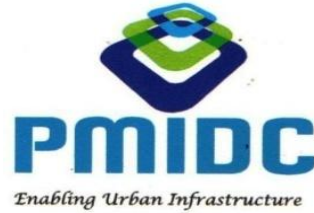




Department of Local Government, Punjab.



Request for Proposal (RFP)

FOR

APPOINTMENT OF INDEPENDENT REVIEW AND FORENSIC AUDIT AGENCY (IRFAA) FOR TECHNICAL AND FINANCIAL AUDIT OF INFRASTRUCTURE AND OTHER WORKS IN THE STATE OF PUNJAB

Date: 06.07.2017

ISSUED BY:

**PUNJAB MUNICIPAL INFRASTRUCTURE DEVELOPMENT COMPANY,
Punjab Municipal Bhawan, Plot No.3, Sector-35-A, Dakshin
Marg, (PMIDC), CHANDIGARH**

Section -1
(Letter of Invitation)

Letter of Invitation

To,

Dear Mr./Ms.:

1. On behalf of Department of Local Govt., Punjab Municipal Infrastructure Development Company (PMIDC), a state level nodal agency, of the Govt. of Punjab (hereinafter called employer/client), invites proposal for appointment of Independent Review and Forensic Audit Agency (IRFAA) for technical and financial checking's/audit of works in the State of Punjab. The infrastructure and other works includes Water Supply, WTP, Sewerage, STP, Drainage, construction of Roads, Buildings, Street Lights, Solid Waste Management, Parks, Green Belts, urban transport projects, building approvals or any other works implemented by the agencies of Local Govt. Department. The rates are to be quoted on man-month basis for the professionals to be deployed for this above jobs for initial period of 1 year and further extendable for a period as agreed upon by the both parties (Client and agency). For the detail scope of work, eligibility and other terms and conditions are as under-
2. The financial bid of the bidder shall be opened on
3. The "key professional staff" shall be deployed as per the minimum criteria laid down in the Terms of Reference.
4. More details on the services are provided in the Terms of Reference (TOR) in this document and qualification requirement is at Instructions to IRFAA.
5. The ToR includes the following documents:
 - Section 1 - Letter of Invitation
 - Section 2 - Information to IRFAAs (including Data Sheet) and technical & financial audit scope of work
 - Section 3 - PROPOSAL - Standard Forms
 - Section 4 - Financial Proposal - Standard Forms
 - Section 5 - Standard Forms of Contract
6. Please inform at the following address
CEO cum JMD, PMIDC ,
that you received this TOR document; and
 - (a) that you will submit the proposal by the date & time indicated in part II of the information to IRFAAs called project specific information.

Yours sincerely,
Secretary Local Govt.-cum-CEO-PMIDC

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Project Name: APPOINTMENT OF INDEPENDENT REVIEW AND FORENSIC AUDIT AGENCY (IRFAA)FOR TECHNICAL AND FINANCIAL AUDIT OF INFRASTRUCTURE AND OTHER WORKS OF URBAN LOCAL BODIES, PWSSB, IMPROVEMENT TRUST ETC OF PUNJAB

Name Of The Ministry/ Department: PUNJAB MUNICIPAL INFRASTRUCTURE DEVELOPMENT COMPANY (PMIDC), STATE NODAL AGENCY.

Title Of Consulting Services: Technical and Financial Audit of Infrastructure works being executed in the ULBs in the State of Punjab.

Section-2
Instructions to IRFAAs
Part I

Standard

1. Definitions

- (a) "Employer" means the Department of Local Government who have invited the bids for consultancy services and/ or with which the selected IRFAA signs the Contract for the Services and to which the selected IRFAA shall provide services as per the terms and conditions and TOR of the contract.
- (b) "IRFAA" (Independent Review and auditing agency) means any entity or person or associations of person that may provide or provides the Services to the Employer under the Contract.
- (c) "Contract" means the Contract signed by the Parties and all the attached documents listed in its Clause 1, that is the General Conditions (GC), the project Specific Conditions (SC), and the Appendices.
- (d) "Project specific information" means such part of the Instructions to IRFAAs used to reflect specific project and assignment conditions.
- (e) "Day" means calendar day.
- (f) "Government" means the government of Punjab.
- (g) "Instructions to IRFAA" (Section 2 of the RFP) means the document which provides IRFAAs with all information needed to prepare their proposals.
- (h) "LOI" (Section 1 of the RFP) means the Letter of Invitation being sent by the Employer to the IRFAA .
- (i) "Personnel" means professionals and support staff provided by the IRFAA and assigned to perform the Services or any part thereof; "Foreign Personnel" means such professionals and support staff who at the time of being so provided had their domicile outside the Government's country; "Domestic Personnel" means such professionals and support staff who at the time of being so provided had their domicile in India.
- (j) "Proposal" means the Technical Proposal and the Financial Proposal.
- (k) "RFP" means the Request for Proposal prepared by the Employer for the selection of IRFAA, based on the SRFP.
- (l) "SRFP" means the Standard Request for Proposals, which must be used by the Employer as a guide for the preparation of the RFP.
- (n) "Assignment / job" means the work to be performed by the IRFAA pursuant to the Contract.
- (o) The sub letting of work to any agency is not permitted
- (p) "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 Employer and the IRFAA, and expected results and deliverables of the Assignment/job.

2. Introduction

- 2.1 The Employer named in the Part II Data Sheet will select a consulting firm/organization (the IRFAA) from those to whom the LOI has been addressed, in accordance with the method of selection specified in the Part II Data Sheet.
- 2.2 The name of the assignment/Job has been mentioned in Part II Data Sheet. Detailed scope of the assignment/ job has been described in the Terms of Reference in Section 5.
- 2.3 The date, time and address for submission of the proposals has been given in Part II Data Sheet.
- 2.4 The IRFAA are invited to submit their Proposal, for consulting Assignment/job named in the Part II Data Sheet. The Proposal will be the basis for contract negotiations and ultimately for a signed Contract with the selected IRFAA.
- 2.5 IRFAAs should familiarize themselves with Local conditions, guidelines, manuals, instructions , Punjab schedule of rates ,number of projects sanctioned and their total financial effect and take them into account in preparing their Proposals. To obtain first-hand information on the Assignment/job and Local conditions, IRFAAA are encouraged to meet the Employer's representative named in part II Data Sheet before submitting a proposal.
- 2.6 The Employer will provide at no cost to the IRFAAs the inputs and facilities specified in the Part II Data Sheet, assist the IRFAAs in obtaining licenses and permits needed to carry out the Assignment/job, and make available relevant project data and reports.
- 2.7 IRFAAs shall bear all costs associated with the preparation and submission of their proposals and contract negotiation. The Employer is not bound to accept any proposal, and reserves the right to annul the selection process at any time prior to Contract award, without thereby incurring any liability to the IRFAAs.

3. Clarification and Amendment of RFP Documents

- 3.1 IRFAA may request a clarification on any clause of the RFP documents up to the number of days indicated in the Part II Data Sheet before the proposal submission date. Any request for clarification must be sent in writing, or by standard electronic means to the Employer's address indicated in the Part II Data Sheet. The Employer will respond in writing, or by standard electronic means and will send written copies of the

response (including an explanation of the query but without identifying the source of inquiry) to all IRFAAs. Should the Employer deem it necessary to amend the RFP as a result of a clarification, it shall do so following the procedure under para. 4.2 below.

- 3.2 At any time before the submission of Proposals, the Employer may amend the RFP by issuing an addendum in writing or by standard electronic means. The addendum shall be sent to all IRFAAs and will be binding on them. IRFAAs shall acknowledge receipt of all amendments. To give IRFAAs reasonable time in which to take an amendment into account in their Proposals the Employer may, if the amendment is substantial, extend the deadline for the submission of Proposals.

4. Conflict of Interest

- 4.1 Employer requires that IRFAA provide professional, objective, and impartial advice and at all times hold the Employer's interests paramount, strictly avoid conflicts with other Assignment/jobs or their own corporate interests and act without any consideration for future work.
- 4.2 Without limitation on the generality of the foregoing, IRFAA, 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:

Conflicting activities : (i) A firm that has been engaged by the Employer to provide goods, works or Assignment/job other than consulting Assignment/job for a project, and any of its affiliates, shall be disqualified from providing consulting Assignment/job related to those goods, works or Assignment/job. Conversely, a firm hired to provide consulting Assignment/job for the preparation or implementation of a project, and any of its affiliates, shall be disqualified from subsequently providing goods or works or Assignment/job other than consulting Assignment/job resulting from or directly related to the firm's consulting Assignment/job for such preparation or implementation. For the purpose of this paragraph, Assignment/job other than consulting Assignment/job are defined as those leading to a measurable physical output, for example surveys, exploratory drilling, aerial photography, and satellite imagery.

Conflicting Assignment/job; (ii) A IRFAA (including its Personnel) or any of its affiliates shall not be hired for any Assignment/job that, by its nature, may be in conflict with another Assignment/job of the IRFAA to be executed for the same or for another Employer.

Conflicting relationships (iii) A IRFAA (including its Personnel) that has a business or family relationship with a member of the Employer's staff who is directly or indirectly involved in any part of (i) the preparation of the Terms of Reference of the Assignment/job, (ii) the selection process

for such Assignment/job, or (iii) supervision of the Contract, may not be awarded a Contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the Employer throughout the selection process and the execution of the Contract.

- 5.3 IRFAA have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of their Employer, or that may reasonably be perceived as having this effect. Any such disclosure shall be made as per the Standard forms of technical proposal provided herewith. If the IRFAA fails to disclose said situations and if the Employer comes to know about any such situation at any time, it may lead to the disqualification of the IRFAA during bidding process or the termination of its Contract during execution of assignment.
- 5.4 No agency or current employees of the Employer shall work as IRFAA under their own ministries, departments or agencies.
- 5.5 Subcontracts: Subcontracting of all works or part of work is not allowed by the appointed IRFAA.

6. Unfair Advantage

- 6.1 If a IRFAA could derive a competitive advantage from having provided consulting Assignment/job related to the Assignment/job in question and which is not defined as conflict of interest as per para 5 above, the Employer shall make available together with this RFP all information that would in that respect give such IRFAA any competitive advantage over competing IRFAAs.

7. Proposal

- 7.1 IRFAAs may only submit one proposal. If a IRFAA submits or participates in more than one proposal, such proposals shall be disqualified. However, this does not limit the participation of the same Sub-IRFAA, including individual experts, to more than one proposal.

8. Proposal Validity

- 8.1 The Part II Data Sheet to IRFAA indicates how long IRFAAs' Proposals must remain valid after the submission date. During this period, IRFAAs shall maintain the availability of Professional staff nominated in the Proposal and also the financial proposal unchanged. The Employer will make its best effort to complete negotiations within this period. Should the need arise, however, the Employer may request IRFAAs to extend the validity period of their proposals. IRFAAs who agree to such extension shall confirm that they maintain the availability of the Professional staff nominated in the Proposal and their financial proposal remain unchanged, or in their confirmation of extension of validity of the Proposal, IRFAAs could submit new staff in replacement, who would be considered in the final evaluation for contract award. IRFAAs who do not agree have the right to refuse to extend the validity of their Proposals, under such circumstance the Employer shall not consider such proposal for further

evaluation.

9. Preparation of Proposals

- 9.1 The Proposal as well as all related correspondence exchanged by the IRFAAs and the Employer, shall be written in English language, unless specified otherwise.
- 9.2 In preparing their Proposal, IRFAAs are expected to examine in detail the documents comprising the RFP. Material deficiencies in providing the information requested may result in rejection of a Proposal.
- 9.3 While preparing the Technical Proposal, IRFAAs must give particular attention to the following:
- (a) No sub-letting by IRFAA shall be allowed.
 - (b) The estimated number of Professional staff-months for the Assignment/job is as shown in the Part II Data sheet. However, the Proposal shall be based on the number of Professional staff-months or budget estimated by the IRFAAs. While making the proposal, the IRFAA must ensure that he proposes the minimum number and type of experts as sought by the Employer, failing which the proposal shall be considered as non-responsive.

Mandatory requirement of Key Professionals staff – The minimum requirement of key professionals and detail of their team composition is given as under :-

S. No.	Position	No.	Required Qualification & Skills	Experience
1.	Team Leader-I -Investigative and Forensic Specialist.	1	<ul style="list-style-type: none">• Master's Degree in any field.• Related certifications like CFE (Certified Fraud Examiner)	<ul style="list-style-type: none">• Should have at least 15 years' experience in comprehensive Forensic Audit.• Experience with all forms of Audit requirements, including – Documentary, A/V, Computer forensics analysis, etc.• Should have led audit teams / organization of at least 15 forensic audits

				<ul style="list-style-type: none"> • Prior experience with large scale financial reviews and forensic investigations with State or Central Government work especially misuse of official position, net worth analysis of corrupt public officials with a specific focus on disproportionate asset and misuse of official position by public servants, bureaucrats, politicians and employees of the corporate including senior officials. • Should have led large audit teams / organization of at least 10 personnel • Should have completed at least 10 forensic audits • Should have experience in court representations and acted as expert witness in Courts of Law in India • Experience in Police / FSLs or Investigative organizations in Govt. shall be given preference
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				<ul style="list-style-type: none"> • Should have experience in teaching forensic audit techniques
2.	Team Leader -II -Procurement and Contract Management Specialist.	1	<ul style="list-style-type: none"> • Post Graduate in Civil Engineering with specialization in Environmental Engineering / Public Health Engineering • MBA in Infrastructure and Development will be an advantage. 	<ul style="list-style-type: none"> • Minimum of 15 years' experience in the relevant sector i.e. Civil Engineering, Infrastructure of water, sanitation, etc. • Exposure to forensic audit techniques is essential • Experience with developing integrity checklists for procurement • Should have experience in working on large and similar sized projects in Supply/ Sewerage / Drainage / Building and Roads etc. • Experience in execution of different infrastructure works as per the specifications, manuals of works. • Checking of estimates, DNITs, NIT on the basis of PWD specification and common schedule of rates of Punjab. • Experience of

				<p>checking the contractual bills as per the DNITs and specifications of the works</p> <ul style="list-style-type: none"> • Experience in testing of samples of material and works as per the relevant ISI code, PWD specifications, MORTH specifications, CPHEEO manuals etc. • Knowledge of latest machineries, equipment's, instruments for execution of work. • Experience in Construction supervision, quality monitoring, and contract management.
3.	Financial Expert	1	<ul style="list-style-type: none"> •Chartered accountant •Relevant Certifications like CFE, etc. 	<ul style="list-style-type: none"> •Should have at least 10 years of work experience in comprehensive forensic investigations •Experience in working with all forms of audit requirements – including documentary, A/V, Computer forensics etc. •Should have led audit teams / organization of at least 5 personnel •Should have completed at least 5 forensic

				<p>audits</p> <ul style="list-style-type: none"> • Previous work experience in large Government audits and evaluations • Experience in working with fraud and corruption assignments in the public sector
4.	Technical Expert	1	<ul style="list-style-type: none"> • Graduate in Civil Engineering. • 10 years' experience in the relevant sector i.e. Civil Engineering, Infrastructure of Water Supply/Sewerage/ Drainage/Building and Roads etc., • Post Graduate in Civil Engineering shall be advantage. 	<p>They shall support the Technical Expert (Civil) in submission of all reports after checking the urban infrastructure works as required under the scope of work.</p> <ul style="list-style-type: none"> • They should have experience in execution of different infrastructure works as per the specifications, manuals of works. • They should have experience of checking of estimates, DNITs, NIT on the basis of PWD specification and common schedule of rates of Punjab. • They should have experience of checking the contractual bills as per the DNITs and specifications of the works.

