



HIRING OF FIRM FOR
FINANCIAL AUDIT OF MEDICAL TEACHING
INSTITUTES (MTI'S) IN KHYBER PAKHTUNKHWA
SINGLE STAGE TWO ENVELOPE-PAK ACQUISITION
AND DISPOSAL SYSTEM (E-PAD)

Request for Proposal (RFP)
RFP No..... of 2025

Dated: 31 July, 2025

KHYBER PAKHTUNKHWA HEALTH CARE COMMISSION

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LETTER OR INVITATION.

Subject: REQUEST FOR PROPOSAL FOR SELECTION OF AUDIT FIRM

The Khyber Pakhtunkhwa Health Care Commission invites the bidder to submit the proposal through E-PAD system under KPPRA Rule 2014 Single stage Two envelope producer “technical and financial Proposals” from the interested audit firms/ companies/ AOPs/ JVs to undertake financial audit of the ten selected Medical Teaching Institutes (MTI’s) in the province of Khyber Pakhtunkhwa, for the financial year 2023-24 and 2024-25.

You are, therefore, required to go through the Request for Proposal (RFP) document, which can be downloaded from the official website of the Khyber Pakhtunkhwa Health Care Commission, KPPRA website and E-PAD. You are further required to provide explicit information of the capacity/qualification to perform this assignment considering the instructions detailed in the RFP.

All the bidder must submit their bid on E-PAD System, must be submitted by or before **11:00 AM** on **August 22nd, 2025**. Technical bids on E-PAD System will be opened on **August 22nd at 11:30 AM**.

The Commission reserves the right to accept or reject any or all the bids under the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014.

Director Operations

Khyber Pakhtunkhwa Health Care Commission
Opposite Pak-Turk School, Phase-5
Hayatabad, Peshawar
Tel: +92 91 9217013
Fax: +92 91 9217283
Email: info.hcc@kp.gov.pk

PART-1: INSTRUCTIONS FOR PREPARATION OF PROPOSAL

Background:

The government of Khyber Pakhtunkhwa has granted autonomy to the Government owned Medical Teaching Institutions (MTIs) and their affiliated teaching hospitals in the Province of the Khyber Pakhtunkhwa under the Khyber Pakhtunkhwa Medical Teaching Institutions Reforms Act, 2015. The Act was passed as a mean to improve performance, enhance effectiveness, efficiency and responsiveness for the provision of quality healthcare services to the people of the Khyber Pakhtunkhwa, it also mandates monitoring of performance by the department when deemed necessary. The Act was initially implemented in the Lady Reading Hospital, the Khyber Teaching Hospital, the Hayatabad Medical Complex Peshawar, Mardan Medical Complex Mardan and Ayub Teaching Hospital, Abbottabad which was extended gradually to five other tertiary care hospitals of the province.

The Health Department of Khyber Pakhtunkhwa has commissioned the Health Care Commission Khyber Pakhtunkhwa (KP HCC) to take up the financial Audit for the financial years 2023-24 and 2024-25 of all the Medical Teaching Institutes (MTIs) including the subsidiary hospitals, in the province through a reputed audit firm. KP HCC now requires the shortlisted qualified and experienced audit firms to submit their technical and financial proposals for conducting independent financial audit of the Autonomous teaching hospitals and their subsidiary hospitals if any. The MTI.s to be audited are:

1. **Hayatabad Medical Complex (HMC), Peshawar;**
2. **Lady Reading Hospital (LRH), Peshawar;**
3. **Khyber Teaching Hospital (KTH), Peshawar;**
4. **Peshawar Institute of Cardiology (PIC), Peshawar;**
5. **Qazi Hussain Ahmad Medical Complex (QHAMC), Noshehra;**
6. **Mardan Medical Complex (MMC), Mardan;**
7. **Bacha Khan Medical Complex (BKMC), Swabi;**
8. **Ayub Medical Complex (AMC), Abbottabad;**
9. **Khalifa Gul Nawaz Teaching Hospital (KGNTH), Bannu;**
10. **Mufti Mahmood Memorial Teaching Hospital, DI Khan.**

The financial audit shall be conducted in one phase and should be completed within 120 days of the issuance of work order.

