

REQUEST FOR PROPOSAL (RFP) DOCUMENT FOR  
“ Providing Services of Internal Auditing ”



**TENDER CONDITIONS FOR SUBMISSION OF TECHNICAL BID & PRICE BID**

Karnataka State Electronics Development Corporation Ltd,  
2<sup>nd</sup> Floor, TTMC “A” Block, BMTC Building, KH Road, Shanthinagar,

**BANGALORE-560027**

**KARNATAKA STATE ELECTRONICS DEVELOPMENT CORPORATION LTD.,**

Regd Office: 2<sup>nd</sup> Floor, TTMC "A" Block, Shanthinagar, K H Road,  
Bangalore – 560 027

**No: KSEDC/F&A/MM/05/2019-20**

**Date: 6/9/2019**

**SHORT TERM CLOSED TENDER NOTIFICATION**

**(Through electronic tendering mode only)**

Director-operations, **KEONICS** invites the Tenders from eligible Chartered Accountants /  
Cost Accountant Firms for "**Providing Services of Internal Auditing** "

Both Technical and Price Bid should be submitted on e-Procurement portal. The tender shall  
be a two bid system. The Financial bid shall be opened only for approved technical bids.

Further details can be obtained from web site – [www.eproc.karnataka.gov.in](http://www.eproc.karnataka.gov.in) or in person  
from the undersigned.

Last Date for submission of Tender	:	15-9-2019 up to 14:00 Hrs.
Date of opening Technical Bid	:	16-9-2019 at 14:30 Hrs.
Date of Opening of Commercial Bid	:	19-9-2019 at 15:00 Hrs.

<b>Contact Person</b>	:	<b>M. Maruthy</b>
<b>Designation</b>	:	<b>Asst. Manager-F&amp;A</b>
<b>Mobile No</b>	:	<b>9731560711</b>
<b>Phone</b>	:	<b>080 22225645</b>

**Place of Opening the Tender**

**KEONICS HO, 2<sup>nd</sup> Floor, TTMC "A" Block, Shanthinagar, K H Road, Bangalore – 560 027**

Sd/-  
DIRECTOR (OPERATIONS)

## KARNATAKA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED

### **Background**

Karnataka State Electronics Development Corporation Limited (KEONICS) was incorporated as a public Limited Company in September 1976 with the objective of promoting the development of Electronic industry in the State and to create infrastructure for the rapid growth of Electronic industries. Now it is envisaged to function as a facilitator and as a catalyst for the development of electronic and IT industries in the State. The Company's turnover is around 500 Cores.

### **Activities of Karnataka State Electronics Development Corporation Limited**

#### **1. IT Education**

Company has a network of around 169 franchisee training centers throughout Karnataka.

#### **2. Infrastructure Facility Services:**

KEONICS has set up Electronics City on a sprawling 332 acres of land on Hosur Road, Bangalore. This Electronics City is today a major hub for Information Technology activities. Company has also taken up establishment of IT Parks at Tier II cities in the State

#### **3. IT Services:**

Company has undertaken various projects of providing and programming of IT software to various Government Departments of Government of Karnataka. KEONICS is also marketing computer hardware, software and electronic equipments to various Government organizations. KEONICS is also providing e-tendering solution 'Tender Wizard' to Government organizations. KEONICS has also signed Memorandum of Understanding with various agencies to market their products and services.

Company has developed in-house competence in offering consultancy on project implementation to various Government Departments in the areas of Networking, Web creation, Software Development and Computerization plans.

#### **4. Man power supply Services:**

KEONICS has also entered in to the field of providing skilled Manpower Services to various Government Departments and organizations

## 1. SUBMISSION, RECEIPT, AND OPENING OF PROPOSALS

The original Proposal (i.e. Technical Proposal and Financial Proposal) shall be prepared and submitted in e-Procurement platform.

