KW&SB undertakes to provide to the auditors draft accounts for the year together with supporting schedules and all source documents needed for purposes of audit upon appointment.

D. **Other Terms and Conditions:-**

1. The auditors shall have full and complete access to all relevant records employees, depositors, consultants, contractors and other person or firms hired by KW&SB.
2. The auditors shall, during the course of their audits, maintain impartiality and independence from all aspects of management of financial interest in KW&SB. They should not , during the period covered by the audit, be the audit, be employed by, or have any financial or close business or personal relationships with the Boards Officials, except as an independent professional advisor.
3. The audit shall be conducted by practicing Chartered Accountants and adequate support staff with appropriate professional qualifications and suitable experience, including experience in auditing of accounts entities like Govt. Organization and Local Bodies comparable in nature, size and complexity to KW&SB. Keeping in view the engineering orientation of KW&SB's apparitions, conversant with contracting procedures for civil electrical and mechanical works in the Water & Sewerage Industry.

E. **Further Information & details**

Firms wishing to submit proposals for this engagement are advised to obtain further information from KW&SB's Director Accounts with prior appointment, on the status of accounts features of the accounting and computer system and related financial management and control practices.

**SECTION-6**

**STANDARD FORMS**

**(Note: Standard Forms provided in this documents for securities are to be issued by a bank. In case the bidder chooses to issue a bond for accompanying his bid or performance of contract or receipts of advance, the relevant format shall be tailored accordingly without changing the spirit of the Forms of securities).**



(INTEGRITY PACT)

**DECLARATION OF FEES, COMMISSION AND BROKERAGE ETC. PAYABLE BY THE SUPPLIERS OF GOODS, SERVICES & WORKS IN CONTRACTS WORTH RS 10.00 MILLION OR MORE**

Contract No. \_\_\_\_\_ Dated \_\_\_\_\_

Contract Value: \_\_\_\_\_

Contract Title: \_\_\_\_\_

..... [name of Supplier] hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from Government of Sindh (GoS) or any administrative subdivision or agency thereof or any other entity owned or controlled by GoS through any corrupt business practice.

Without limiting the generality of the foregoing, [name of Supplier] represents and warrants that it has fully declared the brokerage, commission, fees etc. paid or payable to anyone and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kickback, whether described as consultation fee or otherwise, with the object of obtaining or inducing the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoS, except that which has been expressly declared pursuant hereto.

[name of Supplier] certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with GoS and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.

[name of Supplier] accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other rights and remedies available to GoS under any law, contract or other instrument, be voidable at the option of GoS.

Notwithstanding any rights and remedies exercised by GoS in this regard, [name of Supplier] agrees to indemnify GoS for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to GoS in an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by [name of Supplier] as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoS.

Name of Buyer: .....

Signature: .....

[Seal]

Name of Seller/Supplier: .....

Signature: .....

[Seal]

**FORM OF BID SECURITY**

**(Bank Guarantee)**

Guarantee No. \_\_\_\_\_

Executed on \_\_\_\_\_

(Letter by the Guarantor to the Procuring Agency)

Name of Guarantor (Scheduled Bank in Pakistan) with

Address:- \_\_\_\_\_

Name of Principal (Bidder) with

Address:- \_\_\_\_\_

Sum of Security (express in words and

Figures): \_\_\_\_\_

\_\_\_\_\_

Bid Reference No. \_\_\_\_\_ Date of Bid \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS, that in pursuance of the terms of the Bid and at the request of the said Principal, we the Guarantor above-named are held and firmly bound unto the \_\_\_\_\_, (hereinafter called the "Procuring Agency") in the sum stated above, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that where as the Principal has submitted the accompanying Bid numbered and dated as above for \_\_\_\_\_ (Particulars of Bid) to the said Procuring Agency; and

WHEREAS, the Procuring Agency has required as a condition for considering the said Bid that the Principal furnishes a Bid Security in the above said sum to the Procuring Agency, conditioned as under:-