				<ul style="list-style-type: none"> • They should have experience in testing of samples of material and works as per the relevant ISI code, PWD specifications, MORTH specifications, CPHEEO manuals etc. • They should have experience of machineries, equipments, instruments used for execution of works. • They should have Experience in Construction supervision, quality monitoring, and contract management. • They shall submit all reports as per the scope of work, from time to time.
5.	Financial Auditor's	2	<ul style="list-style-type: none"> • Chartered Accountant • 5 Years experience in auditing, planning, reporting in the field of finance. 	<p>To assist the Finance Expert in putting up all the financial audit reports.</p> <ul style="list-style-type: none"> • They should have experience in auditing all financial matters, ledgers, balance sheet related to all infrastructure payments of ULBs, PWSSB, IT etc. • They should have experience of preparing the reports

				<p>as and when required by the financial expert after checking in the field offices of the books of accounts of the department.</p> <ul style="list-style-type: none"> • They should have experience in the finance accounting/auditing. • They should have experience of balance sheet, cash flow statement, ledgers, accounting and preparation of audit report after studying all documents related with urban infrastructure works.
6.	Data Analytics Expert	1	<ul style="list-style-type: none"> • Bachelor of Engineering In Computer Science/Statistics • Masters in Computer Application/ Masters in Computer Science/Masters in Statistics will be given preference 	<ul style="list-style-type: none"> • Experience of managing / building advanced analytics team and projects • 5 Years' experience • Experience of executing multiple analytics programs across industry Develop and plan required analytic models in response to project needs Supervise and integrate analytical methods and/or tools as required Strong statistical and mathematical knowledge of traditional and contemporary statistical models

7.	Forensic Technology Expert.	1	<ul style="list-style-type: none"> • Graduate in computer To assist the team in data acquisition in 14 expert engineering • Minimum 6 years of experience • At least 5 years of experience in forensic technology – data acquisition, review etc. • Certifications globally recognized like EnCase Certified Examiner, Access Data Certified Examiner, CFE, CEH, CHFI, etc. will be given preference 	To assist the team in data acquisition in Forensically sound manner as per global norms and help team in review of electronically stored information in all kinds of forms and means including the carved data To ensure legal sanctity of data secured is maintained during the process of the engagement
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(c) Alternative professional staff shall not be proposed, and only one curriculum vita (CV) may be submitted for each position mentioned.

9.4 Depending on the nature of the Assignment/job, IRFAAs are required to submit a Technical Proposal (TP) in forms provided in Section-III. The Part II Data sheet in Section-II indicates the formats of the Technical Proposal to be submitted. **Submission of the wrong type of Technical Proposal will result in the Proposal being deemed non-responsive.** The Technical Proposal shall provide the information indicated in the following paras from (a) to (g) using the attached Standard Forms (Section 3). Form Tech – I in Section-III is a sample letter of technical

proposal which is to be submitted alongwith the technical proposal.

- (a) A brief description of the IRFAA's organization and in the case of a consortium/ joint venture, of each partner, will be provided in Form Tech-2. In the same Form, the IRFAA and in the case of a consortium/ joint venture, each partner will provide details of experience of assignments which are similar to the proposed assignment/ job as per the terms of reference. For each Assignment/job, the outline should indicate the names of Sub-IRFAAs/ Professional staff who participated, duration of the Assignment/job, contract amount, and IRFAA's involvement. Information should be provided only for those Assignment/jobs for which the IRFAA was legally contracted by the Employer as a corporation or as one of the major firms within a joint venture. Assignment/jobs completed by individual Professional staff working privately or through other consulting firms cannot be claimed as the experience of the IRFAA, or that of the IRFAA's associates, but can be claimed by the Professional staff themselves in their CVs. IRFAAs should be prepared to substantiate the claimed experience alongwith the proposal and must submit letter of award / copy of contract for all the assignments mentioned in the proposal.
- (b) Comments and suggestions on the Terms of Reference including workable suggestions that could improve the quality/ effectiveness of the Assignment/job; and on requirements for counterpart staff and facilities including: administrative support, office space, Domestic transportation, equipment, data, etc. to be provided by the Employer (Form TECH-3 of Section 3).
- (c) A description of the approach, methodology and work plan for performing the Assignment/job covering the following subjects: technical approach and methodology, work plan, and organization and staffing schedule. Guidance on the content of this section of the Technical Proposals is provided under Form TECH-4 of Section 3. The work plan should be consistent with the Work Schedule (Form TECH-8 of Section 3) which will show in the form of a bar chart the timing proposed for each activity.
- (d) The list of the proposed Professional staff team by area of expertise, the position that would be assigned to each staff team member, and their tasks is to be provided in Form TECH-5 of

Section 3.

- (e) Estimates of the staff input needed to carry out the Assignment/job needs to be given in Form TECH-7 of Section 3. The staff-months input should be indicated separately for each location where the IRFAAs have to work and / or provide their key staff.
- (f) CVs of the Professional staff as mentioned in para 9.4 (d) above signed by the staff themselves or by the authorized representative of the Professional Staff (Form TECH-6 of Section 3).
- (g) A detailed description of the proposed methodology and staffing for training needs to be given, if the Part II Data sheet specifies training as a specific component of the Assignment/job.

9.5 The Technical Proposal shall not include any financial information. A Technical Proposal containing financial information may be declared non responsive.

9.6 **Financial Proposals:** The Financial Proposal shall be prepared using the attached Standard Forms (Section 4). It shall list all costs associated with the Assignment/job, including (a) remuneration for staff and (b) reimbursable expenses indicated in the Part II Data sheet. If appropriate, these costs should be broken down by activity and, if appropriate, into foreign (if applicable) and domestic expenditures. The financial proposal shall not include any conditions attached to it and any such conditional financial proposal shall be rejected summarily.

10. Taxes

10.1 The IRFAA shall fully familiarize themselves about the applicable to Domestic taxes (such as: value added or sales tax, service tax or income taxes, duties, fees, levies) on amounts payable by the Employer under the Contract. All such taxes must be included by the IRFAA in the financial proposal.

11. Currency

11.1 IRFAAs shall express the price of their Assignment/job in India Rupees. [In case of assignment where payments in foreign currency are allowed to be made, the IRFAAs are free to make their quote in any foreign currency. The employer shall mention the provision regarding conversion

of such foreign currency to Indian Rupees]

12. Earnest Money Deposit (EMD) and Bid processing Fees

12.1 Earnest Money Deposit

- I. An EMD of **Rs. 10,00,000/- (Indian Rupees Ten Lakh only)**, in the form of DD drawn in favour of the Employer (mention name of employer,) and payable at Chandigarh, must be submitted along with the Proposal.
- II. Proposals not accompanied by EMD shall be rejected as non-responsive.
- III. No interest shall be payable by the Employer for the sum deposited as earnest money deposit.
- IV. No bank guarantee will be accepted in lieu of the earnest money deposit.
- V. The EMD of the unsuccessful bidders would be returned back within one month of finalization of the contract.

12.2 The EMD shall be forfeited by the Employer in the following events:

- I. If Proposal is withdrawn during the validity period or any extension agreed by the IRFAA thereof.
- II. If the Proposal is varied or modified in a manner not acceptable to the Employer after opening of Proposal during the validity period or any extension thereof.
- III. If the IRFAA tries to influence the evaluation process.
- IV. If the First ranked IRFAA withdraws his proposal during negotiations (failure to arrive at consensus by both the parties shall not be construed as withdrawal of proposal by the IRFAA).

13. Bid Processing Fees

No bid processing fee shall be charged from the bidders/IRFAA.

14. Submission, Receipt, and Opening of Proposal

- 14.1 The original proposal, both technical and Financial Proposals shall contain no interlineations or overwriting, except as necessary to correct errors made by the IRFAAs themselves. The person who signed the proposal must initial such corrections. 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.

- 14.2 An authorized representative of the IRFAAs shall initial all pages of the original Technical and Financial Proposals. The authorization shall be in the form of a written power of attorney accompanying the Proposal or in any other form demonstrating that the representative has been dully authorized to sign. The signed Technical and Financial Proposals shall be marked "ORIGINAL".
- 14.3 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 shall be placed in a sealed envelope clearly marked "FINANCIAL PROPOSAL" followed by the name of the Assignment/job. The envelopes containing the Technical Proposals, Financial Proposals, EMD and bid processing fees shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address, reference number be clearly marked "DO NOT OPEN, BEFORE [insert the time and date of the opening indicated in the Data sheet]". The Employer shall not be responsible for misplacement, losing or premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may be case for Proposal rejection.
- 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.**
- 14.4 The Proposals must be sent to the address/addresses indicated in the Data sheet and received by the Employer no later than the time and the date indicated in the Data sheet, or any extension to this date in accordance with para 4.2 above. Any proposal received by the Employer after the deadline for submission shall be returned unopened.

15. Proposal Evaluation

- 15.1 From the time the Proposals are opened to the time the Contract is awarded, the IRFAAs should not contact the Employer on any matter related to its Technical and/or Financial Proposal. Any effort by IRFAAs to influence the Employer in the examination, evaluation, ranking of Proposals, and recommendation for award of Contract may result in the rejection of the IRFAAs' Proposal.
- 15.2 The employer has constituted a IRFAA (Consultant) Selection Committee (CSC) which will carry out the entire evaluation process.

15.3 Evaluation of Technical Proposals:

CSC while evaluating the Technical Proposals shall have no access to the Financial Proposals until the technical evaluation is concluded and the competent authority accepts the recommendation.

- 15.4 The CSC shall evaluate the Technical Proposals on the basis of their responsiveness to the Terms of Reference and by applying the evaluation criteria, sub-criteria specified in the Data sheet. In the first stage of evaluation, a Proposal shall be rejected if it is found deficient as per the requirement indicated in the Data sheet for responsiveness of the proposal. Only responsive proposals shall be further taken up for evaluation. Evaluation of the technical proposal will start first and at this stage the financial bid (proposal) will remain unopened. The qualification of the IRFAA and the evaluation criteria for the technical proposal shall be as defined in the Data sheet.

15.5 Public opening & evaluation of the Financial Proposals:

Financial proposals of only those firms who are technically qualified shall be opened publicly on the date & time specified the Data sheet, in the presence of the IRFAAs' representatives who choose to attend. The name of the IRFAAs, their technical score (if required) and their financial proposal shall be read aloud.

- 15.6 The CSC 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 the items described in the Technical Proposal but not priced, shall be assumed to be included in the prices of other activities or items. In case an activity or line item is quantified in the Financial Proposal differently from the Technical Proposal, (i) if the Time-Based form of contract has been included in the RFP, the Evaluation Committee shall correct the quantification indicated in the Financial Proposal so as to make it consistent with that indicated in the Technical Proposal, apply the relevant unit price included in the Financial Proposal to the corrected quantity and correct the total Proposal cost, (ii) if the Lump-Sum form of contract has been included in the RFP, no corrections are applied to the Financial Proposal in this respect. **If permitted under RFP to quote in any currency other than Indian Rupees, prices shall be converted to Indian Rupees using the selling rates of exchange, source and reference date indicated in the Data sheet.** Normally, the date will be the date of

opening of the tender unless specified otherwise in the Data sheet.

- 15.7 After opening of financial proposals, appropriate selection method shall be applied to determine the IRFAA who will be declared winner and be eligible for award of the contract. The methods of selections are described in the Data Sheet [The employer shall mention here which method out of all listed method shall be applied for selection of IRFAA for this assignment / job]. This selected IRFAA will then be invited for negotiations, if considered necessary.

16. Negotiations

- 16.1 Negotiations will be held at the date, time and address intimated to the qualified and selected bidder. The invited IRFAA will, as a pre-requisite for attendance at the negotiations, confirm availability of all Professional staff. Representatives conducting negotiations on behalf of the IRFAA must have written authority to negotiate and conclude a Contract.
- 16.2 Technical negotiations: Negotiations will include a discussion of the Technical Proposal, the proposed technical approach and methodology, work plan, and organization and staffing, and any suggestions made by the IRFAA to improve the Terms of Reference. The Employer and the IRFAAs 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 Assignment/job". Special attention will be paid to clearly defining the inputs and facilities required from the Employer to ensure satisfactory implementation of the Assignment/job. The Employer shall prepare minutes of negotiations which will be signed by the Employer and the IRFAA.
- 16.3 Financial negotiations: After the technical negotiations are over, financial negotiations should be carried out in order to reflect any change in financials due to change in scope of work or due to clarification on any aspect of the technical proposal during the technical negotiations. Under no circumstance, the financial negotiation shall result in to increase in the price originally quoted by the IRFAA. Unless there are exceptional reasons, the financial negotiations will involve neither the remuneration rates for staff nor other proposed unit rates. For other methods, IRFAAs will provide the Employer with the information on remuneration rates described in the Appendix attached to Section 4 - Financial Proposal - Standard Forms of this RFP.
- 16.4 Availability of Professional staff/experts: Having selected the IRFAA on

the basis of, among other things, an evaluation of proposed Professional staff, the Employer expects to negotiate a Contract on the basis of the Professional staff named in the Proposal. Before contract negotiations, the Employer will require assurances that the Professional staff will be actually available. The Employer 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 or if the professional staff has left the organisation. If this is not the case and if it is established that Professional staff were offered in the proposal without confirming their availability, the IRFAA may be disqualified. Any proposed substitute shall have equivalent or better qualifications and experience than the original candidate and be submitted by the IRFAA within the period of time specified in the letter of invitation to negotiate.