Scope of Work:

The selected audit firm shall:-

- a) Perform auditing procedures upon and conduct an audit of the financial statements of the aforementioned MTI's and their subsidiary/ associated hospitals in accordance with IFRS and the approved auditing and accounting standards in practice in Pakistan;
- b) Financial audit services will cover the financial years 2023-24 and 2024-25. The subject MTI's will be responsible for preparing for the financial statements, footnotes, statements of cash flow, required supplemental information and the Management Discussion & Analysis in accordance with reported standards and relevant rules and regulations. It is expected the successful audit firm will provide suggestions and recommendations for improvement in the finance and accounting procedures, for no additional cost.
- c) Audited field work will start immediately after and not later than 7 days of the issuance of work order and the successful firm will be required to issue audited financial statements, and audit report no later than 120 days of the issuance of work order.

Project Objectives:

The Selected firm shall conduct the financial audit of the abovementioned MTI's and their associated hospitals and submit a comprehensive audit report as well as audited financial statements to KPHCC for onwards analysis and decision making by the Government of Khyber Pakhtunkhwa, Health Department.

Who Can Apply?

The Audit firms/companies/AOPs/JVs having the following mandatory qualifications are eligible to apply and submit their technical and financial proposals.

- Registered with Security & Exchange Commission of Pakistan or other relevant registration body;
- Registered with the FBR and Active taxpayer
- Registered with Khyber Pakhtunkhwa Revenue Authority (KPRA) in Sale Tax on services
- Registered with the Institute of Chartered Accountants of Pakistan (ICAP);
- Satisfactory most recent QCR Rating of ICAP;
- Active audit firm for at least the last ten years;
- Having at least 3 partners and 20 professional field staff (minimum CA inter/CAF or equivalent);
- Sufficient financial stability, having at least PKR 100 million yearly turn over with audited financial statements available for the last three years; and
- Not blacklisted by any Government Department/entity

Bidding Procedure:

Single Stage Two Envelope bidding procedure shall be followed as per the KPPRA rules:

- The bid shall apply through E-PAD under KPPRA Rule 20214 Single Stage Two envelopes procedure;
- The Procuring entity shall ensure that the bids of only those bidders are opened whose security is submitted electronically along with the E-bid on the EPADS;
- In the first instance, the E-bids of "Technical Proposal" shall be opened in EPADS and the E-bids of "Financial Proposal" shall be retained unopened;
- Technical proposals shall be evaluated in the manner prescribed in **Part-2** of this document, without reference to the price and shall reject any proposal which does not conform to the specified requirements;
- During the technical evaluation process, negotiation may be carried out which may include but not limited to offering an opportunity to bidders for clarification or explanation on technical proposal, the proposed technical approach and methodology, work plan, organization and staffing, logistics and reporting; However, the bidder shall not be allowed to produce any additional documents.
- After the evaluation and approval of the technical bids, the financial proposals of the firms who are qualified on the basis of Technical Proposals, shall be opened;
- The financial bids of the bidders who are disqualified on the basis of the Technical Proposal, shall be returned un-opened to the respective bidders.

Obligations of Bidders:

- It will be the responsibility of the Bidder that all factors have been investigated and considered while submitting the Bid and no claim whatsoever including those of financial adjustments to the contract awarded under this Bid process will be entertained by KPHCC. Neither any time schedule, nor financial adjustments arising thereof shall be permitted on account of failure by the Bidder.
- The Bidder shall be deemed to have satisfied itself fully before Bid as to the correctness and sufficiency of its Bids for the contract and price/cost quoted in the Bid to cover all obligations under this Bid Process.
- It must be clearly understood that the Terms of Reference are intended to be strictly enforced. No escalation of unit cost will be permitted throughout the remaining period of completion of the contract.
- The Bidder shall be fully and completely responsible for all the deliverables within the stipulated time. Subletting, save the JV, should be considered as violation of the terms and condition.