- (1) that the Bid Security shall remain valid for a period of twenty eight (28) days beyond the period of validity of the bid;
- (2) that in the event of;
  - (a) the Principal withdraws his Bid during the period of validity of Bid, or
  - (b) the Principal does not accept the correction of his Bid Price, pursuant to Sub-Clause 19.2 of Instructions of Bidders, or
  - (c) failure of the successful bidder to
    - i) furnish the required Performance Security, in accordance with Sub-Clause IB-24.2 of Instructions to Bidders, or
    - ii) sign the proposed Contract Agreement, in accordance with Sub-Clauses IB-24.4 of Instructions to Bidders, the entire sum be paid immediately to the said Procuring Agency for delayed completion and not as penalty for the successful bidder's failure to perform.

NOW THEREFORE, if the successful bidder shall, within the period specified therefore, on the prescribed form presented to him for signature enter into a formal Contract Agreement with the said Procuring Agency in accordance with his Bid as accepted and furnish within fourteen (14) days of receipt of Letter of Acceptance, a Performance Security with good and sufficient surety, as may be required, upon the form prescribed by the said Procuring Agency for the faithful performance and proper fulfillment of the said Contract or in the event of non-withdrawal of the said Bid within the time specified then this obligation shall be void and of no effect, but otherwise to remain in full force and effect.

PROVIDED THAT the Guarantor shall forthwith pay to the Procuring Agency the said sum stated above upon first written demand of the Procuring Agency with out cavil or argument and without requiring the Procuring Agency to prove or to show grounds or reasons for such demand, notice of which shall be sent by the Procuring Agency by registered post duly addressed to the Guarantor at its address given above.

PROVIDED ALSO THAT the Procuring shall be the sole and final judge for deciding whether the Principal has duly performed his obligation to sign the Contract Agreement and to furnish the requisite Performance Security within the time stated above, or has defaulted in fulfilling said requirements and the Guarantor shall pay without objection the sum stated above upon first written demand from the Procuring Agency forthwith and without any reference to the Principal or any other person.

IN WITNESS WHEREOF, the above bounded Guarantor has executed the instrument under its seal on the date indicated above the name and seal of the Guarantor being affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

\_\_\_\_\_  
Guarantor (Bank)

Witness:

1. \_\_\_\_\_  
\_\_\_\_\_

Corporate Security (Seal)

2. \_\_\_\_\_

(Name Tile & Address)

1. Signature \_\_\_\_\_

2. Name \_\_\_\_\_

3. Title \_\_\_\_\_

Corporate Guarantor (Seal)

**FORM OF PERFORMANCE SECURITY**

(Bank Guarantee)

Guarantee No. \_\_\_\_\_

Executed on \_\_\_\_\_

Expiry Date \_\_\_\_\_

(Letter by the Guarantor to the Procuring Agency)

Name of Guarantor (Scheduled Bank in Pakistan) with

Address:- \_\_\_\_\_

Name of Principal (Bidder) with

Address:- \_\_\_\_\_

Sum of Security (express in words and

Figures): \_\_\_\_\_

\_\_\_\_\_

Letter of Acceptance No. \_\_\_\_\_ Date of Bid \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS, that is pursuance of the terms of the Bidding Document and above said Letter of Acceptance thereafter called the Documents) and at the request of the said Principal, we the Guarantor above-named are held and firmly bound unto the \_\_\_\_\_, (hereinafter called the "Procuring Agency") in the penal sum of the amount stated above, for the payment of which sum well and truly to be made, to the said Procuring Agency, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the Principal has accepted the Procuring Agency's above said Letter of Acceptance for \_\_\_\_\_ (Name of Contact) for the \_\_\_\_\_ (Name of Project).

