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## COMBINED EVALUATION REPORT

# SELECTION OF CONSULTING FIRM

*Credit No.* 9170-PK

*Project Name:*

Punjab Resource Improvement & Digital Effectiveness (PRIDE) Program

*Country:* Islamic Republic of Pakistan

*Title of Consulting Services:*

**Hiring of Firm for Internal Audit**

*Ref. No.:* PK-PSU-257286-CS-QCBS

*Date of Submission:* 26-January-2023



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## Section I. Combined Evaluation Report—Summary

### 1.1 Background

Program Support Unit (PSU) established in the P&D Board to implement Punjab Resource Improvement and Digital Effectiveness (PRIDE) Program. It is a five-year program (PforR) funded by International Bank for Reconstruction and Development (IBRD) – World Bank Group with objectives to strengthen Public Financial Management (PFM) Systems and revenue mobilization in the Punjab Province to promote coherent PFM systems. The Program will also support the GoPb's Development response to COVID-19 challenges. The Program Support Unit (PSU) in the P&D Board is responsible to coordinate implementation of activities under the P&D Board.

PSU is looking to improve and strengthen its internal accounting control environment and is looking to hire a firm to conduct an internal audit. The firm will be responsible for conducting an in-depth internal audit of PRIDE Program including technical assistance component (PSU & PMFU) and selected implementing agencies of the program, as and when required. The program funding LO/LQs/Heads of budget being used for expenditure purposes will be shared with the audit firm by PSU, P&D Board, as per expenditure framework of the program.

### 1.2 The Selection Process (Prior to Technical Evaluation)

The procurement activity for hiring of consultancy firm for Internal Audit has been cleared by the World Bank at a total cost of 400,000 USD on STEP as a Post Review activity through Quality & Cost Based Selection (QCBS) method for project period. The TORs related to hiring of Internal Audit firm were shared with Finance Department. They endorsed the said TORs, and amended the time period of five (5) years to four (4) years. The TORs were sent to World Bank for clearance on Feb 24, 2022. The World Bank cleared the TORs on Feb 24, 2022.

REOI was published in two national daily newspapers on March 30, 2022 and PPRA, UNDB and PIU websites. The deadline for submission of EOIs was April 22, 2022. By close of date, eleven (11) EOIs were submitted by the following consulting firms:

Sr.	Consulting Firms	Status
1.	A.F. Ferguson & Co. (PWC Network)	Single Entity
2.	Taseer Hadi & Co. (KPMG)	Single Entity
3.	Rehman Sarfaraz Rahim Iqbal Rafiq (Russell Bedford)	Single Entity
4.	Aslam Malik & Co. (UK 2000 Group International)	Single Entity

5.	Riaz Ahmad, Saqib, Gohar & Co.	Single Entity
6.	Grant Thornton (KSA)	Single Entity
7.	PKF F.R.A.N.T.S.	Single Entity
8.	Suriya Nauman Rehan & Co.	Single Entity
9.	Avais Hyder Liaquat Nauman (RSM)	Single Entity
10.	Hassan Naeem & Co. (UHY)	Single Entity
11.	Naveed Zafar Ashfaq Jaffery & Co. (PrimeGlobal)	Single Entity

The minimum marks for shortlisting were set at 70 by the Consultant Selection Committee. Based on the shortlisting criteria given in EOI, six (6) consulting firms were shortlisted. The RFP was issued to the six (6) shortlisted consulting firms.

Sr.	Shortlisted	Marks
1.	Taseer Hadi & Co. (KPMG)	100
2.	A.F. Ferguson & Co. (PWC Network)	88
3.	Riaz Ahmad, Saqib, Gohar & Co.	88
4.	Hassan Naeem & Co. (UHY)	70
5.	Naveed Zafar Ashfaq Jaffery & Co. (PrimeGlobal)	70
6.	Rehman Sarfaraz Rahim Iqbal Rafiq (Russell Bedford)	70

Sr.	Not Shortlisted	Marks
1.	Avais Hyder Liaquat Nauman (RSM)	64
2.	Aslam Malik & Co. (UK 2000 Group International)	58
3.	PKF F.R.A.N.T.S.	56
4.	Grant Thornton (KSA)	56
5.	Suriya Nauman Rehan & Co.	25

