



REQUEST FOR PROPOSAL (RFP)

Appointment of Tax Advisors



LAHORE KNOWLEDGE PARK COMPANY (LKPC)
GOVERNMENT OF PUNJAB
15-Abubakar Block, New Garden Town, Lahore

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Letter No: _____

Date: _____

To

SUBJECT: LETTER OF INVITATION

1. Lahore Knowledge Park Company (LKPC) is a Public Sector Large-scale Organization duly registered with the SECP under Section 42 (not-for-profit) of the Companies Ordinance 1984 through the Higher Education Department, Government of the Punjab, Pakistan.
2. LKPC invites sealed proposals from the Chartered Accountant Firms to “**Act as Tax Advisors**” for the tax year 2022 and onward for next 2 years for the Company with the approval of Competent Authority of LKPC on satisfactory performance of the Advisors. More information about the eligibility criteria & services are provided in the Terms of Reference annexed with the RFP documents. Interested bidders should provide information indicating that they are qualified to perform the services on the prescribed forms given in the RFP documents.
3. The RFP includes the following documents:
 - Letter of Invitation
 - Instructions to Chartered Accountant Firms
 - Terms of Reference
 - Evaluation Criteria
 - Type of Contract
 - Payment Mode
4. Bidder for conducting Tax services of LKPC shall be engaged via Quality and Cost Based Selection as provided under rule 45 (3) of Punjab Procurement Rules 2014.
5. Two sets of “**Technical Proposal**” and “**Financial Proposal**” on the prescribed forms given in the RFP, separately sealed, signed & stamped, must be delivered to the address given below by no later than March 25, 2021 before 03:00 PM, which will be opened on the same day at 3:30 PM, in the presence of the representatives of the firms who may wish to attend.

Yours sincerely,

Manager Admin & Procurement

Lahore Knowledge Park Company

15-Abubakar Block, New Garden Town, Lahore.

Phone: +92 (42) 99075000

Instructions to Chartered Accountant Firms

General Provisions:

- a) Company Detail and Profile showing experience in similar field.
- b) Copy of registration with ICAP.
- c) Certificate of Registration with Lahore Tax Bar Association.
- d) Copy of certificate with regard to QCR Rating of ICAP.
- e) Copy of NTN certificate.
- f) Copy of PRA certificate.
- g) Partnership registration certificate with registrar of firms.

Special Provisions:

1. Evidence of number of partners working in the Chartered Accountant Firm (names & addresses etc. of partners).
2. Evidence of number of qualified chartered accountants hired by the firm (Provide list)
3. Evidence of Tax services clients within government sector (Relevant evidence)
4. Evidence of Tax services clients of construction sector (Relevant evidence)
5. Audited financial statements of the firm for latest financial year.
6. Profile of Staff Deployed including their qualification & experience.
7. Names and addresses of offices in Pakistan (in Lahore, Karachi & Islamabad) including key contact person in those offices.
8. Proposals should be addressed to the **Manager (Admin and Procurement), LKPC, 15-Abubakar Block, New Garden Town, Lahore.**
9. Affidavit on Rs.100/- stamp paper to the effect that the firm is not blacklisted and has no dispute with any Government Organization shall be furnished.
10. All the pages of Bidding documents and in case having any Erasing/ cutting/ crossing or over writing etc., therein, must be properly signed by the signing person of the bidder by the authorized signatory, who have been given power of attorney on company letter head (be enclosed with bidding documents, if any), along with attested copy of his CNIC.
11. Offer shall not be considered if received after the time and date fixed for its receipt.

