



INDIAN RARE EARTHS LIMITED

TENDER NO. IRE/HO/EMP/Cost Audit/2014-15/23

Request for proposal (RFP) for Appointment of Cost Auditor for 2014-15.

Indian Rare Earths Ltd. (IREL), Head Office, Mumbai invites sealed RFP in two parts i.e.

PART – A for TECHNICAL CUM COMMERCIAL BID and

PART – B for PRICE BID

for appointment of practicing Cost Accountants/ Practicing Cost accounting firms as Cost auditor of IREL for the year 2014-15 .

1.	Office of issue	GM(Resources), M/s.IREL, HO, Mumbai
2.	Tender No	IRE/HO/EMP/Cost audit/2014-15/23
3.	Last date & Time of receipt of Tender	21/05/2014 at 15:00 Hrs.
4.	Due date & time of opening of tender	21/05/2014 at 15:30 Hrs.
5.	Validity of Offer	60 days from the date of opening of the price bid.

Interested parties may download the tender document containing all details from websites: <http://irel.gov.in> or <http://tenders.gov.in>. Any corrigendum/extension to above shall be hosted in above websites only.

For Indian Rare Earths Ltd.

General Manager (Resources)

TABLE OF CONTENTS

Clause	Title	Page No
A	Preamble	3
B	Pre-qualification(PQ) Criteria	
C	Information to be given by the Bidder	4
D	Preparation & Submission of Bid	5
E	Bid Opening & Evaluation	6
F	Scope of the work	
G	Reporting Format	
H	Audit Calendar	
I	Deliverables	
J	General Terms & Conditions of Contract	6 & 7
K	Other Terms & Conditions	7
L	Force Majeure	8
M	Arbitration and Legal Jurisdiction	
N	Failure & Termination	
O	Deviation Statement	
P	Ethics in tendering & other business dealings	9
Q	Undertaking	10
R	Price bid format	11

A. PREAMBLE

Indian Rare Earths Limited, a Mini Ratna-I company, is a Govt. of India Undertaking under the Department of Atomic Energy & its Head Office is situated at Prabhadevi, Mumbai (Maharashtra) and is operating beach sand mining and mineral separation plants at Chavara (Kerala), Manavalakurichi (Tamil Nadu) & Orissa Sands Complex (OSCOM), Chatrapur (Odisha), with installed capacity to produce 510,000 tons per annum Ilmenite and associated minerals such as Rutile, Leucoxene, Zircon, Silimanite, Garnet, etc. IREL also has its chemical unit at Rare Earths Division (RED) Aluva, Kerala which is associated with production of Rare Earth Compounds. Further, IREL has its Corporate Research Centre at Kollam (IRERC), Kerala. IREL also would be commissioning a plant at OSCOM for production of Rare Earths Chloride and other associated chemicals.

IREL is desirous of appointing practicing Cost Accountants/ Practicing Cost accounting firms (hereinafter referred as "Bidder ") as Cost auditor of IREL for the year 2014-15.

B. PRE-QUALIFICATION (PQ) CRITERIA

Firm possessing the following pre qualification criteria may submit the documentary evidences in support of the same in a sealed envelope with superscription "Appointment of Cost Auditors":

Sl. No.	Pre qualification criteria	Documents required (Self Attested)
1	The bidder should be in the cost accounting practice for at least 3 years as on 31/03/2014.	Copy of Firm Registration Certificate (FRC) issued by The Institute of Cost Accountants of India (ICAI).
2	Bidder should have conducted cost audit of a company having turnover in excess of Rs 50 crore – At least one such audit during 2012-13	Copy of appointment order received from clients in this regard along with self certificate towards conducting the same.
3	Bidder should have conducted cost audit of a company having multiple operational units – At least one such audit during 2012-13	Copy of appointment order received from clients in this regard along with self certificate towards conducting the same.
4	Bidder should have conducted cost audit of a company having multiple products – At least one such audit during 2012-13	Copy of appointment order received from clients in this regard along with self certificate towards conducting the same.
5	Maximum number of cost audit to be undertaken for 2014-15 should be within the statutory limit	Self certificate
6	Bidder should be free from the disqualification as specified under the Act	Self Certificate

Bids not fulfilling above PQ criteria and/or not submitting documents in support thereof , shall summarily be liable for rejection.