The bidder shall digitally sign and submit the proposal electronically through the unified e-Procurement platform: [www.eproc.karnataka.gov.in](http://www.eproc.karnataka.gov.in)

The completed Technical and Financial Proposal must be submitted electronically in the e-Procurement platform on or before the due date for bid submission specified in the e-Procurement platform. The Centre for e-Governance will not be responsible for technical glitches in the Computers and internet connectivity services used by the bidder.

## 2. Bid Processing Fee: Each bidder shall pay bid processing fee through any of the 5 e-Payment options only:

1. Credit Card
2. Direct Debit
3. NET Banking
4. National Electronic Funds Transfer (NEFT)
5. Over the Counter (OTC) – designated Bank branches located across the country

Please note that payments submitted through cheque or demand draft shall not be accepted. Further details regarding e-Payment; please refer to e-Procurement website – [www.eproc.karnataka.gov.in](http://www.eproc.karnataka.gov.in)

## 3. Earnest Money Deposit (EMD): Rs. 10,000/- (Rs. Ten thousand only) Each bidder shall pay Earnest Money Deposit through any of the e-payment options only.

1. Credit Card
2. Direct Debit
3. NET Banking
4. National Electronic Funds Transfer (NEFT)
5. Over the Counter (OTC) –/ designated bank branches located across the country

Please note that payments submitted through cheque or demand draft shall not be accepted. Further details regarding e-Payment; please refer to e-Procurement website – [www.eproc.karnataka.gov.in](http://www.eproc.karnataka.gov.in)

## 4. Technical Bid format: Bidder shall be in conformance with the conditions specified.

## 5. Commercial Bid Format: Bidders shall quote inclusive of Transportation and other expenses excluding taxes directly in e-Procurement portal.

## 6. QUALIFYING REQUIREMENTS:

This section covers the minimum requirements with respect to experience, capability and other particulars of the Bidder to be considered eligible for participation in the

bid for the proposed work. The bidder shall become eligible to bid on satisfying the following **“Eligibility Criteria”** and on production of the required documentary evidences along with the Tender to the **KEONICS**.

**Eligibility criteria of the bidder:** The bidder must meet the following eligibility criteria and must furnish the proof of documents in Technical Bid thereof otherwise the bid will be rejected.

**Eligibility criteria:**

1. The Firms are to be mandatorily empanelled with C & A G. Cost Accountants are also eligible. Proof of empanelment is to be uploaded. Full time availability of the Partner and staff is mandatory.
2. The Firms should have minimum of 5 Partners, out of which 2 should be FCAs, each having experience of more than 10 years of practice.
3. The Firm’s head office should be in Bangalore, Karnataka. Partner in charge and staff should be able to read, write and talk in Kannada. Upload scanned copy of any self certified address proof along with a copy of the Registration Certificate issued by ICAI. (The firm should be in existence at least for 5 years in Bangalore).
4. The firm should have been in existence for a minimum of 20 years with a minimum average turnover of Rs. 175.00 lakhs in the last three years.
5. The firm should have undertaken Statutory Audit or Internal Audits or Compilation of accounts of any Government Undertakings or Public sector establishments or Limited companies turnover of more than 500 crores. Evidence of having undertaken such audits/ assignments is to be uploaded.
6. The resume of the Partner-in-charge of this assignment along with self attested copy of the membership Certificate issued by company of chartered accountants of India should be uploaded. Further, Bio-data of the supporting staff needs to be submitted along with the technical bid document. Any subsequent change in the incumbents shall happen only with the prior approval of **KEONICS**.
7. Whoever has applied for internal audit earlier with **KEONICS**, need not apply for this tender. If and when **KEONICS** determines that the competency level of the participating team is inadequate, it is within the powers of **KEONICS** Management to remove the existing firm and offer the opportunity to any other firm of chartered Accountants.