### 1.3 Technical Evaluation

By close of date for submission of proposals, five (5) out of six (6) consulting firms submitted their proposals. The CSC evaluated the technical proposals as per the criteria indicated in the RFP. The results of technical evaluation are as under:

Minimum qualifying score 70 Points

Sr.	Consulting Firms	Technical Score	Status
1.	Taseer Hadi & Co. (KPMG)	73.20	Qualified
2.	A.F. Ferguson & Co. (PWC Network)	73.77	Qualified
3.	Riaz Ahmad, Saqib, Gohar & Co.	63.11	Disqualified
4.	Hassan Naeem & Co. (UHY)	42.90	Disqualified
5.	Naveed Zafar Ashfaq Jaffery & Co. (PrimeGlobal)	54.94	Disqualified





## **Section II. Technical Evaluation Report—Forms**

Form IIA.      Technical Evaluation—Basic Data

Form IIB.      Evaluation Summary—Technical Scores/Ranking



## Form IIB. Evaluation Summary

### Technical Scores/Ranking

Consultants' names	<i>i.</i> <i>A.F Ferguson &amp; Co.</i>	<i>ii.</i> <i>KPMG Taseer Hadi &amp; Co.</i>	<i>iii.</i> <i>Riaz Ahmad saqib Sohar &amp; Co.</i>	<i>iv.</i> <i>UHY Hassan Naeem &amp; Co.</i>	<i>v.</i> <i>Naveed Zafar Ashfaq Jaffery &amp; Co.</i>
Criteria	Scores	Scores	Scores	Scores	Scores
Methodology	9	10	7	6	5.50
Work Plan	13	12	9	6	7
Proposed staff	51.77	51.20	47.11	30.90	42.44
<b>Total score</b>	<b>73.77</b>	<b>73.20</b>	<b>63.11</b>	<b>42.90</b>	<b>54.94</b>
Rank	1	2	Rejected	Rejected	Rejected

a. Proposals scoring below the minimum qualifying score of 70 points have been rejected.



### **Section III. Financial Evaluation Report—Award Recommendation—Forms**

- Form IIIA. Financial Evaluation—Basic Data
- Form IIIB. Adjustments—Currency Conversion—Evaluated Prices
- Form IIIC. QCBS—Combined Technical/Financial Evaluation
- Form IVC. Award Recommendation

### Form IIIA. Financial Evaluation—Basic Data

- 3.1 Bank's no-objection to technical evaluation report (QCBS) Not Applicable (Post Review)
- 3.2 Public opening of financial proposals  
 (a) Names and proposal prices (mark Consultants that attended public opening)  
 Date 20-Jan-2023 Time 11:30 am  
 1. M/s. A.F Ferguson & Co.  
 (attended public opening)  
 Proposal price PKR 115,482,755  
 2. M/s. KPMG Taseer Hadi & Co.  
 (attended public opening)  
 Proposal price PKR 147,600,661
- 3.3 Methodology (formula) for evaluation of cost Financial Score = 100 x Lowest / Proposal Price
- 3.4 Submission of final technical/financial evaluation report to the Bank Not Applicable (Post Review)
- 3.5 QCBS  
 (a) Technical, financial and final scores
- | Consultant' Name     | Technical scores | Financial scores | Final scores |
|----------------------|------------------|------------------|--------------|
| <u>A.F. Ferguson</u> | <u>59.02</u>     | <u>20.00</u>     | <u>79.02</u> |
| <u>KPMG</u>          | <u>58.56</u>     | <u>15.65</u>     | <u>74.21</u> |
- (b) Award recommendation M/s. A.F Ferguson & Co.