C. INFORMATION TO BE GIVEN BY THE BIDDER

- a. Name of the Bidder :
- b. Name of the Partners, if applicable :
- c. Address of the bidder :

- Telephone No. : Office :
- Mobile :
- FAX :
- E-mail ID :
- d. Registration particulars of **the** bidder
& Date of Formation :
- e. Name/Designation/Address of the Authorized
Signatory for signing the bid holding the Power
of Attorney(if any) :
- f. Permanent Account Number (PAN) :
- g. Service tax Registration details :
- h. Details of Experience (In brief) :
- i. Details of professional Personnel/working staff :

Certified that the information given above is true and if any information is found to be false or misleading the bid /contract shall be liable to be cancelled.

Name :

Signature :

(Capacity in which signed)

Signature of the bidder

D. PREPARATION & SUBMISSION OF BID

- i. The bid prepared by the bidder shall comprise the following components:
 - I. **Part –A Technical cum Commercial bid**, which shall contain (clause A to Q)
 - II. **Part-B Price bid**, which shall contain the Price schedule, as per the format (clause R). Price bid which is not as per the enclosed format shall be rejected.
- ii. The bidder shall prepare separate envelopes for **Part-A Technical cum Commercial Bid and Part-B Price bid** with clear marking of the same on the top of each envelope and shall also seal both the envelopes with wax or PVC tape. The two bids will further be sealed in an outer (Main) envelope with wax or PVC tape.
- iii. The bidder shall fill in the particulars given in clause C (Information to be given by bidder) and the same shall be furnished along with the copies of self attested relevant documents as mentioned in clause B (Pre-qualification Criteria) in support of the PQ criteria. The Bid forms with undertaking, deviation statement, audit Calendar, scope of the work & reporting format shall be duly signed in all pages as a token of acceptance of the bid documents by the Bidder. All the above documents other than price bid will be sealed in one separate envelope with clear marking of **Part-A Technical cum Commercial Bid** on the top of such envelope. If all the pages of the tender are not signed by the bidder, it shall be rejected. The bidder shall fill in the particulars given in clause R (price bid) and the same will be sealed in another separate envelope with clear marking of **Part-B PRICE Bid** on the top of such envelope. Both the envelopes shall be sealed in the third envelope (main envelope).
- iv. The sealed main envelope shall:
 - (a) Be addressed to IREL on the following address:
GM(Resources), Indian Rare Earths Ltd., Plot No. 1207, Veer Savarkar Marg, Near Siddhi Vinayak Temple, Prabhadevi, Mumbai - 400 028.
 - (b) Bear the tender number and due date of opening of the tender.
- v. The sealed main envelope may also be dropped in the Tender Box at IREL, Plot No. 1207, Veer Savarkar Marg, Near Siddhi Vinayak Temple, Prabhadevi, Mumbai - 400 028.
In case said envelope cannot be inserted in the tender box, the envelope duly sealed may be delivered to the office of GM (Resources), Mumbai. The responsibility for ensuring that tenders are delivered in time would vest with the bidder.
- vi. IREL shall not be responsible if the bids are delivered elsewhere. If envelope is not sealed and/or superscribed as mentioned above, IREL shall not accept the bid.
- vii. Any bid received by IREL after the prescribed deadline for submission of bids, shall be rejected.

E. BID OPENING AND EVALUATION

IREL shall open the bids in the presence of bidder/s or his authorized Representatives, who choose to attend at 15:30 Hrs on the due date. The bidders' representatives, who will be present; shall sign in the attendance register, authority letter to this effect shall be submitted by the bidder before they are allowed to participate in bid opening. If the last date stipulated for receipt of bids and/or for their opening happens to be a Holiday / unscheduled closure, it shall be deemed to fall on next working day at the same time.

All the bids shall be evaluated based on the term & conditions of this tender to shortlist the qualified bidders. Bids shall be evaluated in two phases. First, technical cum commercial bid evaluation shall be done. Only those bidders, who shall qualify the technical cum commercial bid evaluation, shall be considered for opening of price bid. The opening of the price bid will be intimated to the respective bidders in due course and will be allowed to participate/attend at the time of price bid opening.

IREL shall consider placement of order on the qualified bidder, whose offer is lowest.

F. SCOPE OF WORK

Scope of work shall include carrying out the cost audit of all the units of IREL and submission of cost audit report to the management and fulfill the compliance parameters as per the applicable statutes.