- In case of a joint venture, the HR and financial strength should be jointly considered hence the bidder should submit evidence of the joint venture and all the relevant documents as are required for technical evaluation.

Performance Security:

- The Successful bidder(s) shall furnish Performance Security within 2 days positively of the receipt of the Acceptance Letter/work order from KP-HCC;
- The security should be in the form of a Bank Guarantee, issued by a scheduled bank operating in Pakistan;
- Its value shall be equivalent to 10 % of the contract value;
- The Performance Security shall be denominated in Pak Rupees;
- It should have a minimum validity period until the date of expiry of contract period, support period or termination of services, or fulfillment of all obligations under the contract, whichever is later.
- No other shape or form of performance security shall be acceptable with any validity less than the prescribed time period.
- The Performance Security shall be payable on occurrence of any / all of the following conditions:
 - (a) If the Bidder commits a default under the Contract;
 - (b) If the Bidder fails to fulfill the obligations under the Contract;
 - (c) If the Bidder violates any of the terms and conditions of the Contract.
 - (d) The Bidder shall cause the validity period of the performance security to be extended for such period(s) as the contract performance may be extended. The Performance Security shall be returned to the bidder within thirty working days after the expiry of its validity on written request from the Bidder.
 - (e) In case the Bidder fails to furnish Performance security in the shape of bank guarantee within the stipulated period given under Letter of Acceptance and subsequent formal contract, or till end of the currency of the said contract, the amount of bank guarantee, as required, shall be deducted from the amount payable to the Bidder.

PART-2: SELECTION CRITERIA

The Khyber Pakhtunkhwa Health Care Commission will select the eligible consulting firm on the basis of “**TECHNICAL and FINANCIAL PROPOSAL**” submitted within the prescribed deadline. The technical and financial proposals shall have 70% and 30% weightage respectively.

Technical Proposal:

Proposal should include the appropriate narrative and supporting materials to adequately address the scoring criteria. Proposals not containing all of the items listed below may be determined nonresponsive. For the purpose to facilitate evaluation, the bidder should attach supporting documents as evidence of responsiveness. The Technical Proposal should include the following:

Cover page. Proposals must be signed and include the firm name, local address, telephone number, the name of the person authorized to submit the proposal, along with the person’s title and telephone number, and the name and title of the person authorized to execute a contract.

Executive Summary. Each proposal shall include an Executive Summary section indicating the bidder’s:

- a) Brief understanding of the scope of the proposal,
- b) General overview of proposed plan to provide the requested services,
- c) A statement as to the respondent’s qualifications to perform the services,
- d) Proposed team and resources available to perform the audit services, and the principal contact.

Qualifications and Experience

- a) Describe the qualifications of the firm (persons) to perform these services.
- b) Each proposal shall include a fully detailed resume of proposed primary and backup resources including job assignments, educational backgrounds, and certifications. The proposal shall also include a listing of support personnel, if applicable, and a brief description of their technical qualifications and professional experience.
- c) Names and contact information for three (3) references from clients of a similar size/nature. Include a brief description of scope of work provided for each.

Work Proposal and Approach –This should fully explain the timelines, approach and plan for addressing the requirements as specified. The tasks assigned to each individual and the chain of responsibility should also be explained.

Certification: A Statement that if awarded the contract as the primary contractor, the bidder will accept full responsibility for successful performance of the entire scope of

work and that the selected firm acknowledges and will comply with the terms, including all of the insurance requirements

Bid Security: Bid security @ 2% of the quoted price in shape of cheque/bank draft in the name of Khyber Pakhtunkhwa Health Care Commission should also be attached.

Financial Proposal:

The Financial Proposal on the other hand, should contain the transmittal letter, financial proposal cost, and Proposal worksheet. The price quoted should be inclusive of all costs and taxes and shall be unconditional.