**Annexure-1**

**SECTION IV: CONTRACT FORM**

THIS AGREEMENT made the \_\_\_\_\_ day of \_\_\_\_\_ 2018 between \_\_\_\_\_ (Name of purchaser) (hereinafter called “the purchaser”) of the one part and \_\_\_\_\_ Name of supplier “) of \_\_\_\_\_ (City and country of supplier)(Hereafter called the Supplier of the other Part WHERE AS the purchase is desirous that certain goods and ancillary services viz , \_\_\_\_\_ (brief description of goods and services) and has accepted a tender by The supplier for the supply of those goods and services in the sum of \_\_\_\_\_ (Contract price in words and figures)(Hereinafter called “the contract price”)

NOW THIS AGREEMENT WITNESSTH AS FOLLOWS:

- 1) This agreement words and expression shall have the same meaning as are respectively assigned to them in the conditions of contract referred to.
- 2) The following document shall be deemed to form and be read and construed as Part of this Agreement, viz,

- (a) The tender form and the price schedule submitted by the tenderer
- (b) The schedule requirements
- (c) The Technical specifications
- (d) The General conditions of contract
- (e) The Special condition of the contract
- (f) The purchaser's Notification of Award.

3) In consideration of the payments to be made by the purchaser to the supplier as Hereinafter mentioned the supplier hereby covenants with the purchaser to provide the goods and services and to remedy defects therein in conformity in all respects with provisions of the contract.

4) The purchaser hereby covenants to pay the supplier in consideration of the provision of the goods / services and the remedying of defects therein, the contract price or such other sum as may become payable under the provision of the contract at the times and in the manner prescribed by the contract.

Brief particulars of the goods and services which shall be supplied /provided by the supplier are as under

Sl. No	Brief Description of Services	Duration	Total Price

TOTAL VALUE

- 5) The contract may be renewed on mutual consent for a further period of two years.

IN WITNESS, whereof the parties here to have caused this agreement to be executed in accordance with their respective laws the day and year first above written.

Signed sealed and Delivered by the said

(Purchaser)  
In the Presence of \_\_\_\_\_

Signed sealed and Delivered by the said

(Supplier)In the Presence of \_\_\_\_\_

## Annexure-2

### Evaluation of the Tenders

- a) **KEONICS** shall first evaluate the technical bids. The commercial bids of only those bidders who qualified in the technical bids will be opened.
- b) Decision of the **KEONICS** in the evaluation of the Technical bids shall be final.

**Commercial bid evaluation:** The commercial quotes submitted by technically qualified bidders will be opened in e-Procurement portal. The Contract will be awarded to the successful Bidder whose Bid has been determined to be substantially responsive and has been determined as the Best Value Bid.

**Bid submission timelines:** The timelines for bid-submission and bid evaluation will be as it is given in the Tender Schedule published in the e-Procurement system.

## Annexure-3

### Terms & Conditions

The Successful Bidder has to submit DD for **Rs. 100,000/-** as Performance Guarantee in favor of **KEONICS**, Bangalore. The PG will be returned only after successful completion of the assignment.

The contract may be renewed on mutual consent for a further period of two years.

### **PAYMENT SCHEDULE**

- The monthly payment will be made on submission of Bill by the firm only after confirmation of satisfactory work progress report from **KEONICS** accounts section.

### **VALIDITY OF QUOTATION:**

The quotation should be valid for 03 months. (90 days)

**KEONICS reserves the right to cancel the tender, without assigning any reasons.**

Conditional Bid will not be accepted.

## Annexure-4

### Scope of work

A) To conduct risk based Internal Audit to **KEONICS**, provide guidance on maintenance and finalization of Accounts and strengthening of internal control system.

B) The Internal auditors may devise additional areas of inspection and examination of the documents/areas of operation so as to minimize loss of revenue, increase transparency and internal controls, maximize functional efficiency, detect/prevent frauds and mis-management, efficient application of contract resources and finances, adherence to regulatory mechanisms as per the contract documents, adherence to Indian accounting standards, Standards on Internal Audit, Guidance note/ Guidelines issued by Company of chartered accountants of India. The Internal Auditor should facilitate strengthening the internal controls at all spheres of operation of the company.