16.5 Conclusion of the negotiations: Negotiations will conclude with a review of the draft Contract. To complete negotiations the Employer and the IRFAA will initial the agreed Contract. If negotiations fail, the employer will reject all the proposals received and invite fresh proposals.

17. Award of Contract

17.1 After completing negotiations the Employer shall issue a Letter of Intent to the selected IRFAA and promptly notify all other IRFAAs who have submitted proposals about the decision taken.

17.2 The IRFAAs will sign the contract after fulfilling all the formalities/pre-conditions including Performance Guarantee as mentioned in the standard form of contract in Section-6, within 15 days of issuance of the letter of intent.

17.3 The IRFAA is expected to commence the Assignment/job on the date and at the location specified in the Part II Data Sheet.

18. Confidentiality

18.1 Information relating to evaluation of Proposals and recommendations concerning awards shall not be disclosed to the IRFAAs 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 IRFAA of confidential information related to the process may result in the rejection of its Proposal and may be subject to the provisions of the Employer's antifraud and corruption policy.

INSTRUCTIONS TO IRFAA

Part-II DATA SHEET

Clause No. of Data Sheet	Ref of ITC	Particulars	Detail
1.	2.2	Name of the Employer:	Secretary Local Govt. -cum-CEO, PMIDC
2.	2.2	Name of the Assignment/job is:	Appointment of Independent Review and Forensic Audit Agency (IRFAA) for Technical and Financial Audit of Infrastructure and other works in the State of Punjab.
3.	2.5	A pre-proposal meeting will be held: [If yes, indicate date, time and venue]	10.07.2017 at 11:30 pm
4	14.4	Date & time and address for submission of proposal/ bid:	
		Date	24.07.2017
		Time	17:00 hrs
		Date of opening of the bids received, Venue-room no. 517,PMIDC(5 th floor) Punjab Municipal Bhawan sector 35 A	25.07.2017 at 3.00 pm

		Chandigarh	
		Address	Secretary Local Govt. –cum-CEO, PMIDC, 5 th Floor, Punjab Municipal Bhawan, Local Govt. Department, Punjab, Plot No.3, Sector 35 A, Chandigarh
5	2.5	The Employer’s representative is:	General Manager (Project)
		Address:	PMIDC, 5 th Floor, Punjab Municipal Bhawan, Local Govt. Department, Punjab, Sector 35 A, Chandigarh
		Telephone:	0172-2619163-71
		Facsimile:
		E-mail:	gm.project.pmidc@gmail.com
6	2.6	The Employer will provide the following inputs and facilities:	<i>Working Space shall be provided, if available. The IRFAA shall open office at Chandigarh or any central place of Punjab as decided by the client.</i>
7		The Employer envisages the need for continuity for downstream work:	No
8	8.1	Proposals must remain valid days after the submission date, i.e. until:	120 days from the date of receipt of bid.
9.		Clarifications may be requested not later than days before the submission date.	7 days
	4.1	The address for	Shri V. P. Singh, General Manager (Project), PMIDC, 5 th Floor, Punjab

		requesting clarifications is:	Municipal Bhawan, Local Govt. Department, Punjab, Sector 35 A, Chandigarh, 91-1722619163
		Facsimile:
		E-mail:	gm.project.pmidc@gmail.com
10.	9.3 (a)		Name of Sub IRFAA (if proposed) shall also be mentioned along with technical details
11.	9.3 (b)	The estimated number of Professional staff-months required for the Assignment/job is:	The detail of required key professionals is given in Clause No.9.3 (b) – Mandatory requirement of key professionals from Page 7 -14 ,Section -2.
12	9.4		In addition to technical proposal, IRFAAs are required to submit financial proposal (as per forms prescribed in Section 4). Submission of the technical and financial proposal in improper form will render the proposal liable to be rejected.
13.	9.4	The formats of the Technical Proposal to be submitted are:	
		Form Tech 1: Letter of Proposal submission	
		Form Tech 2 : IRFAA's organization & experience	
		Form Tech 3 : Comments & suggestions on TOR	
		Form Tech 4 : Approach & methodology	Maximum of 20 pages including charts and diagrams
		Form Tech 5 : Team	

		composition	
		Form Tech 6 : Curriculum vitae	
		Form Tech 7 : Staffing Schedule	
		Form Tech 8 : Work Schedule	
		Form Tech 9: Comment / modification suggested on draft contract.	
		Form Tech 10: Information regarding any conflicting activities and declaration thereof.	
14.		Training is a specific component of this Assignment/job	NO
15.	11.1	IRFAA to state the cost in	Indian Rupees
16.	14.3	IRFAA must submit the original and 1 (One) copy of the Technical Proposal, and the original of the Financial Proposal.	
17.	15.4	Evaluation Criteria : Criteria, sub-criteria, for evaluation of Technical Proposals have been prescribed:	Detailed evaluation as indicated in data sheet-2 under Section 2.

18.	15.7	Method of Selection	The same shall be on least cost basis among the technically qualified bidders i.e. scoring more than 70 marks in the technical evaluation.
19.		Taxes and labour loss	The agency shall be responsible for payment of all taxes and labour laws applicable on their manpower's (employees) deployed for the jobs.

20. Procedure for Detailed evaluation of technical qualifications

For eligibility, the IRFAA shall have atleast:

1. The IRFAA (in case of single business entity) / Lead Member (in case of Consortium) should have a minimum average annual turnover of Indian Rs. **100(one hundred) crores from consultancy business** during the last three (3) financial years;
2. The Forensic Audit Service Providers (FASP) should be a registered organization or company or a partnership firm practicing forensic audit services in India for last 3 financial years (2015-16, 2014-15, 2013-14).

The detailed technical evaluation of Proposals satisfying minimum eligibility conditions as above shall be done. The Criteria, sub-criteria and point system for detailed evaluation shall be as follows:

i)	Specific experience of the IRFAA firm relevant to the assignment / job	30 marks
	Sub criteria	Marks
a	Experience of the organization in providing comprehensive document audit services in last 3 financial years (2015-16, 2014-15, 2013-14) Bidders to provide minimum 2 contracts for performing documentary audit services including handwriting and signature verification.	10 marks
b	Experience of the organization in providing comprehensive cyber / digital forensics /	08 marks

	audio-video forensic services in last 3 financial years (2015-16, 2014-15, 2013-14) Bidders to provide minimum 2 contracts for performing cyber / digital / audio-visual forensic services.	
c	Experience of working in the infrastructure sector e.g water supply, sewerage, storm water drainage, roads, buildings, street lights etc. in India (2015-16, 2014-15, 2013-14) Bidders to provide 2 contracts.	06 marks
d.	Experience of the organization in supporting and providing expert witness testimony in courts in last 3 financial years (2015-16, 2014-15, 2013-14)	06 marks
ii)	Proposed methodology and work plan in response to the terms of reference.	20 marks
	Sub-criteria	
	a) Technical approach & methodology	8 marks
	b) Work plan	8 marks
	c) Proposed organisational structure & processes, functions and management of staff to be deployed as PDMC.	4 marks
iii)	Key professional staff: Qualification & competency for the assignment / job.	50 marks

Qualifications and competency of each of the key professional as per (iii) above will be evaluated separately. The marks for key professionals will be further divided as under: (**Following is an indicative distribution; however marks shall be customised as per the composition of team/ experts proposed in the final RfP**)

Sr No	Position	Marks
1	Team Leader -I–Forensic and Investigation	15
2	Team Leader-II –Procurement and Contract Management Specialist	10
3.	Financial Expert	06
4	Technical Expert	06
5	Financial Auditors - 2 No.	06 (3 marks each)
6.	Data Analytics expert	04
7.	Forensic Technology Expert	03

For evaluation of each of the key professionals the following sub-criteria shall be followed:

a)	Educational qualifications	20%
b)	Adequacy for the assignment / job (Experience in carrying out similar assignment/job)	80%

20.1 Method of Selection -(Quality Based Selection – QBS)

The method of evaluation of technical qualification will follow the procedure given in para 15 above. The IRFAAs who will score more than minimum of 70% in the Technical Evaluation, shall be eligible for Financial Bid Opening. The Eligible IRFAAs having lowest financial cost shall be called for a technical negotiation and ranked as L1. The L1 shall be awarded the work after final negotiation and fulfilling all the conditions of the RFP document. The Department can consider placing orders on more than one agency after price negotiation among the technically qualified bidders, provided other technically qualified bidders are able to match the price of L1 bidder.

17.	Expected date for commencement of consulting Assignment/job	15 days after signing of agreement.
18.	Location for performance assignment / job:	State office at Chandigarh or any central place of Punjab as decided by the client.

Section 3

Technical Proposal - Standard Forms

LETTER OF PROPOSAL SUBMISSION

To: [Name and address of Employer] {Location ,Date)

Dear Sirs:

We, the undersigned, offer to provide the consulting Assignment/job for [Insert title of Assignment/job] 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 and requisite EMD and bid processing fees..

We are submitting our Proposal in association with: [Insert a list with full name and address of each associated IRFAA]

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 Paragraph 4 of the Part II 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 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 2: IRFAA's organization & experience

Form 2A: Format for Details of IRFAA

1. Details of IRFAA

a.	Name of IRFAA with full address	:	
b.	Tel. No.	:	
c.	Fax No.	:	
d.	Email	:	
e.	Year of Incorporation.	:	
f.	Name and address of the person holding the Power of Attorney.	:	
g.	(i) Place of Business.	:	
	(ii) Date of Registration.	:	
h.	Name of Bankers with full address.	:	
i.	Service Tax Registration Number (copy).	:	
j.	Permanente Account Number (copy).	:	
k.	Are you presently debarred / Black listed by any Government Department /Public Sector Undertaking /Any Employer? (If Yes, please furnished	:	

	details)		
I.	Name and details (Tel / Mobile / E mail) of contact persons	:	

2. In case of a Consortium:

- a. The information above should be provided for all the members of the consortium.
- b. Information regarding role of each member should be provided as per table below:

Sr. No.	Name of Member	Role (Specify Lead Member/ Other Member)
1.		
2.		



Form 2B: Format for Financial Capability of the IRFAA

(Equivalent in Rs. crores)

IRFAA*	-----(Name of IRFAA)				
FY	2012-13	2013-14	2014-15	Total	Average
Annual Turnover					
Net Profit					
Certificate from the Statutory Auditor					
<p>This is to certify that(name of the IRFAA) has received the payments and earned net profit shown above against the respective years.</p> <p>Name of the audit firm:</p> <p>Seal of the audit firm</p> <p>Date:</p> <p>(Signature, name and designation of the authorised signatory)</p>					

- # The IRFAA should provide the Financial Capability based on its own financial statements. Financial Capability of the IRFAA's parent company or its subsidiary or any associate company will not be considered for computation of the Financial Capability of the IRFAA.
- * Any IRFAA should fill in details as per the row titled Annual turn over and net profit in the row below. In case the IRFAA is a Consortium, for the purpose of evaluation on financial parameters, financial parameters of all the members shall be furnished in separate sheet for consideration.
- * The IRFAA should attach copy of balance sheets duly signed by their CA.

FOR ELIGIBILITY CRITERIA

Form 2C: Experience in similar assignments (Project Management Units/ Support Units/ Technical Support or Coordinator IRFAAs or similar at government levels (Central/ State/ Municipal))

List projects (not more than 5) in the last ten years which are similar to that in the RfP.

Assignment name:	Value of the contract (in current INR):
Country:	Duration of assignment (months):
Name of Client:	Total No of staff-months of the assignment:
Address:	Approx. value of the services provided by your firm under the contract (in current INR):
Start date (month/year): Completion date (month/year):	
Narrative description of Project:	

- The IRFAA should attach completion certificate of each project issued by authorized Engineer / Officer of the concerned department.

Form 2D: Experience as project management IRFAA/ Design and /or Supervision IRFAA in urban (Water Supply) sector issues with value of contract (for consultancy service) of at least Rs100 lakh.

List projects (not more than 5) in the last ten years which are similar to that in the RFP.

Assignment name:	Value of the contract (in current INR):
Country:	Duration of assignment (months):
Name of Client:	Total No of staff-months of the assignment:
Address:	Approx. value of the services provided by your firm under the contract (in current INR):
Start date (month/year): Completion date (month/year):	
Narrative description of Project:	
Description of actual services provided by your staff within the assignment:	

- The IRFAA should attach completion certificate of each project issued by authorized Engineer / Officer of the concerned department.

Form 2E: Experience as Project Management IRFAA/ Design and Supervision IRFAA in Urban (Sewerage and Drainage) Sector Issues with value of contract (for consultancy service) of at least Rs100 Lacs.

List projects (not more than 5) in the last ten years which are similar to that in the RFP.

Assignment name:	Value of the contract (in current INR):
Country: Name of City/ Cities:	Duration of assignment (months):
Name of Client:	Total No of staff-months of the assignment:
Address:	Approx. value of the services provided by your firm under the contract (in current INR):
Start date (month/year): Completion date (month/year):	
Narrative description of Project:	
Description of actual services provided by your staff within the assignment:	

The IRFAA should attach completion certificate of each project issued by authorized Engineer / Officer of the concerned department.