**Form IIIB. Adjustments—Currency Conversion—Evaluated Prices<sup>1</sup>**

Consultants' Names	Proposals' prices		Adjustments	Evaluated price(s)	Conversion to currency of evaluation		Financial scores
	Currency	Amounts (1)			Exchange rate(s) (4)	Proposals' prices (5) = (3)(4)	
M/s. A.F. Ferguson & Co.	PKR	115,482,755	N/A	115,482,755	N/A	115,482,755	100
M/s. KPMG Taseer Hadi & Co.	PKR	147,600,661	N/A	147,600,661	N/A	147,600,661	78.24

- a. Arithmetical errors and omissions of items included in the technical proposals. Adjustments may be positive or negative.
- b. During the evaluation, no adjustments were made to the prices of proposals. For a lump-sum contract, the Consulting Firms were deemed to have included all prices in its financial proposal, so neither arithmetical correction nor price adjustment was made. The total price, inclusive of taxes, as included in the financial proposal was considered as offered price.

**Form IIC. QCBS—Combined Technical/Financial Evaluation**

Consultants' names	Technical Evaluation			Financial Evaluation		Combined Evaluation	
	Technical scores S(t)	Weighted scores S(t) × T	Technical rank	Financial scores S(f)	Weighted scores S(f) × F	Scores S(t) T + S(f) F	Rank
<b>M/s. A.F Ferguson &amp; Co.</b>	73.77	59.02	1	100	20	<b>79.02</b>	<b>1</b>
<b>M/s. KPMG Taseer Hadi &amp; Co.</b>	73.20	58.56	2	78.24	15.65	<b>74.21</b>	<b>2</b>
Award recommendation	To highest combined technical/financial score. Consultant's name: <b><u>M/s. A.F Ferguson &amp; Co.</u></b>						

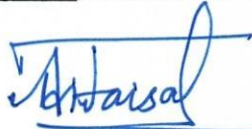
Technical weightage (T) = 80

Financial weightage (F) = 20



### Form IIID. Award Recommendation

On account of highest combined technical/financial score, the Consultant Selection Committee (CSC) recommended award of contract for **consulting services of Internal Audit** to M/s A.F Ferguson, and invited them for **Negotiations Meeting**.



**(Mr. Ali Faisal)**  
Procurement Specialist, PSU



**(Mr. Naveed Iqbal)**  
Assistant Chief P&D Board



**(Mr. Shahid Mahmood Adil)**  
Public Sector Specialist  
(Co-opted member)



**(Mr. Hafeez Aziz)**  
Financial Management Specialist  
PIU/PSU, P&D Board



**(Mr. Zia Ullah Khan)**  
Superintendent (P&D)  
Finance Department



**(Mr. Mirza Adnan Baig)**  
Section Officer (Policy & Reform)  
Finance Department

**(Mr. Ali Jalal)**  
Program Director, PIU/PSU  
P&D Board

**Annex I. Minutes of Public Opening of Financial Proposals**

ATTACHED



**Subject: MINUTES OF THE MEETING OF CONSULTANT SELECTION COMMITTEE (CSC) FOR HIRING OF INTERNAL AUDIT FIRM UNDER PRIDE PROGRAM, P&D BOARD**

The Consultant Selection Committee (CSC) meeting of Program Implementation Unit (PIU)/Program Support Unit (PSU), Planning & Development Department was held on January 20, 2023 at 11:30 (A.M) at PSU Office, 5<sup>th</sup> Floor, Vogue Towers, Block C2, Gulberg III, Lahore under the chairmanship of Program Director, PIU/PSU, P&D Board. The list of participants is attached as **Annex-A**.

**Agenda:**

- (i) **Opening of Financial Proposals** of technically qualified firms for **“Hiring of Internal Audit Firm”**

**Background:**

It was briefed that on 05.12.2022, the CSC opened the technical proposals of five shortlisted firms i.e. M/s. A.F Ferguson & Co, M/s. KPMG Taseer Hadi & Co, M/s. Riaz Ahmad Saqib Gohar & Co, M/s. UHY Hassan Naeem & Co., and M/s. Naveed Zafar Ashfaq Jaffery & Co. under Quality & Cost Based Selection method as defined in the World Bank Procurement Regulations.

Afterwards, the CSC evaluated the technical proposals of the above referred five (05) shortlisted firms wherein the technical proposals of M/s. A.F Ferguson & Co. and M/s. KPMG Taseer Hadi & Co. were found qualified as per criteria mentioned in the Request for Proposals, whereas. M/s. Riaz Ahmad Saqib Gohar & Co, M/s. UHY Hassan Naeem & Co., and M/s. Naveed Zafar Ashfaq Jaffery & Co. could not score the minimum qualifying marks hence declared technically disqualified. The technical scores of all five firms out of 100 marks are given as under whereas total qualifying marks were 70.