NOW TEREFORE, if the Principal (Contact) shall well and truly perform and fulfill all the undertaking, covenants, terms and conditions of the said Documents during the original terms of the said Documents and ay extensions thereof that may be granted by the Procuring Agency, with or without notice to the Guarantor, which notice is hereby, waived and shall also well and truly perform and fulfill all the undertakings, covenants terms and conditions of the Contract and of any and all modifications of the said Documents that may hereafter be made, notice of which modifications to the Guarantor being hereby waived, then, this obligation to be void otherwise to remain in full force and virtue till all requirements of Clause 9, Remediying Defects, of Conditions of Contract are fulfilled.

Our total liability under this Guarantee is limited to the sum stated above and it is a condition of any liability attaching to us under this Guarantee that the claim for payment in writing shall be received by us within the validity period of this Guarantee, failing which we shall be discharged of our liability, if any, under this Guarantee.

We, \_\_\_\_\_ (the Guarantor), waiving all objections and defenses under the Contract, do hereby irrevocably and independently guarantee to pay to the Procuring Agency without delay upon the Procuring Agency's first written demand without cavil or arguments and without requiring the Procuring Agency to prove or to show grounds or reasons for such demand

any sum or sums up to the amount stated above, against the Procuring Agency's written declaration that the Principal has refused or failed to perform the obligations under the Contract, for which payment will be effected by the Guarantor to Procuring Agency's designated Bank & Account Number.

PROVIDED ALSO THAT the Procuring Agency shall be the sole and final judge for deciding whether the Principal (Contractor) has duly performed his obligations under the Contract or has defaulted in fulfilling said obligations and the Guarantor shall pay without objection any sum or sums up to the amount stated above upon first written demand from the Procuring Agency forthwith and without any reference to the Principal or any other person.

IN WITNESS WHEREOF, the above bounded Guarantor has executed this Instrument under its seal on the dated indicated above, the name and corporate seal of the Guarantor being hereto affixed and these present duly signed by its undersigned representative, pursuant to authority of its governing body.

\_\_\_\_\_  
Guarantor (Bank)

Witness:

1. \_\_\_\_\_

\_\_\_\_\_

Corporate Security (Seal)

1. Signature \_\_\_\_\_

2. Name \_\_\_\_\_

3. Title \_\_\_\_\_

2. \_\_\_\_\_

(Name Title & Address)

Corporate Guarantor (Seal)

## II. General Conditions of Contract

### 1. GENERAL PROVISIONS

**1.1 Definitions** Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

- (a) “Applicable Law” means the Sindh Public Procurement Act, thereunder Rules 2010.
- (b) “Procuring Agency PA” means the implementing department which signs the contract
- (c) “Consultant” means a professional who can study, design, organize, evaluate and manage projects or assess, evaluate and provide specialist advice or give technical assistance for making or drafting policies, institutional reforms and includes private entities, consulting firms, legal advisors, engineering firms, construction managers, management firms, procurement agents, inspection agents, auditors, international and multinational organizations, investment and merchant banks, universities, research institutions, government agencies, nongovernmental organizations, and individuals.
- (d) “Contract” means the Contract signed by the Parties and all the attached documents listed in its Clause 1, that is General Conditions (GC), the Special Conditions (SC), and the Appendices.
- (e) “Contract Price” means the price to be paid for the performance of the Services, in accordance with Clause 6;
- (f) “Effective Date” means the date on which this Contract comes into force and effect pursuant to Clause GC 2.1.
- (g) “Foreign Currency” means any currency other than the currency of the PA’s country.
- (h) “GC” means these General Conditions of Contract.
- (i) “Government” means the Government of Sindh.
- (j) “Local Currency” means Pak Rupees.
- (k) “Member” means any of the entities that make up the joint venture/consortium/association, and “Members” means all these entities.
- (l) “Party” means the PA or the Consultant, as the case may be, and “Parties” means both of them.
- (m) “Personnel” means persons hired by the Consultant or by any Sub- Consultants and assigned to the performance of the Services or any part thereof.