Form 2F: Experience as Project Management IRFAA/ Design and Supervision IRFAA in Building and Roads. Issues with value of contract (for consultancy service) of at least Rs 100 Lakhs.

List projects (not more than 05) in the last ten years which are similar to that in the RFP.

Assignment name:	Value of the contract (in current INR):
Country: Name of City/ Cities:	Duration of assignment (months):
Name of Client:	Total No of staff-months of the assignment:
Address:	Approx. value of the services provided by your firm under the contract (in current INR):
Start date (month/year): Completion date (month/year):	
Narrative description of Project:	
Description of actual services provided by your staff within the assignment:	

- The IRFAA should attach completion certificate of each project issued by authorized Engineer / Officer of the concerned department.

Form 2G: Experience as project management IRFAA, Design and Supervision IRFAA in **Solid Waste Management issues with value of contract **(for consultancy service) of at least Rs 100 Lakhs.****

List projects (not more than 05) in the last ten years which are similar to that in the RFP.

Assignment name:	Value of the contract (in current INR):
Country: Name of City/ Cities:	Duration of assignment (months):
Name of Client:	Total No of staff-months of the assignment:
Address:	Approx. value of the services provided by your firm under the contract (in current INR):
Start date (month/year): Completion date (month/year):	
Narrative description of Project:	
Description of actual services provided by your staff within the assignment:	

- The IRFAA should attach completion certificate of each project issued by authorized Engineer / Officer of the concerned department.

Form 2H: Experience as project management IRFAA, Design and Supervision IRFAA in **street light and electrical works issues** with value of contract (for consultancy service) of at least Rs 10 Cr. in the last 10 years.

List projects (not more than 10) in the last ten years which are similar to that in the RFP.

Assignment name:	Value of the contract (in current INR):
Country: Name of City/ Cities:	Duration of assignment (months):
Name of Client:	Total No of staff-months of the assignment:
Address:	Approx. value of the services provided by your firm under the contract (in current INR):
Start date (month/year): Completion date (month/year):	
Narrative description of Project:	
Description of actual services provided by your staff within the assignment:	

- The IRFAA should attach completion certificate of each project issued by authorized Engineer / Officer of the concerned department.

COMMENTS AND SUGGESTIONS ON THE TERMS OF REFERENCE AND ON COUNTERPART STAFF AND FACILITIES TO BE PROVIDED BY THE EMPLOYER

A - On the Terms of Reference

[Suggest and justify here any modifications or improvement to the Terms of Reference you are proposing to improve performance in carrying out the Assignment/job (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.]

B - On Inputs and Facilities to be provided by the employer

[Comment here on Inputs and facilities to be provided by the Employer according to Paragraph 6 of the Part II Special information to IRFAAs including: administrative support, office space, Domestic transportation, equipment, data, etc.]

DESCRIPTION OF APPROACH, METHODOLOGY AND

**WORK PLAN FOR PERFORMING THE
ASSIGNMENT/JOB**

[Technical approach, methodology and work plan are key components of the Technical Proposal. You are suggested to present your Technical Proposal divided into the following three chapters:

- a) Technical Approach and Methodology,
- b) Work Plan, and
- c) Organization and Staffing,

a) Technical Approach and Methodology. In this chapter you should explain your understanding of the objectives of the Assignment/job, approach to the Assignment/job, methodology for carrying out the activities and obtaining the expected output, and the degree of detail of such output. You should highlight the problems being addressed and their importance, and explain the technical approach you would adopt to address them. You should also explain the methodologies you propose to adopt and highlight the compatibility of those methodologies with the proposed approach.

b) Work Plan. The IRFAA should **propose and justify** the main activities of the Assignment/job, their content and duration, phasing and interrelations, milestones (including interim approvals by the Employer), and 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. A list of the final documents, including reports, drawings, and tables to be delivered as final output, should be included here. The work plan should be consistent with the Work Schedule of Form TECH-8.

c) Organization and Staffing. The IRFAA should **propose and justify** the structure and composition of your team. You should list the main disciplines of the Assignment/job, the key expert responsible, and proposed technical and support staff.].

TEAM COMPOSITION AND TASK ASSIGNMENT/JOBS

Professional Staff

Sr. No.	Name of Staff	Name of Firm	Area of Expertise	Position / Task assigned for this job / deliverable

FORM TECH-6

CURRICULUM VITAE (CV) FOR PROPOSED

PROFESSIONAL STAFF

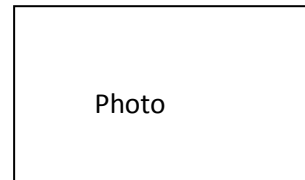
1. Proposed Position:

[For each position of key professional separate form Tech-6 will be prepared]:

2. Name of Firm:

[Insert name of firm proposing the staff]:

3. Name of Staff: [Insert full name]:



4. Date of Birth:

5. Nationality:

6. Education:

[Indicate college/university and other specialized education of staff member, giving names of institutions, degrees obtained, and dates of obtainment]:

7. Membership of Professional Associations:

8. Other Training:

9. Countries of Work Experience:

[List countries where staff has worked in the last ten years]:

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

11. Employment Record:

[Starting with present position, list in reverse order every employment

STAFFING SCHEDULE

S.No	Name of Staff	Staff input (in the form of a bar chart)												Total Months
		1	2	3	4	5	6	7	8	9	10	11	12	

1.

2.

3.

Note:

- 1 For Professional Staff the input should be indicated individually; for Support Staff it should be indicated by category (e.g.: draftsmen, clerical staff, etc.).
- 2 Months are counted from the start of the Assignment/job. For each staff indicate separately staff input for home and field work.

FORM TECH-8

WORK SCHEDULE

S.No.	Activity	Months												Total Months
		1	2	3	4	5	6	7	8	9	10	11	12	

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

- 1 Indicate all main activities of the Assignment/job, including delivery of reports (e.g.: inception, interim, draft and final reports), and other benchmarks such as Employer approvals. For phased Assignment/jobs indicate activities, delivery of reports, and benchmarks separately for each phase.
- 2 Duration of activities shall be indicated in the form of a bar chart.

**COMMENTS / MODIFICATIONS SUGGESTED ON
DRAFT CONTRACT**

[Here the IRFAA shall mention any suggestion / views on the draft contract attached with the RFP document. The IRFAA may also mention here any modifications sought by him in the provisions of the draft contract. This information shall be used at the time of the negotiations. However, the Employer is not bound to accept any/all modifications sought and may reject any such request of modification.]

FORM TECH-10

**INFORMATION REGARDING ANY CONFLICTING ACTIVITIES AND
DECLARATION THEREOF**

Are there any activities carried out by your firm or group company or any member of the consortium which are of conflicting nature as mentioned in para 5 of section 2. If yes, please furnish details of any such activities.

If no, please certify,

We hereby declare that our firm, our associate / group firm or any of the member of the consortium are not indulged in any such activities which can be termed as the conflicting activities under para 5 of the section 2. We also acknowledge that in case of misrepresentation of the information, our proposals / contract shall be rejected / terminated by the Employer which shall be binding on us.

Authorized Signature [In full and initials]:

Name and Title of Signatory:
Name of Firm:
Address:

Section 4.

Financial Proposal - Standard Forms

FINANCIAL PROPOSAL SUBMISSION FORM

[Location, Date]

To: [Name and address of Employer]

Dear Sirs:

We, the undersigned, offer to provide the consulting Assignment/job for [Insert title of Assignment/job] 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 figures¹]. This amount is inclusive of the Domestic taxes. We hereby confirm that the financial proposal is unconditional and we acknowledge that any condition attached to financial proposal shall result in reject of our financial proposal.

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 4 of the Part II Data Sheet.

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

Yours sincerely,

Authorized Signature [In full and initials]:

Name and Title of Signatory:

Name of Firm:

Address:

¹ Sub Total (A) as per Form FIN 2

SUMMARY OF COSTS

S.No.	Particulars	Form	Amount in Rupees *	Amount in words
A. Competitive Components				
1	Remuneration	FIN 3		
2	Reimbursable expenses	FIN 4		
Total (A)				

Authorized Signature

Name:

Designation

Name of firm:

Address:

FORM FIN-3

BREAKDOWN OF REMUNERATION (Professional Staff and Support Staff)

(for details please refer to Note below)

S.No	Name of Staff	Position	Month Man h Rates (A) in Rupees	Proposed Ma Month n s (B)	Total Amount in Rupees.* (A)*(B)
Key Professionals plus Other Professionals* ¹					
1					
2					
3					
4					
	Support Staff * ²				
	Total				

*- Mention the currency in which the prices are quoted if it is permitted to do so under RFP.

*1 Professionals are to be indicated by name

*2 Support Staff is to be indicated per category (e.g: Office Manager, Data Entry Operator etc.)

Total Remuneration = _____ Amount in Rupees

(Amount in Words) :

Note:

1 Key Professional Staff should be indicated individually; Support Staff should be indicated per category Cost of Secretarial services, if any, will be indicated in form Fin-3.

2 Positions of Professional Staff shall coincide with the

- ones indicated in Form TECH-5 & 7.
- 3 Indicate separately staff-month rate for each activity separately.
 - 4 The proposed man month of engagement of staff is 36 months for the purpose of calculating the comparative total staff cost.
 - 5 The detail of salary of staff to be deployed by the IRFAA should be provided.
 - 6 Actual deployment of number of key professionals and support staff will be decided mutually between client and the successful bidder after every quarter i.e. three months or for such period as may be mutually agreed upon based on the actual requirement of such staff.
 - 7 For Technical evaluation only CVs of key professionals shall be evaluated. However, for financial evaluation the total remuneration of key professionals, and other support staff shall be considered.

FORM FIN-4**BREAKDOWN OF REIMBURSABLE EXPENSES**
(The IRFAA shall have a office at Chandigarh or any central place of Punjab as decided by the client).

S. No.	Description	Unit	Quantity	Unit Price In Rupees	Total Amount in Rupees
1.	Per diem allowance, including hotel allowance, for experts for every day of absence from the home office for the purposes of the Services	Per day	Xx (to be estimated)		
2.	Cost of office accommodation, including overheads and back-stop support at Chandigarh or any central place of Punjab . (If applicable in case of rental accommodation only)	Per Month	12 x 1		
3	Local Transport at Office (If convenience allowance is provided in the salary of the employee, no local transportation charges shall be paid – (This is only for journey of official purpose).	*Vehicle Month	12		
4	Communication Costs to all personnel and Office at Chandigarh or anywhere in Punjab. – (For official purpose only).	Per Month	12		
5	Cost of Reports Production (including printing) and delivering to the Client at Regional Offices and Central office	Per Month	12		
6	Other Allowances where applicable				
Sub Total: Reimbursable Expenses carried to FIN 2					

NOTE FOR PREPARATION OF FINANCIAL PROPOSAL

- 1 **Form FIN-1** Financial Proposal Submission Form shall be filled as per the instructions provided in the Form.
- 2 **Form FIN-2** Summary of Costs: Form FIN-2 provides a summary of the elements of estimated costs for implementation of the proposed IRFAA services.
- 3 **Form FIN-3** Remuneration
 - (i) The purpose of Form FIN-3 is to identify the monthly billing rates for each Personnel to be fielded by the IRFAA as part of its proposed team of experts.
 - (ii) Months; number of months input to match that shown on the personnel schedule (Form TECH-7, Section 3). The month shall be calculated as per follows:
1 year = 12 months (days to be decided with the client)
 - (iii) Support Staff is also included in this form.

4 **Form FIN-4** – Reimbursable Expenses

The purpose of Form FIN-4 is to identify all reimbursable expenditures in local currencies considered by the IRFAA necessary to carry out the assignment.

- (i) Per Diem allowance

The Per Diem allowance shall be paid for stay requirements outside Home Office (Office (Central or Project city assigned to the Personnel) night for night spent away outside Home Office during such travel. The travel shall be undertaken with prior consent of the Client. The payment will be made on lump sum basis without any supporting vouchers.

- (ii) Office Operations

The Consulting firm is required to quote expenses for office expenses towards office operation and maintenance including all consumables and documentations as required for the project. The monthly payment shall be made on lump sum basis without any

supporting vouchers.

(iii) Office Accommodation

This shall be applicable only in case the office accommodation is not provided by the Project City or Central Office. The Consulting firm is required to quote rental value of accommodation for Office. The monthly payment shall be made on actual basis on submission of supporting vouchers.

(iv) Local Transport

The Consulting firm is required to quote expenses for local transportation at central office as required for the project. The monthly payment shall be made on lump sum basis with proof of availability of vehicle. The arrangement to be finalise at Contract Negotiations

(iv) Communication Costs

The Consulting firm is required to quote expenses for Communication Costs to all personnel and office as required for the project. The arrangement for lump sum basis or on at actual to be finalised during Contract Negotiations.

(iv) Report Production

The Consulting firm is required to quote lump sum expenses for Report Production as required for the project. The arrangement for payments be finalised during Contract Negotiations.

Section -5

Terms of Reference

Terms of Reference for

1. BRIEF DESCRIPTION OF TASK

This Terms of Reference is for providing consulting services to assist the *Municipal Corporation , Municipal Council, Improvement Trust of the City ,PWSSB, Punjab Municipal Infrastructure Development Company (PMIDC) ,Urban Development department of the State* in Technical and financial Audit of all works to implement the urban development program in the city state. This work will be carried out by IRFAA, henceforth referred to as 'Independent Review and Audit Agency (IRFAA)' on behalf of the *Municipal Corporation- Council of the City / Urban Development department of the State*.

2(A) OBJECTIVES: To improve the quality of infrastructure and other works being executed in the Urban Local Bodies thus improving the life of quality of citizens.

3.IMPLEMENTATION ARRANGEMENT

The Punjab Municipal Infrastructure Development Company (PMIDC) in the State of Punjab is the nodal agency for the project. The Secretary, Local Govt.-cum-CEO, PMIDC and supported by other senior officials, will manage the project activities; will liaise with Local Govt.Punjab .