G. REPORTING FORMAT

Reporting Format is as specified under the applicable act

H. AUDIT CALENDAR

Audit Calendar for carryout the audit shall be prepared by the successful bidder after receipt of order and submitted to the management for consideration.

I. DELIVERABLES

The successful bidder has to conduct the audit as per the scope of work as mentioned under clause "F - Scope of work" and submit the Audit Report in the format mentioned under clause "G - Reporting Format" and other Reports as per Audit calendar as mentioned under clause "H - Audit Calendar".

J. GENERAL TERMS & CONDITIONS OF CONTRACT

i. PAYMENT TERMS:

Payment for the audit work shall be released after submission of cost audit report and ensuring compliance under the applicable act.

ii. VALIDITY OF OFFERS/PRICE:

Bidders have to quote the prices strictly as per the Price Bid format (Clause R). The offered price should be valid for a period of 60 days from the date of opening of price bid. Prices quoted by the bidders shall remain firm and valid during the contract period or till complete execution of the contract. However Statutory Levies/Taxes as applicable on the date of actual render of services will be considered on submission of invoice.

iii. PERIOD OF CONTRACT:

The Period of contract shall be for the financial year 2014-15 (for one year). IREL reserves the right to extend the contract on same terms and conditions for the next two financial years (2015-16 & 2016-17) subject to certain need based changes in the audit scope/reporting format/audit calendar etc adhering to applicable statutory stipulation in this regard

iv. RIGHT TO ACCEPT ANY BID AND TO REJECT ANY OR ALL BIDS:

IREL reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids, at any time prior to award of contract without assigning any reason whatsoever and without thereby incurring any liability to the affected bidder or bidders on the grounds for the IREL's action.

v. RELATED PARTY:

Related parties should not quote for the tender separately. If it is noticed that related parties submitted separate quotation, the same shall be liable to be rejected. Parties are considered to be related if one or more partner is common.

vi. INCOME TAX

Income tax shall be deducted at source as applicable.

vii. SERVICE TAX

Service tax shall be paid only to those bidders who have service tax registration for the said job and having billed on IREL in terms of guidelines stipulated in the service tax rules.

K. OTHER TERMS AND CONDITIONS

- i. Successful bidder shall depute sufficient number of competent staff for audit work at his/her own cost.
- ii. Successful bidder shall submit draft audit report to the In-charge of finance department at HO and the final report along with the views of the In-charge of finance department at HO shall be forwarded to Director (Finance) with copy to In-charge of finance department at HO.
- iii. The audit staff may be advised to observe all safety precautions as applicable to the department in which the work is carried out.
- iv. The Company shall not be responsible for any accident caused to your personnel due to their negligence.
- v. Every effort shall be made to complete the audit work strictly as per the audit calendar.
- vi. Successful bidder shall be in constant touch with the in-charge of Finance department at HO.
- vii. Information made available during the course of audit shall be used only for bonafide work relating to audit of the company and not for any other purpose. Successful bidder shall not divulge the information made available by the Company or otherwise acquired during the course of audit to any other agency.
- viii. As a result of study and other auditing procedures, the Successful bidder should inform the management regarding weakness in internal control if any.

- ix. Successful bidder, if required, can make a visit to all the plants for the purpose of conducting cost audit for which necessary travelling, boarding and lodging and out of pocket expenses shall be quoted in the appropriate column of the price bid. Any other form of quoting other than the specific quote against each item of price bid will lead to rejection of offer.

L. FORCE MAJEURE:

If at any time during the currency (tenure) of the tender, it is not possible to execute any portion of the work stipulated in the order, due to reasons beyond the control of either IREL or the bidder, on account of emergency declared by government, reasons of go slow, strike or lockout at our / the bidder's office, war, civil commotion, earthquake, fire, storm, flood, acts of God, acts of any government, sabotage, riot, police action, revolution, unforeseen circumstance or other hindrance beyond one's control, there shall be no liability on the part of the defaulting party for consequential losses.

M. ARBITRATION AND LEGAL JURISDICTION

All disputes or differences whatsoever arising between IREL and bidders out of or relating to the construction, meaning and operation or effect of this tender shall be settled by the sole Arbitrator appointed by the Chairman & Managing Director of IREL and the award of such arbitrator shall be final and conclusive and binding. No objection shall be raised on the ground that the arbitrator so appointed is an employee of IREL. The seat of arbitration will be at Mumbai and only the appropriate court coming under the High Court of Mumbai will have jurisdiction to entertain all matters of litigation to the exclusion of all other courts.