## General Conditions of Contract

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- (n) "SC" means the Special Conditions of Contract by which the GC may be amended or supplemented.
- (o) "Services" means the consulting services to be performed by the Consultant pursuant to this Contract, as described in the Terms of References.
- (p) "Sub-Consultants" means any person or entity to whom/which the Consultant subcontracts any part of the Services.
- (q) "In writing" means communicated in written form with proof of receipt.

**1.2 Law Governing Contract** This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the applicable law.

**1.3 Language** This Contract is executed in the language specified in the SC, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.

**1.4 Notices**

1.4.1 Any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent to such Party at the address specified in the SC.

1.4.2 A Party may change its address for notice hereunder by giving the other Party notice in writing of such change to the address specified in the SC.

**1.5 Location** The Services shall be performed at such locations as are specified in special condition of contract and, where the location of a particular task is not so specified, at such locations, whether in the Government's country or elsewhere, as the PA may approve.

**1.6 Authority of Member in Charge** In case the Consultant consists of a joint venture/ consortium/ association of more than one individual firms, the Members hereby authorize the individual firms or specified in the SC to act on their behalf in exercising all the Consultant's rights and obligations towards the PA under this Contract, including without limitation the receiving of instructions and payments from the PA.

**1.7 Authorized Representatives** Any action required or permitted to be taken, and any document required or permitted to be executed under this Contract by the PA or the Consultant may be taken or executed by the officials specified in the SC.

**1.8 Taxes and Duties** The Consultant, Sub-Consultants, and their Personnel shall pay such direct or indirect taxes, duties, fees, and other impositions levied under the Applicable Law as specified in the SC, the amount of which is deemed to have been included in the Contract Price.

**1.9 Fraud and Corruption** A. If the PA determines that the Consultant and/or its Personnel, sub-contractors, sub-consultants, services providers and suppliers has engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices, in competing for or in executing the Contract, then the PA may, after giving 14 days notice to the Consultant, terminate the Consultant's employment under the Contract, and may resort to other remedies including blacklisting/disqualification as provided in SPPR 2010.

Any personnel of the Consultant who engages in corrupt, fraudulent, collusive, coercive, or obstructive practice during the execution of the Contract, shall be removed in accordance with Sub-Clause 4.2.

**Integrity Pact**

- B. If the Consultant or any of his Sub-consultants, agents or servants is found to have violated or involved in violation of the Integrity Pact signed by the Consultant as Appendix-G to this Form of Contract, then the Client shall be entitled to:
- (a) recover from the Consultant an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by the Consultant or any of his Sub-consultant, agents or servants;
  - (b) terminate the Contract; and
  - (c) recover from the Consultant any loss or damage to the Client as a result of such termination or of any other corrupt business practices of the Consultant or any of his Sub-consultant, agents or servants.

On termination of the Contract under Sub-Para (b) of this Sub- Clause, the Consultant shall proceed in accordance with Sub- Clause 1.9 A. Payment upon such termination shall be made under Sub-Clause 1.9 A after having deducted the amounts due to the Client under 19 B Sub-Para (a) and (c).



## 2. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT

- 2.1 Effectiveness of Contract** This Contract shall come into effect on the date the Contract is signed by both Parties or such other later date as may be stated in the SC. The date the Contract comes into effect is defined as the Effective Date.
- 2.2 Commencement of Services** The Consultant shall begin carrying out the Services not later than the number of days after the Effective Date specified in the SC.
- 2.3 Expiration of Contract** Unless terminated earlier pursuant to Clause GC 2.6 hereof, this Contract shall expire at the end of such time period after the Effective Date as specified in the SC.
- 2.4 Modifications or Variations** Any modification or variation of the terms and conditions of this Contract, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties. However, each Party shall give due consideration to any proposals for modification or variation made by the other Party.
- 2.5 Force Majeure** The failure on the part of the parties to perform their obligation under the contract will not be considered a default if such failure is the result of natural calamities, disasters and circumstances beyond the control of the parties.
- 2.5.2 No Breach of Contract** The failure of a Party to fulfill any of its obligations under the contract shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event (a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this Contract, and (b) has informed the other Party as soon as possible about the occurrence of such an event.
- 2.5.3 Extension of Time** Any period within which a Party shall, pursuant to this Contract complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.
- 2.5.4 Payments** During the period of their inability to perform the Services as a result of an event of Force Majeure, the Consultant shall be entitled to continue to be paid under the terms of this Contract, as well as to be reimbursed for additional costs reasonably and necessarily incurred by them during such period for the purposes of the Services and in reactivating the Service after the end of such period.