4. SCOPE OF WORK (Forensic and Technical Audit)

- The IRFAA shall check all the estimates, DNITs, tender ,specifications , Common Schedule of Rates (CSR) alongwith the ceiling premium , work order and ensure that the work is being executed accordingly.
- The independent review and forensic auditing agency (IRFAA) shall carry out (technical & financial audit) of all infrastructure works to be executed/being executed in various ULBs/towns of Punjab. IRFAA will conduct technical and quality control/Audit assurance and financial audit works under different projects).
- Forensic audit will cover different kind of civil works contracts, supply of goods and services etc.
- The projects will include water supply, water treatment plant (WTP), sewerage, sewage treatment plant (STP), buildings, housing and other urban infrastructure projects roads, street lights and solid waste management in all 164 ULBs. These projects will be executed by ULBs or PWSSB/ Improvement Trust or any other agency assigned by the client.

- The initial period of Forensic (Technical/Financial) will be one (1) years based on performance and further subject to extension for 2 years after mutual consent.
 - The IRFAA (Independent Review and Forensic Auditing Agency) will inspect the project at various stages/percentage (%age) of progress, of the ongoing works based on the directions of the office of the client.
 - The IRFAA will submit the report after each & every inspection in the laid down format as given in the tender formats provided by PMIDC for quality control check. The report should accompany the photographs and films (video) of checking, sampling etc.
 - Various observations and discrepancies of financial nature brought out by the IRFAA while carrying out third party technical inspection team will also form part of the financial audit of the project. The financial audit report will be submitted by the financial audit team to the ULB/PMIDC at regular intervals. The final audit report will be submitted on completion of the project.
 - The IRFAA will carry out tests as laid down in the IS Codes / Government Manuals / Punjab PWD Specification for a particular type of work (Enclosed as annexure A). The type of tests will be as laid down in the Quality Control Protocol/Manual of the Local Government Department / contract agreement of the project. The number of samples / tests to be conducted by IRFAA shall be atleast 10% of the number of tests as laid down in the quality control protocol. The tests shall be got done from list of approved engineering Colleges of Punjab by Local Govt. Punjab or NABL certified laboratory or Shri Ram Institute of Industrial Research, Delhi. The payment of such tests shall be reimbursed by PMIDC to the IRFAA on submission of claim and test report.
 - The IRFAA is required to quote as per financial proposal detailed at FIN-3 and 4.
 - The payment shall be made to IRFAA on monthly basis as per the financial proposal agreed upon. The IRFAA shall carried out technical and financial audit to all works assigned by the client irrespective of the estimate cost of the works.
- 5. -Scope of Service (Forensic Audit):** The scope of services shall include and will not be limited to the following:
- 5.1** The role of forensic auditor will be to monitor project aimed at accessing the propriety of funds budgeted, and utilized towards project related expenses. Towards that Forensic Auditor will review the financial records, cash flow statements, financial progress reports and comments/ observations on the accounting records, system and controls.

This would include

- i. Comprehensive forensic audit
- ii. Review of bid documents (such as B/S, cash flow statements, etc.) submitted by the contractors at the time of their selection;
- iii. Independent cross verification of these bid documents from the public domain (such as from the website of Ministry of Company Affairs), and other business registries available on the public domain

Internal Audit shall be limited to overall scrutiny of fund requirements, funds received and major expenses i.e. payment to the contractor and supplier etc. However, overall share of petty expenses in the project shall be reported as percentage of project value.

5.2 In conducting the financial audit special attention shall be paid to the following:-

- In case of ongoing works the ULBs will not release payment to the Contractor until and unless rectification of defects pointed out by IRFAA, is carried out by the contractor. The IRFAA shall inform regarding the defects in the works to the client as well as the ULBs. The report of removal of defects shall be submitted by the contractor as well as by the ULBs to the client, only then the further funds to the agency and ULBs shall be released.

The following shall also be in the scope of IRFAA

- i. To assess reasons of cost overruns;
- ii. To review the basis and veracity of estimates to ensure that they are not inflated;

To verify that work is performed as per the approved estimates, work orders, Schedule of rates, Utilization Certificates, etc.

5.3 Financial versus physical progress

- i. The IRFAA will act as a project monitor to conduct a forensic review financial records, cash flow statements, financial progress reports, Utilization Certificates, etc.
- ii. The IRFAA will perform physical inspection (including surprise spot checks) at various stages or percentage of completion (POC) of the ongoing works;
- iii. To assist with verification of sample tests w.r.t IS codes, Government Manuals/ Punjab PWD Specifications, etc.;

5.4 Fund flow analysis to assess that the funds were utilized for the purpose for which they were disbursed

- i. Establish the trail of funds from the Punjab Government to ULBs to PWSSBs
- ii. Verify underlying supporting documents such as invoices, Utilization Certificates, to identify any red flags, or conflict of interest situations, etc.

5.5 End-use monitoring

- i. End-use of funds through review of bank statements and books of accounts to identify the actual beneficiaries of funds disbursed
- ii. Review of underlying supporting documents such as, invoices, request letters, etc. to assess the eligibility, etc

5.6 All funds including fund received by ULB shall only be used in accordance with the conditions of the relevant contract agreements as per the estimates approved.

5.7 The audit will certify that the allocated funds have been provided and used in accordance with the relevant contract agreements and only as per the Estimates approved. The role of IRFAA shall be limited to actual payment made to the contract agencies and suppliers through running/ final bill as well as any other expenditure incurred under the project head.

5.8 All necessary supporting documents, records, and accounts shall be maintained & for all project transactions including expenditures reported via Interim unaudited Financial Reports (IUFs) where applicable. Clear linkages shall exist between the books of account and reports presented to the client. These records shall be maintained by ULBs.

5.9. Goods and services financed have been procured in accordance with the government procurement procedure and municipal accounts code.

6.0 PROGRAMME FINANCIAL STATEMENTS: Programme Financial Statements should include:

6.1 Project wise Consolidated Receipts & Payments Account and Income & Expenditure Accounts.

6.2 Project wise Reconciliation of funds received by the implementing agency, including bank reconciliation statement for each fund.

6.3 Other Statements or Schedules which may include:

6.4 Separate list of cumulative project expenditures listing Component/Sub-components;

6.5 Project wise detailed list of assets created or purchased from respective project funds.

7.0 Financial performance

7.1 Review adherence to various contractual obligations of the contractors with respect to commercial/ financial obligations such as bank guarantee, licenses, etc.

7.2 Highlight and report on enforcement of critical financial terms and conditions of the project that has an impact on time and cost overrun.

7.3 Suggest remedial measures to improve financial performance

7.7 STATEMENTS OF EXPENDITURES AND FINANCIAL MANAGEMENT REPORTS:

In addition to the audit of the(PFS) Project financial statement, (CFS) Consolidated financial statement of ULB / PWSSB, the auditor is required to audit all Interim Unaudited Financial Reports (IUFs) for withdrawal applications made during the period under audit examination. The auditor should apply such tests as the auditor considers necessary under the circumstances to satisfy the audit objective. In particular, these expenditures have to be carefully examined for project eligibility by reference to the relevant financing/funding agreements. Where ineligible expenditures are identified as having been included in withdrawal applications and reimbursed against, these should be separately noted by the auditor.

- 7.7.1 The funds were utilized for the purposes, for which they were provided,
- 7.7.2 Expenditure shown in the PFS/CFS of the ULBs / PWSSB/IT are eligible under the financing /funding agreement and where applicable,
- 7.7.3 The IUFs/FMRS submitted during the period are supported by adequate documentation maintained in the project accounting offices.
- 7.7.4 Report on adequacy of systems for project related financial management.
- 7.7.5 Report the quantum and timelines of contribution of funds from all the counter parties of the project by verifying receipts statements.
- 7.7.6 Review documents related to claim for payments and payments made by ULB/PWSSB.
- 7.7.7 Report on utilization of funds in verification with bank reconciliation statements.
- 7.7.8(i) Remedial measures to improve financial progress of the project
- 7.7.8(ii) Report any major variation in overall project cost, due to changes in the bill of quantities as per the contract agreement.

7.9 MANAGEMENT LETTER

In addition to the audit report on the project financial statements, the auditor will prepare a management letter containing recommendations for improvements in internal control and other matters coming to the attention of the auditor during the audit examination, possibly including matters such as the following:

- 7.8.1** Observations on the accounting records, systems, and controls that were examined during the course of the audit
- 7.8.2** Deficiencies or weaknesses in systems and controls, together with specific recommendations for improvement
- 7.8.3** Compliance with financial covenants in the financing agreements
- 7.8.4** Matters that might have a significant impact on the implementation of the project
- 7.8.5** The status of recommendations from previous management letters, including any issue which remain to be addressed and any issue which recurred
- 7.8.6** Any other matter that the auditor considers pertinent.

8. Audit Planning

The audit would be carried out quarterly and the report should be provided to the PMIDC / PIDB latest by 3rd week of start of next quarter to facilitate approval and placement before the competent authority. The auditor must submit five copies of the audited accounts and audit report to CEO PMIDC at Chandigarh in time.

9. Execution of audits

The execution of audits shall be in accordance with approach and methodology agreed in the project plan report submitted by the auditor within 1 week after the signing of the agreement and in accordance with audit plan.

10. Period of Appointment:

The auditor shall be appointed initially for a period of three 1 year from the date of signing of agreement and may be further extended for two more years based on performance after mutual consent.

11. Review of the final draft Report-

Final draft report shall be reviewed to assess whether auditor delivered includes all reports and documents specified in the contract, in the form and manner within the time period as specified; Assess whether the reports and documents are easily understandable or not; Has the auditor satisfied the expectations of service quality, such as adequacy, applicability, effectiveness, innovativeness and impartiality; to examine whether auditors are covering the scope of work and achieving the objectives of assignment set forth in the description of service mentioned.

12. Arrangements and Procedure for Auditing.

Facilities to be provided by ULB/Project implementation Unit (PIU)/PWSSB

12.1 All the project documents, copy of agreement and relevant papers needed for Audit will be provided by the (PIU/PWSSB/ULB/PMIDC) Implementing agency. The auditor shall be given access to all documents, correspondence, and any other information relating to the Project and deemed necessary by the auditor for carrying out audit.

12.2 The IRFAA would be provided copies of the Project Implementation Plan (i.e CPM/PERT Chart) the quality guidelines Manual, and Financial Management Manuals, guidelines, policies and procedures issued by implementing agency. They shall also be provided with relevant Punjab Govt. / GOI policies and guidelines.

13. Arrangement to be made by auditor

a) The IRFAA would be required to:

- i. Establish a central reporting station at Chandigarh for all kinds of communication and quarterly reporting;
- ii. Mobilize teams with highly qualified personnel with proven relevant experience in financial management and Auditing of the projects of similar nature and size of the proposed project as acceptable to the client for conducting Audit tests.

13.1 The Employer named in the Part II Data Sheet will select a consulting firm/organization (the IRFAA) from those to whom the LoI has been addressed, in accordance with the method of selection specified in the Part II Data Sheet.

13.2 The name of the assignment/Job has been mentioned in Part II Data Sheet.

13.3 The date, time and address for submission of the proposals have been given in Part II of Data Sheet.

13.4 The IRFAAs are invited to submit their Proposal, for consulting Assignment/job named in the Part II Data Sheet. The Proposal will be the basis for contract negotiations and ultimately for a signed Contract with the selected IRFAA.

13.5 IRFAAs should familiarize themselves with Local conditions and take them into account in preparing their Proposals. To obtain first-hand information on the Assignment/job and Local conditions, IRFAAs are encouraged to meet the Employer's representative named in part II Data Sheet before submitting a proposal and to attend a **pre-proposal meeting** if one is specified in the Part II Data Sheet. Attending the pre-proposal meeting is optional. IRFAAs should contact the Employer's representative to arrange for their visit or to obtain additional information on the pre-proposal meeting. IRFAAs should ensure that these representatives are advised of the visit in adequate time to allow them to make appropriate arrangements.

13.6 The Employer will provide at no cost to the IRFAAs the inputs and facilities specified in the Part II Data Sheet, assist the IRFAAs in obtaining licenses and permits needed to carry out the Assignment/job, and make available relevant project data and reports.

14. IRFAAs shall bear all costs associated with the preparation and submission of their proposals and contract negotiation. The Employer is not bound to accept any proposal, and reserves the right to annul the selection process at any time prior to Contract award, without thereby incurring any liability to the IRFAAs.

15. Reporting Requirements and Time Schedule for Deliverables

As a minimum, following are the deliverables:

- **Inception Report** in 30 days time of mobilization of IRFAA containing approach, methodology, work plan and staffing schedule for the project activities and schedule for deliverables;
- **Bid Document for each contract package**
- **Monthly Contract Performance and Management Reports** using PMIS/ Project Management IT tools for each contract during entire program period.
- **Contract Completion Reports** for each project package..
- **Quarterly and Yearly Progress Reports**
- Any other reports as required by State / ULBs.
- All reports will be submitted to State / ULBs in agreed time frame.

Since the Services consist of the supervision of civil works, the following action will require prior approval by the Client:

Taking any action under a civil works contract designating the IRFAA as "Engineer Representative", for which action, pursuant to such civil works contract, the written approval of the Client as "Employer" is required."

16. Payment Schedule – The payment shall be released on manmonths basis of the professionals approved by the client in the contract.

Section 6.
Standard Form of Contract

Contents

- I. Form of Contract
- II. General Conditions of Contract
 - 1. General Provisions
 - Commencement, Completion, Modification and
 - 2. Termination of Contract
 - 3. Obligations of the IRFAA
 - 4. IRFAAs' Personnel and Sub-IRFAAs
 - 5. Obligations of the Employer
 - 6. Payments to the IRFAA
 - 7. Fairness and Good Faith
 - 8. Settlement of Disputes
 - 9. Liquidated Damages
 - 10. Miscellaneous Provisions
- III. Special Conditions of Contract
- IV. Appendices
 - Appendix A - Description of Services
 - Appendix B - Reporting Requirements
 - Appendix C - Staffing Schedule
 - Appendix D - Cost Estimates in Foreign Currency
 - Appendix E - Duties of the Employer

CONTRACT FOR IRFAAS' SERVICES

between

**Punjab Municipal Infrastructure Development
Company (Client)**

and

[name of the IRFAA]

Dated:

I Form of Contract

(Text in brackets [] is optional; all notes should be deleted in final text)

This CONTRACT (hereinafter called the "Contract") is made the [day] day of the month of [month], [year], between, on the one hand, [name of client] (hereinafter called the "Client") and, on the other hand, [name of IRFAA] (hereinafter called the "IRFAA").