C) Internal Auditors are requested to meet the requirements under Standard for Internal Auditors and Guidelines, if any issued by ICAI.

d) Coverage of the Audit: The audit will cover the period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020. Full time availability of the partner and staff is mandatory.

e) Scope of Audit:

1. Obtaining an understanding of the organization and financial and accounting practices in the organization.
2. Understanding the risk elements, if any and providing suggestion from time to time and verification of the same with respect to statutory and taxation issues.
3. Understanding the internal control framework of the organization and suggesting for its improvements.
4. Suggesting management in laying down policies, procedures and practices and its documentation thereof.
5. Verification of fixed assets on a yearly basis.
6. Verification of Inventory on half yearly basis.
7. Verification of bank reconciliation on a monthly basis.
8. Designing and recommending controls in respect of any gaps in the existing system.
9. Verification of tally entries on daily basis.
10. Review of all expenses in Income Statement and reasoning in variances thereof.
11. Creation of Ledger and avoiding creation of duplicate Ledger.
12. Verification of duplicate voucher entries on weekly basis.
13. Monthly ledger verification and reporting.
14. Comparison and analysis of periodic Expenses.
15. Monthly preparation of advance receipts and billing against such advances and pending advance receipts statement.
16. Monthly control of manpower billing – monthly statement against the service orders received from the service recipients.
17. Monthly control of franchise billing – monthly statement against the list of existing franchise agreements.
18. Monthly control of Rent billing and receivables – monthly statement against the list of existing rental agreements
19. Review of Monthly administrative expenses.



20. Review of back to back billing verification of margin from the contracts entered by the organization.
21. Management of filing documents and monitoring the same on daily basis.
22. Verification of bill wise entries for bills against payments and receipts against service invoices raised.
23. MIS report based on cost center of each of departments of the organization.
24. Reporting of outstanding receivables and payables.
25. Reporting agewise analysis statement receivables and payables.
26. Co-ordination of confirmation of balance from debtors and creditors on half yearly basis.
27. Verification of statutory returns prepared and submission of GST returns, Income Tax deduction returns and salary deduction returns.
28. Provisional entries and payments statement.
29. Monthly Budget and actual statement.
30. Preparation of cash flow statement on monthly basis.
31. Verification of financial performance of different projects.
32. Verification of Information to Grant Utilisation Certificate.
33. Providing Information to CAG auditors and coordinating with them for timely completion of audit.
34. Verification of Budget and Budgetary control procedures.
35. Verification of Preparation of estimates for civil works.
36. Verification of Tendering process of all the transactions.
37. Verification of Accounting for receipt and issue of stores.
38. Verification of Payment of contractors and Suppliers bills.
39. Verification of disbursement of Salaries and Allowances to employees
40. Verification of Advances to employees and vendors and its settlement.
41. Verification of payment of statutory dues like TDS, Salary deductions like PF, PT etc. to the respective authorities and submission of periodic returns thereof.
42. Verification of all opening balances and ensuring that they are properly classified into assets and liabilities with proper identification of accounting groups.
43. Verification of Recognition of transactions as revenue or capital and reclassification of opening balances between revenue and capital.
44. Supporting management in development of internal control manual for each department/division.
45. Consideration of other laws and regulation in the course of internal audit assignment.
46. Attending meetings and express opinions on any specific issues that may be required by the Board from time to time.
47. Report on variations against any budget or project allocation from time to time.
48. Report on temporary diversion of funds between projects/grants.
49. Any other matters that may be required by the board or the management from time to Time. Co-ordinating for issues regard to accounts with Tax department and others.
50. Verification of General Provident Fund Account (GPF) and reconciliation with Main Accounts and supervision of outsource staff carrying out entries at account section.
51. Consolidation and compiling of Annual accounts of the Company and **KEONICS** PF after the year end before 30<sup>th</sup> June of the subsequent year.