THE BIDDING PROCESS

Bids will be selected in accordance with the Rule 38 (2) (a) of Punjab Procurement Rules (PPRA)-2014, as a Single Stage – Two Envelope Bidding Procedure. The bidding process will be as under:

1. The bid shall be a single package consisting of two separate envelopes containing separately the financial and the technical proposals;
2. The envelopes shall be marked as “TECHNICAL PROPOSAL” and “FINANCIAL PROPOSAL” in bold and legible letters.
3. The envelope No.1 should contain the complete Technical Bid and undertaking for technical proposal submission. Annex-B and the envelope No. 2 will contain only the financial bid.
4. Both the above mentioned envelopes should be put in one large envelope, super scribed “This envelope contains two duly sealed envelopes containing Tender Document and the Price Bid for providing Tax Advisory Services – in two separate duly sealed envelopes clearly marked so”.
5. The bidder must quote his price as per format Annex-C. The **rate(s)** quoted should be **inclusive of all kind of taxes** and must be quoted in figure as well as in words. Out of pocket expenses for the assignment shall be quoted separately.
6. In the first stage, only the envelope marked “TECHNICAL PROPOSAL” shall be opened and the envelope marked as “FINANCIAL PROPOSAL” shall be retained without being opened;
7. The technical proposals of all the bidders shall be evaluated. The proposals which meet all the technical eligibility criteria laid down in this document shall be accepted for the second stage.
8. During technical evaluation no amendments in the technical proposal shall be permitted.
9. The financial proposals of selected bidders shall be opened publicly at a time, date and venue announced and communicated to the bidders in advance. The financial proposals of the rejected bidders shall be returned un-opened.
10. Both the proposals will be evaluated according to the evaluation criteria and the bidder scoring highest points shall be declared as successful and a written Contract Offer will be made to the successful bidder after a minimum of 10 working days of the opening of financial proposals.
11. The service provider will also sign an undertaking with the LKPC in which the completion of work will be ensured as per Annex-A.

Terms of Reference

1. Company Background:

The Lahore Knowledge Park Company (LKPC) was established in 2014 as a (not-for-profit), large-scale public sector organization, registered under Section 42 of the Companies Ordinance 1984. A company owned by the Government of the Punjab (GoPb), LKPC is tasked with undertaking the planning and development of Knowledge & Growth Parks in the Punjab. Its flagship project is the Lahore Knowledge Park (LKP) – the nation’s first Technopolis, to make the Punjab in particular and, Pakistan in general, into South Asia’s future nodal point for the Global Knowledge Economy.

2. Tax Services:

2.1 Scope:

2.1.1 Exemption

- 2.1.1.1 Every approval/ renewal of exemption with Punjab Revenue Authority
- 2.1.1.2 Every approval/ renewal of licenses with Punjab Revenue Authority
- 2.1.1.3 Every approval/ renewal of approved Gratuity Fund
- 2.1.1.4 Every renewal of License u/s 100C
- 2.1.1.5 Every renewal u/s 2(36) for 100C
- 2.1.1.6 Every approval/ renewal of exemption with Federal Board of Revenue
- 2.1.1.7 Every approval/ renewal of licenses with Federal Board of Revenue

2.1.2 Advisory & Tax Planning

- 2.1.2.1 Taxation advisory with respect to various procurements and different construction projects being executed by LKPC. (Retainer-ship)
- 2.1.2.2 Advice on routine tax compliance (withholding taxes on various agreements, contracts, transactions etc.) including generation of payments ‘challans’ and other documents under Income Tax Ordinance and Sales Tax Acts (Federal and Provincial). (Retainer-ship)
- 2.1.2.3 Points 2.1.2.1 & 2.1.2.2 above would include interpretation of law and impact on the Company and its transactions in light of the same. (Retainer-ship).
- 2.1.2.4 Advise on applicability of other Federal and Provincial tax laws such as Federal Excise Duty, customs duty etc. (Retainer-ship)
- 2.1.2.5 Advise on social security and EOBI matters. (Retainer-ship)

2.1.3 Compliance

- 2.1.3.1 To advise LKPC in maintaining relevant tax records including reviewing and ensuring their accuracy. This would include review of tax computations, as required by the Company before filing, and making adjustments, where applicable. (Retainer-ship)
- 2.1.3.2 Preparation and filing of monthly & annual withholding statements under the Income Tax Ordinance and relevant Sales Tax Acts (Federal and Provincial), (if required). (Retainer-ship)