[Note: *If the IRFAA consist of more than one entity, the above should be partially amended to read as follows: "...(hereinafter called the "Client") and, on the other hand, a joint venture/consortium/association consisting of the following entities, each of which will be jointly and severally liable to the Client for all the IRFAA's obligations under this Contract, namely, [name of IRFAA] and [name of IRFAA] (hereinafter called the "IRFAA").]*

WHEREAS

- (a) the Client has requested the IRFAA to provide certain consulting services as defined in this Contract (hereinafter called the "Services");
- (b) the IRFAA, having represented to the Client that it has the required professional skills, and personnel and technical resources, has agreed to provide the Services on the terms and conditions set forth in this Contract;

NOW THEREFORE the parties hereto hereby agree as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:
 - (a) The General Conditions of Contract;
 - (b) The Special Conditions of Contract;
 - (c) The following Appendices: **[Note:** *If any of these Appendices are not used, the words "Not Used" should be inserted below next to the title of the Appendix]*
 - Appendix A: Description of Services
 - Appendix B: Reporting Requirements
 - Appendix C: Staffing Schedule
 - Appendix D: Breakdown of Contract Price

Appendix F: Duties of the Employer

2. The mutual rights and obligations of the Client and the IRFAA shall be as set forth in the Contract, in particular:
 - (a) the IRFAAs shall carry out the Services in accordance with the provisions of the Contract; and
 - (b) the Client shall make payments to the IRFAAs in accordance with the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

For and on behalf of *[name of Client]*

[Authorized Representative]

For and on behalf of *[name of IRFAA]*

[Authorized Representative]

[Note: *If the IRFAA consists of more than one entity, all these entities should appear as signatories, e.g., in the following manner:]*

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 laws and any other instruments having the force of law in India for the time being.
- (b) "IRFAA" means any private or public entity that will provide the Services to the "Employer" under the Contract.
- (c) "Contract" means the Contract signed by the Parties and all the attached documents listed in its Clause 1, that is this General Conditions (GC), the Special Conditions (SC), and the Appendices.
- (d) "Day" means calendar day.
- (e) "Effective Date" means the date on which this Contract comes into force and effect pursuant to Clause GC 2.1.
- (f) "Foreign Currency" means any currency other than the currency of the "Employer's" country.
- (g) "GC" means these General Conditions of Contract.
- (h) "Government" means the Government of India
- (i) "Local Currency" means Indian Rupees.
- (j) "Member" means any of the entities that make up the joint venture/consortium/association; and "Members" means all these entities.
- (k) "Party" means the "Employer" or the IRFAA, as the case may be, and "Parties" means both of them.
- (l) "Personnel" means professionals and support staff provided by the IRFAAs or by any Sub-IRFAAs and assigned to perform the Services or any part thereof; "Foreign Personnel" means such professionals and support staff who at the time of being so provided had their domicile outside the Government's country; "Local Personnel" means such professionals and support staff who at the time of being so provided had their domicile inside the Government's country; and "Key Personnel" means the Personnel referred to in Clause GC 4.2(a).

(m) "Reimbursable expenses" means all assignment-related costs [such as travel, translation, report printing, secretarial expenses, subject to specified maximum limits in the Contract].

(n) "SC" means the Special Conditions of Contract by which the GC may be amended or supplemented.

(o) "Services" means the work to be performed by the IRFAA pursuant to this Contract, as described in Appendix A hereto.

(p) "Sub-IRFAAs" means any person or entity to whom/which the IRFAA subcontracts any part of the Services.

(q) "Third Party" means any person or entity other than the "Employer", or the IRFAA.

(r) "In writing" means communicated in written form with proof of receipt.

1.2 Relationship Between the Parties : Nothing contained herein shall be construed as establishing a relationship of master and servant or of principal and agent as between the "Employer" and the IRFAA. The IRFAA, subject to this Contract, has complete charge of Personnel and Sub-IRFAAs, if any, performing the Services and shall be fully responsible for the Services performed by them or on their behalf hereunder.

1.3 Law Governing Contract: This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the applicable laws of India.

1.4 Headings: The headings shall not limit, alter or affect the meaning of this Contract.

1.5 Notices

1.5.1 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 by registered post to such Party at the address specified in the SC.

1.5.2 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.

1.6 Location: The Services shall be performed at such locations as are specified in Appendix A hereto and, where the location of a particular task is not so specified, at such locations, as the "Employer" may approve.

1.7 Authority of Lead Partner: In case the IRFAA consists of a joint venture/consortium/ association of more than one entity, the Members hereby authorize the entity specified (Lead IRFAA) in the SC to act on their behalf in exercising all the IRFAA's rights and obligations towards the "Employer" under this Contract, including without limitation the receiving of instructions and payments from the "Employer". However, each member or constituent of Consortium of IRFAA shall be jointly and severally liable for all obligations of the IRFAA under the Contract.

1.8 Authorized Representatives: Any action required or permitted to be taken, and any document required or permitted to be executed under this Contract by the "Employer" or the IRFAA may be taken or executed by the officials specified in the SC.

1.9 Taxes and Duties: The IRFAA, Sub-IRFAAs and Personnel shall be liable to pay such direct and indirect taxes, duties, fees and other impositions levied under the applicable laws of India.

1.10 Fraud and Corruption

1.10.1 Definitions: It is the Employer's policy to require that Employers as well as IRFAAs observe the highest standard of ethics during the execution of the Contract. In pursuance of this policy, the Employer defines, for the purpose of this provision, the terms set forth below as follows:

(i) "corrupt practice" means the offering, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the selection process or in contract execution;

(ii) "fraudulent practice" means a misrepresentation or omission of facts in order to influence a selection process or the execution of a contract;

(iii) "collusive practices" means a scheme or arrangement between two or more IRFAAs, with or without the knowledge of the Employer, designed to establish prices at artificial, noncompetitive levels;

(iv) "coercive practices" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a contract;

1.10.2 Measures to be taken by the Employer

(a) The Employer may terminate the contract if it determines at any time that representatives of the IRFAA were engaged in corrupt, fraudulent, collusive or coercive practices during the selection process or the execution of that contract, without the IRFAA having taken timely and appropriate action satisfactory to the Employer to remedy the situation;

(b) The Employer may also sanction against the IRFAA, including declaring the IRFAA ineligible, either indefinitely or for a stated period of time, to be awarded a contract if it at any time determines that the IRFAA has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, a Employer-financed contract;

1.10.3 Commissions and Fees

At the time of execution of this Contract, the IRFAAs shall disclose any commissions or fees that may have been paid or are agreed to be paid to agents, representatives, or commission agents with respect to the selection process or execution of the contract. The information disclosed must include at least the name and address of the agent, representative, or commission agent, the amount and currency, and the purpose of the commission or fee.

2.COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT

2.1 Effectiveness of Contract: This Contract shall come into force and effect on the date (the "Effective Date") of the "Employer"'s notice to the IRFAA instructing the IRFAA to begin carrying out the Services. This notice shall confirm that the conditions precedent and effectiveness conditions, if any, listed in the SC have been met.

2.2 Termination of Contract for Failure to Become Effective: If this Contract has not become effective within such time period after the date of the Contract signed by the Parties as specified in the SC, either Party may, by not less than twenty one (21) days written notice to the other Party, declare this Contract to be null and void, and in the event of such a declaration by either Party, neither Party shall have any claim against the other Party with respect hereto.

2.3 Commencement of Services: The IRFAA shall begin carrying out the Services not later than the number of days after the Effective Date specified in the SC.

2.4 Expiration of Contract: Unless terminated earlier pursuant to Clause GC 2.9 hereof, this Contract shall expire at the end of such time period after the Effective Date as specified in the SC.

2.5 Entire Agreement: This Contract contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any other statement, representation, promise or agreement not set forth herein.

2.6 Modifications or Variations: (a) 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. Pursuant to Clause GC 7.2 here of, however, each Party shall give due consideration to any proposals for modification or variation made by the other Party. (b) In cases of substantial modifications or variations, the prior written consent of the Employer is required.

2.7 Force Majeure

2.7.1 Definition (a) For the purposes of this Contract, "Force Majeure" means an event which is beyond the reasonable control of a Party, is not foreseeable, is unavoidable and not brought about by or at the instance of the Party claiming to be affected by such events and which has caused the non-performance or delay in performance, and which makes a Party's performance of its obligations hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other extreme adverse weather conditions, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action are within the power of the Party invoking Force Majeure to prevent), confiscation or any other action by Government agencies.

(b) Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or by or of such Party's Sub-IRFAAs or agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected both to take into account at the time of the conclusion of this Contract, and avoid or overcome in the carrying out of its obligations hereunder.

(c) Subject to clause 2.7.2, Force Majeure shall not include insufficiency of funds or inability to make any payment required hereunder.

2.7.2 No Breach of Contract: The failure of a Party to fulfill any of its obligations hereunder 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 has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of this Contract.

2.7.3 Measures to be Taken: (a) A Party affected by an event of Force Majeure shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall take all reasonable measures to minimize the consequences of any event of Force Majeure.

(b) A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any case not later than fourteen (14) days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give written notice of the restoration of normal conditions as soon as possible.

(c) 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.

(d) During the period of their inability to perform the Services as a result of an event of Force Majeure, the IRFAA, upon instructions by the "Employer", shall either:

(i) demobilize,; or

(ii) continue with the Services to the extent possible, in which case the IRFAA shall continue to be paid proportionately and on prorata basis, under the terms of this Contract.

(e) In the case of disagreement between the Parties as to the existence or extent of Force Majeure, the matter shall be settled according to Clause GC 8.

2.8 Suspension: The "Employer" may, by written notice of suspension to the IRFAA, suspend all payments to the IRFAA hereunder if the IRFAA fails to perform any of its obligations under this Contract, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall allow the IRFAA to remedy such failure, if capable of being remedied, within a period not exceeding thirty (30) days after receipt by the IRFAA of such notice of suspension.

2.9 Termination

2.9.1.1 By the "Employer": The "Employer" may terminate this Contract in case of the occurrence of any of the events specified in paragraphs (a) through (h) of this Clause GC 2.9.1.1

(a) If the IRFAA fails to remedy a failure in the performance of its obligations hereunder, as specified in a notice of suspension pursuant to Clause GC 2.8 hereinabove, within thirty (30) days of receipt of such notice of suspension or within such further period as the "Employer" may have subsequently approved in writing.

(b) If the IRFAA becomes (or, if the IRFAA consists of more than one entity, if any of its Members becomes and which has substantial bearing on providing Services under this contract) insolvent or go into liquidation or receivership whether compulsory or voluntary.

(c) If the IRFAA fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause GC 8 hereof.

(d) If the IRFAA, in the judgment of the "Employer", has engaged in corrupt or fraudulent practices in competing for or in executing this Contract.

(e) If the IRFAA submits to the "Employer" a false statement which has a material effect on the rights, obligations or interests of the "Employer".

(ee) If the IRFAA places itself in position of conflict of interest or fails to disclose promptly any conflict of interest to the Employer.

(f) If the IRFAA fails to provide the quality services as envisaged under this Contract. The Consultancy Monitoring Committee (CMC) formulated to monitor the progress of the assignment may make judgment regarding the poor quality of services, the reasons for which shall be recorded in writing. The CMC may decide to give one chance to the IRFAA to improve the quality of the services.

(g) If, as the result of Force Majeure, the IRFAA is unable to perform a material portion of the Services for a period of not less than sixty (60) days.

(h) If the "Employer", in its sole discretion and for any reason whatsoever, decides to terminate this Contract.

2.9.1.2 In such an occurrence the "Employer" shall give a not less than thirty (30) days' written notice of termination to the IRFAAs, and sixty (60) days' in case of the event referred to in (h).

2.9.2 By the IRFAA: The IRFAA may terminate this Contract, by not less than thirty (30) days' written notice to the "Employer", in case of the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause GC 2.9.2.

(a) If the "Employer" fails to pay any money due to the IRFAA pursuant to this Contract and not subject to dispute pursuant to Clause GC 8 hereof within forty-five (45) days after receiving written notice from the IRFAA that such payment is overdue.

(b) If, as the result of Force Majeure, the IRFAA is unable to perform a material portion of the Services for a period of not less than sixty (60) days.

(c) If the "Employer" fails to comply with any final decision reached as a result of arbitration pursuant to Clause GC 8 hereof.

(d) If the "Employer" is in material breach of its obligations pursuant to this Contract and has not remedied the same within forty-five (45) days (or such longer period as the IRFAA may have subsequently approved in writing) following the receipt by the "Employer" of the IRFAA's notice specifying such breach.

2.9.3 Cessation of Rights and Obligations: Upon termination of this Contract pursuant to Clauses GC 2.2 or GC 2.9 hereof, or upon expiration of this Contract pursuant to Clause GC 2.4 hereof, all rights and obligations of the Parties hereunder shall cease, except (i) such rights and obligations as may have accrued on the date of termination or expiration, (ii) the obligation of confidentiality set forth in Clause GC 3.3 hereof, (iii) the IRFAA's obligation to permit inspection, copying and auditing of their accounts and records set forth in Clause GC 3.6 hereof, and (iv) any right which a Party may have under the Law.

2.9.4 Cessation of Services: Upon termination of this Contract by notice of either Party to the other pursuant to Clauses GC 2.9.1 or GC 2.9.2 hereof, the IRFAA shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by the IRFAA and equipment and materials furnished by the "Employer", the IRFAA shall proceed as provided, respectively, by Clauses GC 3.9 or GC 3.10 hereof.