Sr. No.	Name of Firm	Technical Score out of 100 Marks	Status of Firm Qualified/Disqualified
01	M/s. A.F Ferguson & Co.	73.77	Technically Qualified
02	M/s. KPMG Taseer Hadi & Co.	73.20	Technically Qualified
03	M/s. Riaz Ahmad Saqib Gohar & Co.	63.11	Disqualified
04	M/s. UHY Hassan Naeem & Co.	42.90	Disqualified
05	M/s. Naveed Zafar Ashfaq Jaffery & Co.	54.94	Disqualified

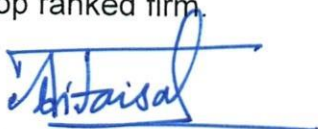
**Minutes:**

The CSC opened the sealed financial proposals of technically qualified firms after 10 Business Days from the date of notification of the results of Technical Evaluation on the website of PIU and PPRA, under QCBS method as defined in the World Bank's Procurement Regulations.

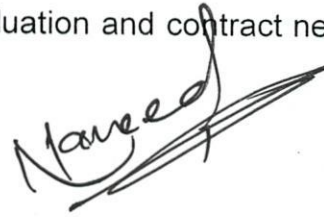
Before opening of sealed financial proposals, the names of technically qualified firms and their technical scores were read aloud. Afterwards, the sealed financial proposals were opened by the CSC in the presence of representative of A.F Ferguson and M/s. KPMG Taseer Hadi & Co. and readout their quoted prices (inclusive of all taxes), as per detail given below:

Financial Proposal			
Sr.	Consulting Firm	Currency	Offered Price (inclusive of all taxes)
1	M/s. A.F Ferguson & Co.	PKR	115,482,755
2	M/s. KPMG Taseer Hadi & Co.	PKR	147,600,661

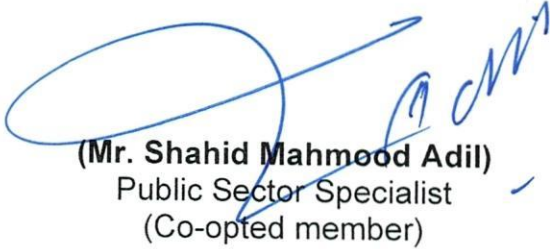
The CSC decided to return the sealed / unopened financial proposals of the technically disqualified firms after completing the selection process and contract signing. The CSC further decided to proceed with financial/combined evaluation and contract negotiation with the selected/top ranked firm.



**(Mr. Ali Faisal)**  
Procurement Specialist, PSU



**(Mr. Naveed Iqbal)**  
Assistant Chief P&D Board



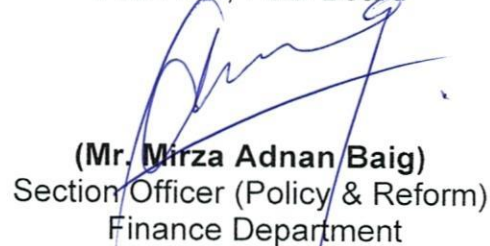
**(Mr. Shahid Mahmood Adil)**  
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**(Mr. Mirza Adnan Baig)**  
Section Officer (Policy & Reform)  
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**(Mr. Ali Jalal)**  
Program Director, PIU/PSU  
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**LIST OF PARTICIPANTS**

1. Mr. Ali Jalal, Program Director, PIU, P&DB
2. Mr. Shahid Mahmood Adil, Public Sector Specialist, PSU, P&DB
3. Mr. Ali Faisal, Procurement Specialist, PSU, P&DB
4. Mr. M. Hafeez Aziz, Financial Management Specialist, PIU,P&DB
5. Mr. Naveed Iqbal, Assistant Chief (Consultancies), P&D Board
6. Mr. Mirza Adnan Baig, Section Officer, P&R, Finance Department
7. Mr. Zia Ullah Khan, Superintendent, P&D, Finance Department



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