- 2.1.3.3 Preparation and filing of annual income tax return of LKPC under the Income Tax Ordinance. (Fixed)
- 2.1.3.4 Preparation and filing of monthly & annual sales tax return under Sales Tax Acts (Federal and Provincial), (if required). (Retainer-ship)
- 2.1.3.5 Compliance with notices received from tax authorities (Federal and Provincial) including preparation and presentation of replies to these notices. (Retainer-ship)
- 2.1.3.6 Ensure timely availability of engagement partner for guidance/opinion on the basis of Company's requirements and whenever there is any change in the applicable taxation laws. (Retainer-ship)

2.1.4 Appeals and Procedures

- 2.1.4.1 Preparation of appeal and presentation before Commissioner Appeals under the Income Tax and Sales Tax (Federal and Provincial), where required. (Fixed)
- 2.1.4.2 Preparation of appeal and presentation before Appellate Tribunal under the Income Tax and Sales Tax (Federal and Provincial), where required. (Fixed)
- 2.1.4.3 Preparation and filing of stay application before relevant appellate forums under the Income Tax Ordinance and Sales Tax Acts (Federal and Provincial) or other relevant laws and regulations and getting the stay order, where required. (Fixed)
- 2.1.4.4 Preparation and filing of rectification application under the Income Tax Ordinance, Sales Tax Acts (Federal and Provincial) and other relevant laws and regulations, where required. (Fixed)

2.1.5 Tax Audit

Assisting in resolving/complying with tax audit matters under the Income Tax Ordinance and Sales Tax Acts (Federal and Provincial). (Fixed)

2.1.6 Other

- 2.1.6.1 Advise on applicability of and compliance with tax provisions under any relevant Tax Law (Federal and Provincial) prevailing in Pakistan. (Retainer-ship)
- 2.1.6.2 Any other matters relating to taxation as required by the Company. (Retainer-ship)
- 2.1.6.3 Business model reviews- (Fixed on the basis of time utilization)

NOTE: The tax consultancy firm shall ensure that all services conform to the standards for professional services. All the advice and opinions on specific matters will be required in writing on the firm's letterhead and/or official email, where applicable. Representatives of tax consultancy firm may have to work at LKPC premises when required.

2.2 Deliverables:

Deliverables of the tax consultancy firm will be determined in accordance with the terms of reference defined in Section-3 of the RFP document. These would include:

- 2.2.1 Approvals/Exemption certificate issued by tax authorities (FBR, PRA etc)
- 2.2.2 Tax advisory in respect of LKPC's taxation including taxability of its revenue/profits, exemption available, withholding tax mechanism to be followed and compliance with all the taxation laws in Pakistan. Opinion in respect of the foregoing would be required in writing.

- 2.2.3 Tax advisory in respect of each project executed by LKPC. Opinion of the firm would be required in writing on taxability of these projects under all applicable tax laws in Pakistan. This would include a holistic view of applicable taxes on the project, exemption available, withholding tax mechanism and compliance with all the taxation laws in Pakistan.
- 2.2.4 Instructions to staff members of LKPC, in writing, for ensuring compliance with all the applicable taxation laws of Pakistan in relation to LKPC.
- 2.2.5 Preparation and filing of withholding statements under the relevant tax laws.
- 2.2.6 Preparation and filing of tax returns under the relevant tax laws.
- 2.2.7 Reply of valid notices from tax authorities, in writing, for LKPC.
- 2.2.8 Preparation and filing of appeals before appellate forums and getting favorable results for LKPC in form of order/judgments.
- 2.2.9 Stay order in favor of LKPC, where required.
- 2.2.10 Clarification and resolution of tax audit observations through an order of the relevant authority.
- 2.2.11 Rectification order in favor of LKPC, where required.
- 2.2.12 Any other deliverable, in writing, which is required to comply with terms of reference or any tax law applicable in Pakistan.