2.9.5 Payment upon Termination: Upon termination of this Contract pursuant to Clauses GC 2.9.1 or GC 2.9.2 hereof, the "Employer" shall make the following payments to the IRFAA:

(a) If the Contract is terminated pursuant to Clause 2.9.1 (g), (h) or 2.9.2, remuneration pursuant to Clause GC 6.3(h) (i) hereof for Services satisfactorily performed prior to the effective date of termination, and reimbursable expenditures pursuant to Clause GC 6.3(h)(ii) hereof for expenditures actually and reasonably incurred prior to the effective date of termination;

(b) If the agreement is terminated pursuant of Clause 2.9.1 (a) to (f), the IRFAA shall not be entitled to receive any agreed payments upon termination of the contract. However, the "Employer" may consider to make payment for the part satisfactorily performed on the basis of Quantum Merit as assessed by it, if such part is of economic utility to the Employer. Applicable Under such circumstances, upon termination, the client may also impose liquidated damages as per the provisions of Clause 9 of this agreement. The IRFAA will be required to pay any such liquidated damages to client within 30 days of termination date.

2.9.6 Disputes about Events of Termination: If either Party disputes whether an event specified in paragraphs (a) through (g) of Clause GC 2.9.1 or in Clause GC 2.9.2 hereof has occurred, such Party may, within thirty (30) days after receipt of notice of termination from the other Party, refer the matter to Clause GC 8 hereof, and this Contract shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award.

3. OBLIGATIONS OF THE IRFAA

3.1 General

3.1.1 Standard of Performance: The IRFAA 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 IRFAA shall always act, in respect of any matter relating to this Contract or to the Services, as faithful adviser to the "Employer", and shall at all times support and safeguard the "Employer's" legitimate interests in any dealings with Third Parties.

3.2 Conflict of Interests: The IRFAA shall hold the "Employer's" interests paramount, without any consideration for future work, and strictly avoid conflict of interest with other assignments or their own corporate interests. If during the period of this contract, a conflict of interest arises for any reasons,

the IRFAA shall promptly disclose the same to the Employer and seek its instructions.

3.2.1 IRFAA not to benefit from Commissions, Discounts, etc.:

(a) The payment of the IRFAA pursuant to Clause GC 6 hereof shall constitute the IRFAA's only payment in connection with this Contract and, subject to Clause GC 3.2.2 hereof, the IRFAA shall not accept for its own benefit any trade commission, discount or similar payment in connection with activities pursuant to this Contract or in the discharge of its obligations hereunder, and the IRFAA shall use its best efforts to ensure that any Sub-IRFAAs, as well as the Personnel and agents of either of them, similarly shall not receive any such additional payment.

(b) Furthermore, if the IRFAA, as part of the Services, has the responsibility of advising the "Employer" on the procurement of goods, works or services, the IRFAA shall comply with the Employer's applicable procurement guidelines, and shall at all times exercise such responsibility in the best interest of the "Employer". Any discounts or commissions obtained by the IRFAA in the exercise of such procurement responsibility shall be for the account of the "Employer".

3.2.2 IRFAA and Affiliates Not to Engage in Certain Activities:

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

3.2.3 Prohibition of Conflicting Activities: The IRFAA shall not engage, and shall cause their Personnel as well as their Personnel not to engage, either directly or indirectly, in any business or professional activities that would conflict with the activities assigned to them under this Contract.

3.3 Confidentiality: Except with the prior written consent of the "Employer", the IRFAA 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 IRFAA and its 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 IRFAA: The IRFAA (i) shall take out and maintain, and shall maintain insurance, at their (or the Sub-IRFAAs', as the case may be) own cost but on terms and conditions approved by the "Employer", insurance against the risks, and for the coverage's specified in the SC, and (ii) at the "Employer's request, shall provide evidence to the

"Employer" showing that such insurance has been taken out and maintained and that the current premiums therefore have been paid.

3.5 Accounting, Inspection and Auditing: The IRFAA (i) shall keep accurate and systematic accounts and records in respect of the Services hereunder, in accordance with internationally accepted accounting principles and in such form and detail as will clearly identify all relevant time changes and costs, and the bases thereof, and (ii) shall periodically permit the "Employer" or its designated representative and/or the Employer, and up to five years from expiration or termination of this Contract, to inspect the same and make copies thereof as well as to have them audited by auditors appointed by the "Employer" or the Employer, if so required by the "Employer" or the Employer as the case may be.

3.6 IRFAA's Actions Requiring "Employer's Prior Approval: The IRFAA shall obtain the "Employer's" prior approval in writing before taking any of the following actions:

- (a) Any change or addition to the Personnel listed in Appendix C.
- (b) Subcontracts: Sub contracting of all works or part of work is not allowed by IRFAA.

3.7 Reporting Obligations: The IRFAA shall submit to the "Employer" the reports and documents specified in Appendix B hereto, in the form, in the numbers and within the time periods set forth in the said Appendix. Final reports shall be delivered in CD ROM in addition to the hard copies specified in said Appendix.

3.8 Documents Prepared by the IRFAA to be the Property of the "Employer": All plans, drawings, specifications, designs, reports, other documents and software prepared by the IRFAA for the "Employer" under this Contract shall become and remain the property of the "Employer", and the IRFAA shall, not later than upon termination or expiration of this Contract, deliver all such documents to the "Employer", together with a detailed inventory thereof. The IRFAA may retain a copy of such documents, but shall not use anywhere, without taking permission, in writing, from the Employer and the Employer reserves right to grant or deny any such request.. If license agreements are necessary or appropriate between the IRFAA and third parties for purposes of development of any such computer programs, the IRFAA shall obtain the "Employer's" prior written approval to such agreements, and the "Employer" shall be entitled at its discretion to require recovering the expenses related to the development of the program(s) concerned.

3.9 Equipment, Vehicles and Materials Furnished by the "Employer":

Equipment, vehicles and materials made available to the IRFAA by the "Employer", or purchased by the IRFAA wholly or partly with funds provided by the "Employer", shall be the property of the "Employer" and shall be marked accordingly. Upon termination or expiration of this Contract, the IRFAA shall make available to the "Employer" an inventory of such equipment, vehicles and materials and shall dispose of such equipment and materials in accordance with the "Employer"'s instructions. While in possession of such equipment, vehicles and materials, the IRFAA, unless otherwise instructed by the "Employer" in writing, shall insure them at the expense of the "Employer" in an amount equal to their full replacement value.

3.10 Equipment and Materials Provided by the IRFAAs: Equipments, softwares, manuals , specifications (with latest amendment) etc. which are required for checking of works shall be arranged by the IRFAA or materials brought into the Government's country by the IRFAA and the Personnel and used either for the Project or personal use shall remain the property of the IRFAA or the Personnel concerned, as applicable.

3.11. Labour Laws : The IRFAA shall obey all labour laws w.r.t. to their employees deputed for the project.

4. IRFAAS' PERSONNEL

4.1 General: The IRFAA shall employ and provide such qualified and experienced Personnel and as are required to carry out the Services.

4.2 Description of Personnel: (a)The title, agreed job description, minimum qualification and estimated period of engagement in the carrying out of the Services of each of the IRFAA's Key Personnel are as per the IRFAA's proposal and are described in **Appendix C** (Refer clause no.9 of instructions to the bidder). If any of the Key Personnel has already been approved by the "Employer", his/her name is listed as well.

(b) If required to comply with the provisions of Clause GC 3.1.1 hereof, adjustments with respect to the estimated periods of engagement of Key Personnel set forth in Appendix C may be made by the IRFAA by written notice to the "Employer", provided (i) that such adjustments shall not alter the originally estimated period of engagement of any individual by more than 10% or one week, whichever is larger, and (ii) that the aggregate of such adjustments shall not cause payments under this Contract to exceed the ceilings set forth in Clause GC 6.1(b) of this Contract. Any other such adjustments shall only be made with the "Employer"'s written approval.

(c) If additional work is required beyond the scope of the Services specified in Appendix A, the estimated periods of engagement of Key Personnel set forth in Appendix C may be increased by agreement in writing between the "Employer" and the IRFAA. In case where payments under this Contract exceed the ceilings set forth in Clause GC 6.1(b) of this Contract, this will be explicitly mentioned in the agreement.

4.3 Approval of Personnel: The Key Personnel and Sub-IRFAAs listed by title as well as by name in Appendix C are hereby approved by the "Employer". In respect of other Personnel which the IRFAA proposes to use in the carrying out of the Services, the IRFAA shall submit to the "Employer" for review and approval a copy of their Curricula Vitae (CVs). If the "Employer" does not object in writing (stating the reasons for the objection) within twenty-one (21) days from the date of receipt of such CVs, such Personnel shall be deemed to have been approved by the "Employer".

4.4 Removal and/or Replacement of Personnel: (a) Except as the "Employer" may otherwise agree, no changes shall be made in the Personnel. If, for any reason beyond the reasonable control of the IRFAA, such as retirement, death, medical incapacity, among others, it becomes necessary to replace any of the Personnel, the IRFAA shall forthwith provide as a replacement a person of equivalent or better qualifications.

(b) If the "Employer" (i) finds that any of the Personnel has committed serious misconduct or has been charged with having committed a criminal action, or (ii) has reasonable cause to be dissatisfied with the performance of any of the Personnel, then the IRFAA shall, at the "Employer"'s written request specifying the grounds therefore, forthwith provide as a replacement a person with qualifications and experience acceptable to the "Employer".

(c) Any of the Personnel provided as a replacement under Clauses (a) and (b) above, as well as any reimbursable expenditures (including expenditures due to the number of eligible dependents) the IRFAAs may wish to claim as a result of such replacement, shall be subject to the prior written approval by the "Employer". The rate of remuneration applicable to a replacement person will be the rate of remuneration paid to the replacement person. Also (i) the IRFAA shall bear all additional travel and other costs arising out of or incidental to any removal and/or replacement, and (ii) the remuneration to be paid for any of the Personnel provided as a replacement shall not exceed the remuneration which would have been payable to the Personnel replaced.

4.5 Resident Project Manager : If required by the SC, the IRFAA shall ensure that at all times during the IRFAA's performance of the Services a resident project manager, acceptable to the "Employer", shall take charge of the performance of such Services.

5. OBLIGATIONS OF THE "EMPLOYER"

5.1 Assistance and Exemptions : Unless otherwise specified in the SC, the "Employer" shall use its best efforts to ensure that the Government shall:

(a) Provide the IRFAA, Sub-IRFAAs and Personnel with work permits and such other documents as shall be necessary to enable the IRFAA, Sub-IRFAAs or Personnel to perform the Services.

(b) Arrange for the Foreign Personnel to be provided promptly with all necessary entry and exit visas, residence permits, exchange permits and any other documents required for their stay in India.

(c) Issue to officials, agents and representatives of the Government all such instructions as may be necessary or appropriate for the prompt and effective implementation of the Services.

(d) Provide to the IRFAA, Sub-IRFAAs and Personnel any such other assistance as may be specified in the SC.

5.2 Change in the Applicable Law Related to Taxes and Duties: If, after the date of this Contract, there is any change in the Applicable Laws of India with respect to taxes and duties, which are directly payable by the IRFAA for providing the services i.e. service tax or any such applicable tax from time to time, which increases or decreases the cost incurred by the IRFAA in performing the Services, then the remuneration and reimbursable expenses otherwise payable to the IRFAA under this Contract shall be increased or decreased accordingly by agreement between the Parties hereto, and corresponding adjustments shall be made to the ceiling amounts specified in Clause GC 6.1(b).

5.3 Services, Facilities and Property of the "Employer": (a) The "Employer" shall make available to the IRFAA and its Personnel, for the purposes of the Services and free of any charge, the services, facilities and property described in Appendix E at the times and in the manner specified in said Appendix E.

(b) In case that such services, facilities and property shall not be made available to the IRFAA as and when specified in Appendix E, the Parties shall

agree on any time extension that it may be appropriate to grant to the IRFAA for the performance of the Services .

5.4 Payment: In consideration of the Services performed by the IRFAA under this Contract, the "Employer" shall make to the IRFAA such payments and in such manner as is provided by Clause GC 6 of this Contract.

5.5 Counterpart Personnel: (a) If necessary, the "Employer" shall make available to the IRFAA free of charge such professional and support counterpart personnel, to be nominated by the "Employer" with the IRFAA's advice, if specified in Appendix E.

(b) Professional and support counterpart personnel, excluding "Employer's liaison personnel, shall work under the exclusive direction of the IRFAA. If any member of the counterpart personnel fails to perform adequately any work assigned to such member by the IRFAA that is consistent with the position occupied by such member, the IRFAA may request the replacement of such member, and the "Employer" shall not unreasonably refuse to act upon such request.

6. PAYMENTS TO THE IRFAA

6.1 Total Cost of the Services (a) The total cost of the Services payable is set forth in Appendix D as per the IRFAA's proposal to the Employer and as negotiated thereafter.

(b) Except as may be otherwise agreed under Clause GC 2.6 and subject to Clause GC 6.1(c), payments under this Contract shall not exceed the amount specified in Appendix-D.

(c) Notwithstanding Clause GC 6.1(b) hereof, if pursuant to any of the Clauses GC 4.2 (c) or 5.2 hereof, the Parties shall agree that additional payments shall be made to the IRFAA in order to cover any necessary additional expenditures not envisaged in the cost estimates referred to in Clause GC 6.1(a) above, the ceiling or ceilings, as the case may be, set forth in Clause GC 6.1(b) above shall be increased by the amount or amounts, as the case may be, of any such additional payments.

6.2 Currency of Payment: All payments shall be made in Indian Rupees. [In case the payment is to be made in the currency other than Indian Rupees, the same shall be mentioned instead of Indian Rupees]

6.3 Terms of Payment: The payments in respect of the Services shall be made as follows:

(a) The IRFAA shall submit the invoice for payment when the payment is due as per the agreed terms. The payment shall be released as per the work related milestones achieved and as per the specified percentage as per SC 12.

(b) Once a milestone is completed, the IRFAA shall submit the requisite deliverables as specified in this Contract. The Employer shall release the requisite payment upon acceptance of the deliverables. However, if the Employer fails to intimate acceptance of the deliverables or its objections thereto, within 30 days of receipt of it, the Employer shall release the payment to the IRFAA without further delay.