N. FAILURE AND TERMINATION:

If the bidder fails in the performance of the contract in the manner and within the time fixed or there is likelihood of an anticipatory breach of whole or part of the contract, the Company will have the right to rescind the contract and have it performed through other agencies at the risk and cost of the bidder.

O. DEVIATION STATEMENT

Bidders have to submit the deviation statement as per the following format, if there is no deviation with tender conditions "NIL" statement must be submitted by the bidders.

Clause reference as per tender	Terms as per tender	Terms as offered by bidder

If nothing is mentioned by the bidder on the above table then it shall be deemed that there is no deviation from the tender conditions and the bidder agreed to comply with all the terms and conditions of the tender.

P. ETHICS IN TENDERING & OTHER BUSINESS DEALINGS

Indian Rare Earths Limited a Government of India undertaking under the administrative control of Department of Atomic Energy is doing its business as per the rules and regulation of the Public sector undertaking and other statutory agencies. The business is done in an ethical, rational & impartial manner with good corporate governance.

In our endeavor to be more transparent in our dealings and to support our ideology all vendors, customers and Business Partners are requested not to provide any gift and/or inducement to any of our employees for securing/being granted favour in dealings with our company. In assurance of your commitment to the aforesaid, it will be highly appreciated if you fill up, sign and abide by the undertaking as referred in clause Q.

Report of any gifts and/or inducements sought by any employee of the company should be immediately reported to any one of the following.

Dr. R.N. Patra Chairman & MD Indian Rare Earths Ltd. 1207 VS Marg, Prabhadevi Mumbai - 400 028 Ph: 022 - 24225778	Shri. B.R.Tarafdar, Chief Vigilance Officer Indian Rare Earths Ltd. 1207 VS Marg, Prabhadevi Mumbai - 400 028 Ph. 022 - 24382042 Email: irelcvo@rediffmail.com
Or Sri. V. S. Murthy GM (Resources), HO Indian Rare Earths Limited, 1207 VS Marg, Prabhadevi, Mumbai - 400 028 (Maharashtra), Ph: 022- 24316589, Email: technical-ho@irel.gov.in	

We assure you that complaints if any made by you on the subject will be kept confidential and fair investigation will be conducted and appropriate action will be taken. Similarly, we expect your commitment to the undertaking and its violation will have consequences as per prevailing rule of the company.

For Indian Rare Earths Limited

Sd/-

GM (Resources), HO

Signature of the bidder

Q. UNDERTAKING

Date:

To,

M/s Indian Rare Earths Limited
1207 VS Marg, Prabhadevi
Mumbai - 400 028

I/Weam/are a Vendor/Customer/ service provider of Indian Rare Earths Limited (now on wards to be referred as Company). I/We agree and undertake:

- i) Not to provide any gift and/or inducement to any employee of the Company in connection with securing/being granted favour(s) in my/ our dealings with the Company and its field units namely OSCOM at Orissa, MK unit at Tamilnadu, Chavara, IRERC and RED unit at Kerala.
- ii) To immediately report any gift and/or inducement sought by any employee of the company in exchange of the company and/ or its field Units granting favour(s) to me/ us in my/our dealing with the Company and/ or its field units.

We further declare that no bid has been submitted by any related party as defined under point (v) of clause J of the tender.

Signature:

Name:

Capacity in which signed:

Name of the Firm & Address (With Seal):

R. PRICE BID FORMAT

PRICE SCHEDULE

Cost audit for the year 2014-15

Sl No	Description	Qty	Amount (Rs)
1.	Cost audit fee in respect of all works as specified in Clause F, G and H (Scope of Work, Reporting formats and Audit calendar)	Annual	
2	Travelling expenses, Boarding and Lodging expenses		
3	Out of pocket expenses		
4	Total (1+2+3)		
5	Add: Applicable Service tax		
6	Total (4+5)		
Total in words Rupees			

Signature of the bidder with seal.

Notes:

1. Service tax shall be paid as prevailing rate at actual.
2. Tenders are evaluated based on lowest rates quoted excluding service tax.
3. All the prices shall be indicated in both figures & words. In case there is any discrepancy between figures & words, words shall prevail.
4. There should not be any cutting/overwriting, in case of cutting/overwriting the bid shall be liable to be rejected.
5. In case any column is left blank, the bid shall be rejected.

Signature of the bidder