3. Tenure of Tax Services:

- Tax Advisors will be appointed initially for Tax Year 2022 but can be continue on satisfactory performance for another Two (2) years on Annual Basis with the approval of Competent Authority (LKPC). If the Company chooses to cancel the contract during the course of the year, a notice period of one month will apply.
- The tax consultancy firm will assist the Company in tax planning and ensuring compliance under the relevant tax laws. The scope of work includes the below mentioned services. If any additional service is regarded as imperative by the tax consultancy firm, the same shall be offered and clearly defined.

4. Covering Letters:

Covering letter (if any) must be addressed to Manager Admin & Procurement, LKPC, 15-Abubakar Block, New Garden Town, Lahore.

5. Queries:

For any queries or additional information, please contact Mr. Abdul Khalil, Chief Financial Officer, LKPC on (042) 99075000 (Ext: 106) & Email; khalil@lkpc.com.pk

Evaluation Criteria

The Company will use “**Quality and Cost Based Selection Method**” under “**Single Stage Two Envelope Methods**” of selection of Tax Advisors under Punjab Procurement Rules, 2014. Criteria for Technical and Financial Evaluation are enclosed. Scores will be allocated based on evidence available in the proposal only. The assignment for tax services will be awarded to the firm with the **highest total score** based on the following weight ratios:

- **80%** for Technical Score
- **20%** for Financial Score

Technical and Financial Evaluation

(A) Initial Screening

The following documents/ certificates are the pre-requisite and may be used for initial screening. The chartered accountant firm will go in the next stage if it fulfills all the requirement of initial screening which are as under:

1. Profile of the Firm, including
2. Name, title, phone numbers, fax number and email of authorized representative.
3. Number of offices in Pakistan
4. Registration certificate of Institute of Chartered Accounts of Pakistan (ICAP).
5. Valid NTN & PNTN number.
6. Partnership registration certificate with registrar of firms.
7. Number of Partners and Audit staff in the firm.
8. Number of ICAP qualified Chartered Accountants employed by the firm in Pakistan
9. Declaration on stamp paper that the firm has never been blacklisted by any Government department/authority/agency/company.
10. Annual financial statements of the firm for the latest financial years.
11. Experience of Govt. / Semi Govt. Organization Tax Services.
12. Copy of certificate with regard to QCR Rating of ICAP.
13. Other documents as required in the proposal for evaluation purposes.

(B) Technical Evaluation:

The Firms are technically evaluated as per their experience, financial capability, approach and methodology, quality management and staff proposed. Firms will be evaluated as per following criteria:

1. Number of Partners
2. Number of ICAP qualified Chartered Accountants employed by the firm in Pakistan
3. Number of Tax Partners in Lahore Office
4. Number of Audit & Tax Staff
5. Experience of Govt. / Semi Govt. Organization Tax Services
6. Years of experience of tax engagement partner
7. Financial Strength
8. Construction Sector Tax Experience.

Minimum score for competing in the next stage is **65%**. The Financial Proposal of only that Chartered Accountant Firm will be opened which secured **65% or more** in the Technical Evaluation.

1. Number of Partners	Total Marks	Range of Partners	Marks
At least 02 (Attach list of partners)	10	02	5
		03 & above	10
2. Number of Qualified Chartered Accountants Employed by Firm in Pakistan	Total Marks	Range of Qualified Chartered Accountants	Marks
At least 03 (attach list)	10	03	5
		04 & above	10
3. Number of Tax Partners in Lahore Office	Total Marks	Range	Marks
At least 1	10	01	10
4. Number of Audit & Tax Staff	Total Marks	Range of Staff	Marks
At least 20 Staff (attach list of Staff)	10	20	5
		21 & above	10
5. Govt. / Semi Govt. Experience	Total Marks	No. of Organizations	Marks
Experience of at least 2 Govt. / Semi Govt. Organization's Tax Services having assets of 2 billion or more (Singularly) in last 5 years (attach list)	20	02	10
		03 – 05	15
		06 & above	20
6. Years of experience of tax engagement partner	Total Marks	No. of Years	Marks
At least 15 years (attach membership certificate)	10	15	5
		16 – 18	7
		19 & above	10
7. Financial Strength	Total Marks	Revenue	Marks
Revenue (as per latest audited accounts)	10	Up to 25 Million	4
		26 - 50 Million	7
		51 Million & above	10
8. Construction Sector Tax Experience	Total Marks	No of Organizations	Marks
Experience of providing tax services to at least 2 construction related companies having at least 1 billion of total assets in last 5 years (attach list)	20	02	10
		03-10	15
		11 & above	20
Total	100		