Evaluation Criteria:

Technical Evaluation shall be based on the following criteria:

Indicator	Criteria	Points/ marks- (Max: 70)	Proof Required
Experience of the Firm	<ol style="list-style-type: none"> Experience of audit above the minimum period of 10 years (1 point per year with a maximum of 10) Financial Audit of Govt/Semi Govt/autonomous Organizations, having 200 million Revenue per year, during the last 10 years (1 points per unit with a max of 10) Financial Audit of hospitals above 50 beds in last 10 years. 1 point per hospital with a maximum of 10. 	<p>10</p> <p>10</p> <p>05</p>	Completion certificates and proofs of financial strength of the organization and number of beds in case of hospital
HR Strength of the Firm	<ol style="list-style-type: none"> Number of partners, above the minimum requirement of 3 (one point per partner with a maximum of 10) Number of ICAP qualified chartered accountants, other than partners (Two points per CA with a maximum of 10) Qualified auditing team members above the minimum requirement of 20 (One point per 3 person with a maximum of 10) <p>* qualified means at least CAF/ACCA qualified</p>	<p>10</p> <p>10</p> <p>10</p>	<p>List of Partners</p> <p>List of CA's with profile</p> <p>List of Staff with profile/proof of qualification.</p>

Financial Strength of Firm	Annual Turnover above the minimum of 100 million. (1 point per 10 million with a maximum of 10)	10	Annual Statements must be attached
Accessibility	Permanent/Assignment based office in Peshawar and/or Islamabad and availability on short notice	2.5 per office with max of 5	Ownership/ lease certificate
NOTE: <i>Relevance of the Experience and suitability for the assigned job shall be determined by the technical experts/evaluators and cannot be challenged by any firm/individual</i>			
Qualifying Marks in technical evaluation are 70%.			
30 marks are reserved for the Financial proposal. The lowest bidder, within the available ceiling shall obtain the highest marks. Final evaluation shall be made and Contract will be awarded on the basis of accumulative scores of technical and Financial Proposals. The lowest bidder shall be awarded 30 marks. For others, Marks of financial proposal shall be calculated as: $[Lowest\ bid/quoted\ bid] \times 30$			
Final Score= Score of Technical Proposal + Score of Financial Proposal			

Method of Selection:

The Firm shall be selected on **QCBS** (Quality & Cost Based Selection) method amongst the technically qualified bidders. The Commission reserves the right of entering into more than one contracts or cancelling the process.

Term of the Agreement:

4 months from the issuance of work order.

Notification of Award:

After evaluation and selection of the firm, all the bidders will be notified in writing of the selection or non-selection of their proposals. The name of the successful bidder(s) may also be disclosed.

PART-3: TIMELINE AND PAYMENT SCHEDULE

Bid Validity:

The Bid shall have a minimum validity period of **90 days** from the last date of submission of the Bid. The Khyber Pakhtunkhwa Health Care Commission may solicit the bidder's consent to an extension of the validity period of the bid. The request and the response thereto shall be made in writing.

Deliverables:

The selected firm shall deliver the following deliverables within the timeline determined in this document.

1. Inception Report/work plan
2. On field auditing i.e. Collection of data, evaluation and findings
3. Submission of Audit report to KPHCC containing recommendations for the MTI.s as well as the Health Department, Government of Khyber Pakhtunkhwa.

Timeline:

As mentioned before, the auditing must be completed within 90 days, to the satisfaction of KPHCC.

Payment:

Payment shall be made by the Health Department, Government of Khyber Pakhtunkhwa, directly to the auditing firm, subject to certification of completion of work by the KPHCC, as per release policy/rules of the provincial government. Payment shall be made lump-sum but on completion of assignment. No advance payment shall be admissible in any case

For queries if any and further details, Contact:

Chief Financial Officer,
Khyber Pakhtunkhwa Health Care Commission
Sector B-3, Phase 5,
Hayatabad Peshawar
Phone No: 091-9217013
Email: cfo.hcc@kp.gov.pk