## 5. **Method of Evaluation**

5.1.1 The Technical bid documents will be reviewed first and the eligible applicants shall be shortlisted for looking at the financial bid document. The details of Technical Bid Evaluation is as given below.

SL No.	Criteria	Min. Points	Max. Points	Supporting Documents								
1.	Number of years of standing of the firm with average turnover (Previous three years) of 175 lakhs <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">15-20 years-&gt;</td> <td style="width: 20%;">5 points</td> </tr> <tr> <td>Above 20 years -&gt;</td> <td>15 points</td> </tr> </table>	15-20 years->	5 points	Above 20 years ->	15 points	<b>5</b>	<b>15</b>	Self certified copy of the Registration certificate of the firm.				
15-20 years->	5 points											
Above 20 years ->	15 points											
2.	Should have an Office at Bengaluru and Partner in charge and staff should be able to read, write and talk in kannada language	<b>10</b>	<b>10</b>	Self Certified address proof along with a copy of the Registration Certificate issued ICAI where the places of branches are mentioned. <b>Along with the profile of the Partner-in charge</b>								
3.	Should have experience in Statutory Audit / Internal Audit /Consolidation and Compilation of Annual Accounts / System Audit / Central or State Autonomous institutions / Universities / Limited Companies / Corporations/ Hospitals, with Expenditure exceeding <b>500.00 crores</b> during any of the last 5 years. Upload scanned copy of self attested appointment Letter issued by the Institutionsand extract of Audited Financial statement in support of turnover / expenditure	<b>25</b>	<b>25</b>	Self Certified copy of the Appointment letter issued by the organization.								
4.	Capability of Partner in-Charge of the proposed assignment <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">ACA / with experience 3 to 5 years –</td> <td style="width: 20%;">5 points</td> </tr> <tr> <td>FCA with experience 5-10 years –</td> <td>10 points</td> </tr> <tr> <td>FCA / with experience 10-15 years –</td> <td>15 points</td> </tr> <tr> <td>FCA with experience more than 15 years –</td> <td>20 points</td> </tr> </table>	ACA / with experience 3 to 5 years –	5 points	FCA with experience 5-10 years –	10 points	FCA / with experience 10-15 years –	15 points	FCA with experience more than 15 years –	20 points	<b>5</b>	<b>20</b>	Resume and copy of the Membership certificate (FCA/ACA /) issued by Company of Chartered Accountants of India or Cost Accountants of India
ACA / with experience 3 to 5 years –	5 points											
FCA with experience 5-10 years –	10 points											
FCA / with experience 10-15 years –	15 points											
FCA with experience more than 15 years –	20 points											
5.	Number of years Partner in charge (to be deputed in KEONICS) is partner in the	<b>5</b>	<b>10</b>	Self certified copy of the Registration certificate of the firm and Partnership deed.								

	firm			
	5- 10 years->	5 points		
	Above 10 years ->	10 points		
6.	No. of Partners in the Firm			
	2-5 partners -	5 points	<b>5</b>	<b>10</b>
	Above 5 partners –	10 points		
7.	Team members assigned for internal audit:			
	IPCC/Inter CA with minimum 2 years of experience	5 points	<b>5</b>	<b>10</b>
	CA / CMA with minimum 2 years of experience or IPCC/ Inter CA or CMA with minimum 5 years of experience	10 points		
	<b>TOTAL</b>		<b>60</b>	<b>100</b>

5.1.2 For Technical qualification, the Bidder should submit all the documents mentioned in schedule A (Technical Bids) to the satisfaction of **KEONICS** and should score minimum marks of 60 points as prescribed in this Chapter for each of the eligibility criteria.

**FINANCIAL BID:**

The following is the format required to be used

SI No.	Description	Service Charges	GST @ 18%	Total amount in Rs. with GST
1	Providing Internal auditing service as per the scope of work for 2019-20			

Total amount in Rs. (in words)

**Note:**

1. Rates must be inclusive of all applicable taxes
2. Please specify the nature of taxes quoted.

Sd.....

**Director-Operations**