## **2.6 Termination**

### **2.6.1 By the PA**

The PA may terminate this Contract in case of the occurrence of any of the events specified in paragraphs (a) through (f) of this Clause GC 2.6.1. In such an occurrence the PA shall give a not less than thirty (30) days" written notice of termination to the Consultant, and sixty (60) days" in the case of the event referred to in (e).

- (a) If the Consultant does not remedy the failure in the performance of their obligations under the Contract, within thirty (30) days after being notified or within any further period as the PA may have subsequently approved in writing.
- (b) If the Consultant becomes insolvent or bankrupt.
- (c) If the Consultant, in the judgment of the PA has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.
- (d) If, as the result of Force Majeure, the Consultant(s) are unable to perform a material portion of the Services for a period of not less than sixty (60) days.
- (e) If the PA, in its sole discretion and for any reason whatsoever, decides to terminate this Contract.
- (f) If the Consultant fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause GC 8 hereof.

### **2.6.2 By the Consultant**

The Consultants may terminate this Contract, by not less than thirty (30) days" written notice to the PA, such notice to be given after the occurrence of any of the events specified in paragraphs (a) through (c) of this Clause GC 2.6.2:

- (a) If the PA fails to pay any money due to the Consultant pursuant to this Contract without consultants fault.
- (b) Pursuant to Clause GC 7 hereof within forty-five (45) days after receiving written notice from the Consultant that such payment is overdue.
- (c) If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days.
- (d) If the PA fails to comply with any final decision reached as a result of arbitration pursuant to Clause GC 8 hereof.

### **2.6.3 Payment upon Termination**

Upon termination of this Contract pursuant to Clauses GC 2.6.1 or GC 2.6.2, the PA shall make the following payments to the Consultant:

- (a) payment pursuant to Clause GC 6 for Services satisfactorily performed prior to the effective date of termination;
- (b) except in the case of termination pursuant to paragraphs (a) through (c), and (f) of Clause GC 2.6.1, reimbursement of any reasonable cost incident to the prompt and orderly termination of the Contract, including the cost of the return travel of the Personnel and their eligible dependents.

## **3. OBLIGATIONS OF THE CONSULTANT**

### **3.1 General**

#### **3.1.1 Standard of Performance**

The Consultant shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and shall observe sound management practices, and employ appropriate technology and safe and effective equipment, machinery, materials and methods. The Consultant shall always act, in respect of any matter relating to this Contract or to the Services, as faithful advisers to the PA, and shall at all times support and safeguard the PA's legitimate interests in any dealings with Sub-Consultants or third Parties

#### **3.2 Conflict of Interests**

The Consultant shall hold the PA's interests paramount, without any consideration for future work, and strictly avoid conflict with other assignments or their own corporate interests.

##### **3.2.1 Consultants not to Benefit from Commissions, Discounts, etc.**

The payment of the Consultant pursuant to Clause GC 6 shall constitute the Consultant's only payment in connection with this Contract or the Services, and the Consultant shall not accept for their own benefit any trade commission, discount, or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations under the Contract, and the Consultant shall use their best efforts to ensure that the Personnel, any Sub-Consultants, and agents of either of them similarly shall not receive any such additional payment.