(C) Financial Evaluation:

Financial Proposals of only Technically Qualified Firm will be opened. The Firm getting maximum marks on 80-20 weight age (80% for Technical and 20% for Financial) will be selected.

Max 20 Points:

The formula for determining the Financial Score is the following:

$$\mathbf{Sf} = 100 \times \mathbf{Fm} / \mathbf{F}$$

Where, **Sf** is the Financial Score; **Fm** is the Lowest Price and **F** the Price of the Proposal under consideration.

The weights given to the Technical (T) and Financial Proposals (F) are:

$$\mathbf{T} = 0.80 \text{ and } \mathbf{F} = 0.20$$

Type of Contract

The Company (LKPC) will enter into a lump sum contract with the successful bidder. The duration of the Contract is as follows

- a. For tax advisory it will be for tax year 2022.
- b. Further it would be extendable for another 2 years subject to satisfactory performance of the firm for tax services.

Payment Mode

The Company undertakes to pay valid invoice in full within Forty-Five (45) days from the providing of invoice as per agreed deliverable.

CERTIFICATE

1. Proposal duly signed must be furnished along with the following certificate: -
 - i. I/We hereby confirm to have read carefully all the terms & conditions of your Request for Proposal, due for opening on March 25, 2021 for provision of Tax Services of LKPC for Tax year 2022. In addition to the conditions we also agree to abide by all the special instructions mentioned in tender document. We also hereby categorically confirm that we are fully capable to provide services of tax advisors as laid down in the terms of reference.

Signature: _____

Name & Address of Tenderer _____

Designation & ID Card No. _____

NTN _____ PRA Reg No. _____

Date: _____ Official Seal: _____

I. WITNESS

Signature: _____

Designation & ID Card No. _____

II. WITNESS

Signature: _____

Designation & ID Card No. _____

Technical Proposal Submission Form

To
Manager Admin & Procurement,
Lahore Knowledge Park Company,
Lahore.

Dear Sir,

We, the undersigned, offer to provide the **Tax Services** in accordance with your Request for Proposal dated _____ we are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope¹.

Attached to this proposal/bid are copies of original documents specifying:

- a. Profile of the Firm, including
- b. Name, title, phone numbers, fax number and email of authorized representative.
- c. Number of offices in Pakistan
- d. Registration certificate of Institute of Chartered Accounts of Pakistan (ICAP).
- e. Valid NTN & PNTN number.
- f. Partnership registration certificate with registrar of firms.
- g. Number of Partners and Audit staff in the firm.
- h. Number of ICAP qualified Chartered Accountants employed by the firm in Pakistan
- i. Declaration on stamp paper that the firm has never been blacklisted by any Government department/authority/agency/company.
- j. Annual financial statements of the firm for the latest financial years.
- k. Experience of Govt. / Semi Govt. Organization Tax Services.
- l. Copy of certificate with regard to QCR Rating of ICAP.
- m. Other documents as required in the proposal for evaluation purposes

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification. The client and its authorized representatives are hereby authorized to conduct any inquiries or investigations to verify the statements, documents and information submitted in connection with this application, and to seek clarification from our bankers and clients regarding any financial and technical aspects. The letter of application will also serve as authorization to any individual or authorized representative of any institution referred to in the supporting information, to provide such information as deemed necessary and requested by the client or its authorized representative in order to verify statements and information provided in this application, or with regard to the resources, experience, and competence of the firm.

If negotiations are held during the period of validity of the Proposal, i.e. we undertake to negotiate on the basis of the proposed staff/facilities. Our Proposal is binding upon us and subject to the modifications resulting from Agreement negotiations.