(c) Final Payment : The final payment as specified in SC 12 shall be made only after the final report and a final statement, identified as such, shall have been submitted by the IRFAA and approved as satisfactory by the "Employer". The Services shall be deemed completed and finally accepted by the "Employer" and the final report and final statement shall be deemed approved by the "Employer" as satisfactory ninety (90) calendar days after receipt of the final report and final statement by the "Employer" unless the "Employer", within such ninety (90) day period, gives written notice to the IRFAA specifying in detail deficiencies in the Services, the final report or final statement. The IRFAA shall thereupon promptly make any necessary corrections, and thereafter the foregoing process shall be repeated. Any amount, which the "Employer" has paid or caused to be paid in accordance with this Clause in excess of the amounts actually payable in accordance with the provisions of this Contract, shall be reimbursed by the IRFAA to the "Employer" within thirty (30) days after receipt by the IRFAA of notice thereof. Any such claim by the "Employer" for reimbursement must be made within twelve (12) calendar months after receipt by the "Employer" of a final report and a final statement approved by the "Employer" in accordance with the above.

(d) For the purpose of payment under Clause 6.3 (b) above, acceptance means; acceptance of the deliverables by the Employer after submission by the IRFAA and the IRFAA has made presentation to the CMC / Employer (Mention this if presentation is required) with / without modifications to be communicated in writing by the Employer to the IRFAA.

(e) If the deliverables submitted by the IRFAA are not acceptable to the Employer / CMC, reasons for such non-acceptance should be recorded in writing; the Employer shall not release the payment due to the IRFAA. This is without prejudicing the Employer's right to levy any liquidated damages under clause 9. In such case, the payment will be released to the IRFAA only after it re-submits the deliverable and which is accepted by the Employer.

(f) All payments under this Contract shall be made to the accounts of the IRFAA specified in the SC.

(g) With the exception of the final payment under (c) above, payments do not constitute acceptance of the Services nor relieve the IRFAA of any obligations hereunder, unless the acceptance has been communicated by the Employer to the IRFAA in writing and the IRFAA has made necessary changes as per the comments / suggestions of the Employer communicated to the IRFAA.

(h) In case of early termination of the contract, the payment shall be made to the IRFAA as mentioned here with: (i) Assessment should be made about work done from the previous milestone, for which the payment is made or to be made till the date of the termination. The IRFAA shall provide the details of persons reasonably worked during this period with supporting documents. Based on such details, the remuneration shall be calculated based on the man month rate as specified. (ii) A reasonable assessment of the reimbursable and miscellaneous expenses shall be made based on details furnished by the IRFAA in this regard with supporting documents and based on the assessment of the work done and the respective rates as provided. Wherever such an assessment is difficult, the rates should be arrived at by calculating the amount on pro-rata basis. The total amount payable shall be the amount calculated as per (i) and (ii) above plus any applicable tax.

7. FAIRNESS AND 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.

7.2 Operation of the Contract: The Parties recognize that it is impractical in this Contract to provide for every contingency which may arise during the life of the Contract, and the Parties hereby agree that it is their intention that this Contract shall operate fairly as between them, and without detriment to the interest of either of them, and that, if during the term of this Contract either Party believes that this Contract is operating unfairly, the Parties will use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness, but no failure to agree on any action pursuant to this Clause shall give rise to a dispute subject to arbitration in accordance with Clause GC 8 hereof.

8. SETTLEMENT OF DISPUTES

8.1 Amicable Settlement: Performance of the contract is governed by the terms & conditions of the contract, in case of dispute arises between the

parties regarding any matter under the contract, either Party of the contract may send a written Notice of Dispute to the other party. The Party receiving the Notice of Dispute will consider the Notice and respond to it in writing within 30 days after receipt. If that party fails to respond within 30 days, or the dispute cannot be amicably settled within 60 days following the response of that party, clause GC 8.2 shall become applicable.

8.2 Arbitration: In the case of dispute arising upon or in relation to or in connection with the contract between the Employer and the IRFAA, which has not been settled amicably, any party can refer the dispute for Arbitration under (Indian) Arbitration and Conciliation Act, 1996. Such disputes shall be referred to an Arbitral Tribunal consisting of 3 (three) arbitrators, one each to be appointed by the Employer and the IRFAA, the third arbitrator shall be chosen by the two arbitrators so appointed by the parties and shall act as Presiding Arbitrator. In case of failure of the two arbitrators, appointed by the parties to reach a consensus regarding the appointment of the third arbitrator within a period of 30 days from the date of appointment of the two arbitrators, the Presiding arbitrator shall be appointed by the Secretary of the Ministry / Department. The Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof, shall apply to these arbitration proceedings.

8.3. Arbitration proceedings shall be held in India at the place indicated in SC and the language of the arbitration proceedings and that of all documents and communications between the parties shall be English.

8.4 The decision of the majority of arbitrators shall be final and binding upon both parties. The expenses of the arbitrators as determined by the arbitrators shall be shared equally by the Employer and the IRFAA. However, the expenses incurred by each party in connection with the preparation, presentation shall be borne by the party itself. All arbitration awards shall be in writing and shall state the reasons for the award.

9. Liquidated Damages

9.1 The parties hereby agree that due to negligence of act of any party, if the other party suffers losses, damages the quantification of which may be difficult, and hence the amount specified hereunder shall be construed as reasonable estimate of the damages and both the parties agree to pay such liquidated damages, as defined hereunder as per the provisions of this Contract.

9.2 The amount of liquidated damages under this Contract shall not exceed [10] % of the total value of the contract as specified in Appendix D.

9.3 The liquidated damages shall be applicable under following circumstances:

(a) If the deliverables are not submitted as per schedule as specified in the TOR Clause 15, the IRFAA shall be liable to pay 1% of the total cost of the services for delay of each week or part thereof.

(b) If the deliverables are not acceptable to the Employer as mentioned in Clause 6.3 (f), and defects are not rectified to the satisfaction of the Employer within 30 days of the receipt of the notice, the IRFAA shall be liable for Liquidated Damages for an amount equal to [1]% of total cost of the services for every week or part thereof for the delay.

10. Miscellaneous provisions:

(i) "Nothing contained in this Contract shall be construed as establishing or creating between the Parties, a relationship of master and servant or principal and agent.

(ii) Any failure or delay on the part of any Party to exercise right or power under this Contract shall not operate as waiver thereof.

(iii) The IRFAA shall notify the Employer of any material change in their status, in particular, where such change would impact on performance of obligations under this Contract.

(iv) Each constituent of the IRFAA, in case of a consortium, shall be jointly and severally liable to and responsible for all obligations towards the Employer for performance of works/services including that of its Associates/Sub Contractors under the Contract.

(v) The IRFAA shall at all times indemnify and keep indemnified the Employer against all claims/damages etc. for any infringement of any Intellectual Property Rights (IPR) while providing its services under the Project.

(vi) The IRFAA shall at all times indemnify and keep indemnified the Employer against any claims in respect of any damages or compensation payable in consequences of any accident or injury sustained or suffered by its (the IRFAA's) employees or agents or by any other third Party resulting from or by any action, omission or operation conducted by or on behalf of the IRFAA.

(vii) The IRFAA shall at all times indemnify and keep indemnified the Employer against any and all claims by Employees, Workman, Contractors, sub-contractors, suppliers, agent(s), employed engaged or otherwise working

for the IRFAA, in respect of wages, salaries, remuneration, compensation or the like. The IRFAA shall keep all the record of the employees and the payments made to each employee including provident fund, ESI and Insurance etc. as applicable under the law and shall strictly comply with the Labour Laws.

(viii) All claims regarding indemnity shall survive the termination or expiry of the Contract.

(ix) It is acknowledged and agreed by all Parties that there is no representation of any type, implied or otherwise, of any absorption, regularization, continued engagement or concession or preference for employment of persons engaged by the IRFAA for any engagement, service or employment in any capacity in any office or establishment of the Government of India/ State or the Employer.

1. Performance Security

The Performance Security shall be provided to the Employer no later than the date specified in the Contract and shall be issued in an amount specified in the SCC, by a bank acceptable to the Employer, and denominated in the types and proportions of the currencies in which the total cost of services is payable. The Performance Security shall be valid until a date 28 days from the date of issue of the Certificate of Completion in the case of a bank guarantee.

III. Special Conditions of Contract:

(Clauses in brackets { } are optional; all notes should be deleted in final text)

SC Clause	Ref. of GC Clause	Amendments of, and Supplements to, Clauses in the General Conditions of Contract
1	1.5	<p>The addresses are:</p> <p>iii "Employer" : Punjab Municipal Infrastructure Company, Government of Punjab.</p> <p>Attention : CEO cum JMD, PMIDC, 5th Floor, Punjab Municipal Bhawan, Local Govt. Department, Punjab, Sector 35 A, Chandigarh</p> <p>Facsimile :</p> <p>iii IRFAA :</p> <p>Attention :</p> <p>Facsimile :</p>
2	1.7	<p>{Lead Partner is [insert name of member]}</p> <p>Note: If the IRFAA consists of a joint venture/ consortium/ association of more than one entity, the name of the entity whose address is specified in Clause SC 1.6 should be inserted here. If the IRFAA consists only of one entity, this Clause SC 1.8 should be deleted from the SC.</p>
3	1.8	<p>The Authorized Representatives are:</p> <p>For the "Employer": General Manager (Project), PMIDC, Chandigarh</p> <p>For the IRFAA:</p>
	1.9	<p>(a) The client shall reimburse Service Tax payable in India as per Applicable Law. The IRFAA shall register itself for service tax with appropriate authority in</p>

SC Clause	Ref. of GC Clause	Amendments of, and Supplements to, Clauses in the General Conditions of Contract
		India & shall provide the registration number to the client. b) Tax will be deducted at source as per the prevailing Income Tax Rules.
4	1.10.3	Not Applicable
4	2.1	The effectiveness conditions are the following: (i) Approval of the contract by the Employer (ii) Appropriate security for advance payment acceptable to the "Employer" (iii) Any unforeseen reason forcing closure of the programme before effectiveness of the contract.
5	2.2	The time period shall be one month
6	2.3	The time period shall be 15 days
7	2.4	The time period shall be one Months
8	3.4	Limitation of the IRFAAs' Liability towards the "Employer" (i) The ceiling on IRFAA's liabilities shall be limited to (a) total cost, or (b) the proceeds the IRFAA may be entitled to receive from any insurance maintained by the IRFAAs to such liabilities whichever of (a) or (b) is higher.
9	3.5	The risks and the insurance coverage shall be as follows: a.) Third Party motor vehicle liability insurance as required under India's Motor Vehicles Act, 1988, by the IRFAA or its Personnel or any Sub-IRFAAs or their Personnel for the period of consultancy; b.) Third Party liability insurance, with a minimum coverage of [insert amount and currency]; c.) Professional liability insurance, with a minimum coverage equal to estimated remuneration and reimbursable as per 3.4 of

SC Clause	Ref. of GC Clause	Amendments of, and Supplements to, Clauses in the General Conditions of Contract
		<p>SC of the consultancy;</p> <p>d.) Employer’s liability and Workers’ compensation insurance in respect of the Personnel of the IRFAA and of any Sub-IRFAAs, in accordance with the relevant provisions of the Applicable Laws of India, as well as, with respect to such Personnel, any such life, health, accident, travel or other insurance as may be appropriate; and</p> <p>e.) Insurance against loss of or damage to (i) equipment purchased in whole or in part with funds provided under this Contract, (ii) the IRFAA’s property used in the performance of the Services, and (iii) any documents prepared by the IRFAA in the performance of the Services, by theft, fire or any natural calamity.</p> <p>f.) Any other law/rule as applicable in India.</p>
10		The Independent Review and Forensic Audit Agency (IRFAA) shall be responsible for obeying all labour laws.
11	6.1(b)	The ceiling in local currency is: [insert amount and currency]
12	6.3	<p>(i) 5% of the Contract Value will be paid in advance, if so desired, on submission of bank guarantee of the amount equal to 110% of the advance sought by the IRFAA.</p> <p>The First instalment of recovery shall be effected from each running bill paid immediately following the payment of mobilisation advance and the last instalment of the recovery shall be affected during the third month preceding the month in which the due date of completion falls. The various instalments of recovery shall be of equal amounts.</p> <p>(ii) Remuneration of Personnel as indicated in Financial proposal submission Form Fin 3, and as agreed during Negotiations, will be reimbursed on monthly basis as per this contract according to the</p>

SC Clause	Ref. of GC Clause	Amendments of, and Supplements to, Clauses in the General Conditions of Contract
		agreed work plan; . (iii) Payment for Reimbursable Expenses as indicated in Financial proposal submission Form Fin 4, be reimbursed on actual/ and as agreed during Negotiations and as per Appendix of Financial Proposal – Section 4
13	8.3	The Arbitration proceedings shall take place in Chandigarh in India.
14	11	The Performance Security amount is 5% of the Contract value. EMD of Rs.10,00,000/-.

Binding signature of Employer Signed by

Binding signature of IRFAA Signed by

(for and on behalf of _____ duly authorized vide Resolution No _____ dated _____ of the Board of Directors of _____)

In the presence
of (Witnesses)

- 1.
- 2.

IV. Appendices

APPENDIX A – DESCRIPTION OF SERVICES

Note: This Appendix will include the final Terms of Reference worked out by the “Employer” and the IRFAAs during technical negotiations, dates for completion of various tasks, place of performance for different tasks/activities, specific tasks/activities/outcome to be reviewed, tested and approved by “Employer”, etc.

APPENDIX B - REPORTING REQUIREMENTS

Note: List format, frequency, and contents of reports; persons to receive them; dates of submission; etc. If no reports are to be submitted, state here “Not applicable.”

APPENDIX C – STAFFING SCHEDULE

(Include here the agreed (negotiated staffing schedule including the engagement of sub-contractors, if any)

APPENDIX D – Total COST OF SERVICES IN

(Include here the rates quoted in the financial proposal or the negotiated rates, whichever is applicable)

APPENDIX E - DUTIES OF THE “EMPLOYER”

(Include here the list of Services, facilities and property to be made available to the IRFAA by the “Employer”).