##### **3.2.2 Consultant and Affiliates not to be Otherwise Interested in Project**

The Consultant agrees that, during the term of this Contract and after its termination, the Consultant and any entity affiliated with the Consultant, as well as any Sub-Consultants and any entity affiliated with such Sub-Consultants, shall be disqualified from providing goods, works or services (other than consulting services) resulting from or directly related to the Consultant's Services for the preparation or implementation of the project.

### **3.2.3 Prohibition of Conflicting Activities**

The Consultant shall not engage, and shall cause their Personnel as well as their Sub-Consultants and their Personnel not to engage, either directly or indirectly, in any business or professional activities which would conflict with the activities assigned to them under this Contract.

### **3.3 Confidentiality**

Except with the prior written consent of the PA, the Consultant and the Personnel shall not at any time communicate to any person or entity any confidential information acquired in the course of the Services, nor shall the Consultant and the Personnel make public the recommendations formulated in the course of, or as a result of, the Services.

### **3.4 Insurance to be Taken Out by the Consultant**

The Consultant (a) shall take out and maintain, and shall cause any Sub-Consultants to take out and maintain, at their (or the Sub-Consultant's, as the case may be) own cost but on terms and conditions approved by the PA, insurance against the risks, and for the coverage, as shall be specified in the SC; and (b) at the PA's request, shall provide evidence to the PA showing that such insurance has been taken out and maintained and that the current premiums have been paid.

### **3.5 Consultant's Actions Requiring PA's Prior Approval**

The Consultant shall obtain the PA's prior approval in writing before taking any of the following actions:

- (a) entering into a subcontract for the performance of any part of the Services,
- (b) appointing such members of the Personnel not listed by name in Appendix C, and
- (c) any other action that may be specified in the SC.

### **3.6 Reporting Obligations**

- (a) The Consultant shall submit to the PA the reports and documents specified in (PA may insert appendix) hereto, in the form, in the numbers and within the time periods set forth in the said Appendix.
- (b) Final reports shall be delivered in CD ROM in addition to the hard copies specified in said Appendix.

### **3.7 Documents Prepared by the Consultant to be the Property of the PA**

- a) All plans, drawings, specifications, designs, reports, other documents and software submitted by the Consultant under this Contract shall become and remain the property of the PA, and the Consultant shall, not later than upon termination or expiration of this Contract, deliver all such documents to the PA, together with a detailed inventory thereof.
- (b) The Consultant may retain a copy of such documents and software. Restrictions about the future use of these documents, if any, shall be specified in the SC.

### **3.8 Accounting, Inspection and Auditing**

3.8.1 The Consultant shall keep, and shall cause its Sub-consultants to keep, accurate and systematic accounts and records in respect of the Contract, in accordance with internationally accepted accounting principles and in such form and detail as will clearly identify relevant time changes and costs.

3.8.2 The Consultant shall permit, and shall cause its Sub-consultants to permit, the PA and/or persons appointed by the PA to inspect its accounts and records relating to the performance of the Contract and the submission of the Proposal to provide the Services, and to have such accounts and records audited by auditors appointed by the PA if requested by the PA. The Consultant's attention is drawn to Clause 1.9.1 which provides, inter alia, that acts intended to materially impede the exercise of the PA's inspection and audit rights provided for under Clause 3.8 constitute a prohibited practice subject to contract termination (as well as to a determination of ineligibility pursuant to the PA's prevailing sanctions procedures.).

## **4. CONSULTANT'S PERSONNEL**

### **4.1 Description of Personnel**

The Consultant shall employ and provide such qualified and experienced Personnel and Sub-Consultants as are required to carry out the Services. The titles, agreed job descriptions, minimum qualifications, and estimated periods of engagement in the carrying out of the Services of the Consultant's Key Personnel are described in Appendix C. The Key Personnel and Sub-Consultants listed by title as well as by name in Appendix C are hereby approved by the PA.