We undertake, if our Proposal is accepted, to initiate the required services not later than the date indicated in RFP.

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

Yours sincerely,

Authorized Signature: _____

Name and Title of Signatory: _____

Name of Firm: _____

Address: _____

BID PROFORMA

PARTICULARS	AMOUNT (PKR)
1. Retainer-ship fee for tax services (Monthly)	
1.1. Taxation advisory with respect to various procurements and different construction projects being executed by LKPC;	<hr/>
1.2. Advise on routine tax compliance (withholding taxes on various agreements, contracts, transactions etc.) including generation of payments ‘challans’ and other documents under Income Tax Ordinance and Sales Tax Acts (Federal and Provincial);	
1.3. Points (1.1) and (1.2) above would include interpretation of law and impact on the Company and its transactions in light of the same;	
1.4. Advise on applicability of other Federal and Provincial tax laws such as Federal Excise Duty, customs duty etc;	
1.5. Advise on social security and EOBI matters;	
1.6. To advise LKPC in maintaining relevant tax records including reviewing and ensuring their accuracy. This would include review of tax computations, as required by the Company before filing, and making adjustments, where applicable;	
1.7. Preparation and filing of monthly & annual withholding statements under the Income Tax Ordinance and relevant Sales Tax Acts (Federal and Provincial), (if required);	
1.8. Preparation and filing of monthly & annual sales tax statements under Sales Tax Acts (Federal and Provincial), (if required);	
1.9. Compliance with notices received from tax authorities (Federal and Provincial) including preparation and presentation of replies to these notices;	
1.10. Ensure timely availability of engagement partner for guidance/opinion on the basis of Company’s requirements and whenever there is any change in the applicable taxation laws;	
1.11. Advise on applicability of and compliance with tax provisions under any relevant Tax Law (Federal and Provincial) prevailing in Pakistan;	
1.12. Any other matters relating to taxation as required by the Company;	
2. Occasional service fee for tax services (Need based)	
2.1. Every renewal of License u/s 100C	<hr/>
2.2. Every renewal u/s 2(36) for 100C	<hr/>
2.3. Every approval/ renewal of License under Federal Board of Revenue	<hr/>
2.4. Every approval/ renewal of exemption with Federal Board of Revenue	<hr/>
2.5. Every approval/ renewal of License under Punjab Revenue Authority	<hr/>
2.6. Every approval/ renewal of exemption with Punjab Revenue Authority.	<hr/>

- 2.7. Preparation and filing of annual income tax return of LKPC under the Income Tax Ordinance _____
 - 2.8. Preparation of appeal and presentation before Commissioner appeals under the Income Tax and Sales Tax (Federal and Provincial) _____
 - 2.9. Preparation of appeal and presentation before Appellate Tribunal under the Income Tax and Sales Tax (Federal and Provincial) _____
 - 2.10. Preparation and filing of rectification application under the Income Tax Ordinance, Sales Tax Acts (Federal and Provincial) and other relevant laws and regulations _____
 - 2.11. Assisting in resolving/complying with tax audit matters under the Income Tax Ordinance and Sales Tax Acts _____
 - 2.12. Business model reviews _____
 - 2.13. Every Approval/ renewal of approved Gratuity Fund _____
- Total Occasional service fee for tax services (Need based)** _____

* **Accumulated Quoted Bid Price (inclusive of all taxes) Rs.** _____
 * **Accumulated Quoted Bid Price in Words (inclusive of all taxes)** _____
 [Retainer-ship (Monthly) + Total Occasional service fee for tax services (Need based)]

Note:

1. Estimated cost must be inclusive of all kind of taxes and quoted in figure as well as in words.
2. Accumulated quoted bid price shall be the grand total of both point (1+2) [Retainer-ship Fee (Monthly) + Total Occasional service fee for tax services (Need based)]
3. The Bid Evaluation will be made on the basis of Accumulated Quoted Bid Price inclusive of all taxes. *

Signature of the Bidder with seal

Address: _____