### **4.2 Removal and/or Replacement of Personnel**

- (a) Except as the PA may otherwise agree, no changes shall be made in the Key Personnel. If, for any reason beyond the reasonable control of the Consultant, such as retirement, death, medical incapacity, among others, it becomes necessary to replace any of the Key Personnel, the Consultant shall provide as a replacement a person of equivalent or better qualifications.
- (b) If the PA finds that any of the Personnel have (i) committed serious misconduct or have been charged with having committed a criminal action, or (ii) have reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Consultant shall, at the PA's written request specifying the grounds thereof, provide as a replacement a person with qualifications and experience acceptable to the PA.
- (c) The Consultant shall have no claim for additional costs arising out of or incidental to any removal and/or replacement of Personnel.

## **5. OBLIGATIONS OF THE PA**

### **5.1 Assistance and Exemptions**

The PA shall use its best efforts to ensure that the Government shall provide the Consultant such assistance and exemptions as specified in the SC.

### **5.2 Change in the Applicable Law Related to Taxes and Remuneration**

If, after the date of this Contract, there is any change in the Applicable Law with respect to taxes and duties which increases or decreases the Law related to cost incurred by the Consultant in performing the Services, then the Taxes and remuneration and reimbursable expenses other wise payable to the Duties Consultant under this Contract shall be increased or decreased accordingly by agreement between the Parties, and corresponding adjustments shall be made to the amounts referred to in Clauses GC 6.2 or (b), as the case may be.

### **5.3 Services and Facilities**

The PA shall make available free of charge to the Consultant the Services and Facilities listed under Appendix F.

## **6. PAYMENTS TO THE CONSULTANT**

**6.1 Security** The consultant has to submit bid security and the performance security at the rate mention in SC.

### **6.2 Lump-Sum Payment**

The total payment due to the Consultant shall not exceed the Contract Price which is an all inclusive fixed lump-sum covering all costs required to carry out the Services described in Appendix A. Except as provided in Clause 5.2, the Contract Price may only be increased above the amounts stated in Clause 6.2 if the Parties have agreed to additional payments in accordance with Clause 2.4.

### **6.3 Contract Price**

The price payable in Pak Rupees is set forth in the SC.

### **6.4 Payment for Additional Services**

For the purpose of determining the remuneration due for additional services as may be agreed under Clause 2.4, a breakdown of the lump- sum price is provided in Appendices D and E.

### **6.5 Terms and Conditions of Payment**

Payments will be made to the account of the Consultant and according to the payment schedule stated in the SC. Unless otherwise stated in the SC, the first payment shall be made against the provision by the Consultant of an advance payment guarantee for the same amount, and shall be valid for the period stated in the SC. Such guarantee shall be in the form set forth in Appendix G hereto, or in such other form, as the PA shall have approved in writing. Any other payment shall be made after the conditions listed in the SC for such payment have been met, and the Consultant has submitted an invoice to the PA specifying the amount due.

## **7. GOOD FAITH**

### **7.1 Good Faith**

The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

## **8. SETTLEMENT OF DISPUTES**

### **8.1 Amicable Settlement**

The Parties agree that the avoidance or early resolution of disputes is crucial for a smooth execution of the Contract and the success of the assignment. The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation.

### **8.2 Dispute Resolution**

Any dispute between the Parties as to matters arising pursuant to this Contract that cannot be settled amicably within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for settlement in accordance with the provisions specified in the SC.

### III. Special Conditions of Contract

Number of  
GC Clause

Amendments of, and Supplements to, Clauses in the  
General Conditions of Contract

{1.1} Sindh Public Procurement Act and Sindh Public Procurement Rules  
2010(amended 2013).

1.3 The language is English.

1.4 The addresses are:

Procuring Agency: Karachi Water & Sewerage Board

Attention: DMD (Finance) KW&SB

Facsimile: 092-99

E-mail: procurement@kwsb.gov.pk

Consultant: \_\_\_\_\_

Attention: Facsimile: \_\_\_\_\_

E-mail: \_\_\_\_\_





## CONTRACT

THIS CONTRACT ("Contract") is entered into this *[insert starting date of assignment]*, by and between *[insert PA's name]* ("the PA") having its principal place of business at *[insert PA's address]*, and *[insert Consultant's name]* ("the Consultant") having its principal office located at *[insert Consultant's address]*.

WHEREAS, the PA wishes to have the Consultant performing the services hereinafter referred to, and

WHEREAS, the Consultant is willing to perform these services, NOW

THEREFORE THE PARTIES hereby agree as follows:

- 1. Services**
- (i) The Consultant shall perform the services specified in Annex A, "Terms of Reference and Scope of Services," which is made an integral part of this Contract ("the Services").
  - (ii) The Consultant shall provide the reports listed in Annex B, "Consultant's Reporting Obligations," within the time periods listed in such Annex, and the personnel listed in Annex C, "Cost Estimate of Services, List of Personnel and Schedule of Rates" to perform the Services.

- 2. Term**
- The Consultant shall perform the Services during the period commencing *[insert start date]* and continuing through *[insert completion date]* or any other period as may be subsequently agreed by the parties in writing.

- 3. Payment**
- A. Ceiling  
For Services rendered pursuant to Annex A, the PA shall pay the Consultant an amount not to exceed *[insert amount]*. This amount has been established based on the understanding that it includes all of the Consultant's costs and profits as well as any tax obligation that may be imposed on the Consultant.
  - C. Payment Conditions  
Payment shall be made in *[specify currency]*, no later than 30 days following submission by the Consultant of invoices in duplicate to the Coordinator designated in paragraph 4.

**5. Project Administration**

- A. Coordinator  
The PA designates Mr./Ms. *[insert name]* as PA's Coordinator; the Coordinator shall be responsible for the coordination of activities under the Contract, for receiving and approving invoices for payment, and for acceptance of the deliverables by the PA.
- B. Timesheets  
During the course of their work under this Contract the Consultant's employees providing services under this Contract may be required to complete timesheets or any other document used to identify time spent, as instructed by the Coordinator.

C. Records and Accounts

The Consultant shall keep accurate and systematic records and accounts in respect of the Services, which will clearly identify all charges and expenses. The PA reserves the right to audit, or to nominate a reputable accounting firm to audit, the Consultant's records relating to amounts claimed under this Contract during its term and any extension, and for a period of three months thereafter.

6. **Performance Standard**

The Consultant undertakes to perform the Services with the highest standards of professional and ethical competence and integrity. The Consultant Shall promptly replace any employees assigned under this Contract that the PA considers unsatisfactory.

7. **Confidentiality**

The Consultants shall not, during the term of this Contract and within two years after its expiration, disclose any proprietary or confidential information relating to the Services, this Contract or the PA's business or operations without the prior written consent of the PA.

8. **Ownership of Material**

Any studies, reports or other material, graphic, software or otherwise, prepared by the Consultant for the PA under the Contract shall belong to and remain the property of the PA. The Consultant may retain a copy of such documents and software.

9. **Consultant**

The Consultant agrees that, during the term of this Contract and after its **Not to be** termination, the Consultants and any entity affiliated with the Consultant, shall **Engaged in** be disqualified from providing goods, works or services (other than the **Certain** Services or any continuation thereof) for any project resulting from or closely **Activities** related to the Services.

10. **Insurance**

The Consultant will be responsible for taking out any appropriate insurance coverage for their personnel and equipments.

11. **Assignment**

The Consultant shall not assign this Contract or Subcontract any portion thereof it without the PA's prior written consent.

12. **Law Governing Contract and Language**

The Contract shall be governed by the laws of Islamic Republic of Pakistan or the Provincial Government and the language of the Contract shall be English.

13. **Dispute Resolution**

Any dispute arising out of this Contract, which cannot be amicably settled between the parties, shall be referred to adjudication/arbitration in accordance with the Arbitration Act of 1940.

FOR THE PA

FOR THE CONSULTANT

Signed by \_\_\_\_\_

Signed by \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_