



REQUEST FOR PROPOSAL (RFP)

FOR

Selection of Agency for conducting Internal Audit of APSFL

Ref. No. APSFL/Internal Auditors/2024, Dt: 13.12.2024

Andhra Pradesh State FiberNet Limited

NTR Administrative Block, 3rd Floor, Pandit Nehru Bus Station,

Vijayawada - 520013

Web address: www.apsfl.in

Email address: apsfl@ap.gov.in

Contents

1. Inviting Authority	6
1.1. Key Events and Dates	6
1.2. Procedure for Bid Submission	7
2. Introduction	8
3. Scope of Work	9
4. Time period:	10
5. Others:	10
6. Pre-Qualification Criteria	11
7. Disqualifications:	12
8. Selection process:	12
Annexures	13
a. Annexure A – Declaration regarding Clean Track Record	13
b. Annexure B – Earnest Money Deposit (EMD) Format	14
c. Annexure C – Commercial Bid Cost Components	15
9. Payment Terms	15

Disclaimer

The information contained in this Request for Proposal document (“RFP”) or subsequently provided to Applicants, whether verbally or in documentary or any other form by or on behalf of the APSFL or any of its employees or advisers, is provided to Applicants on the terms and conditions set out in this RFP and such other terms and conditions subject to which such information is provided.

This RFP is not an agreement and is neither an offer nor invitation by the APSFL to the prospective Applicants or any other person. The purpose of this RFP is to provide interested parties with information that may be useful to them in the preparation of their Proposals pursuant to this RFP. This RFP includes statements, which reflect various assumptions and assessments arrived at by APSFL. Such assumptions, assessments and statements do not purport to contain all the information that each Applicant may require. This RFP may not be appropriate for all persons, and it is not possible for APSFL, its employees or advisers to consider the objectives, technical expertise and particular needs of each party who reads or uses this RFP. The assumptions, assessments, statements and information contained in this RFP, may not be complete, accurate, adequate or correct. Each Applicant should, therefore, conduct its own investigations and analysis and should check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments and information contained in this RFP and obtain independent advice from appropriate sources.

Information provided in this RFP to the Applicants is on a wide range of matters, some of which depends upon interpretation of law. The information given is not an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law. APSFL accepts no responsibility for the accuracy or otherwise for any interpretation of the law.

APSFL, its employees and advisers make no representation or warranty and shall have no liability to any person including any Applicant under any law, statute, rules or regulations or tort, principles of restitution or unjust enrichment or otherwise for any loss, damages, cost or expense which may arise from or be incurred or suffered on account of anything contained in this RFP or otherwise, including the accuracy, adequacy, correctness, reliability or completeness of the RFP and any assessment, assumption, statement or information contained therein or deemed to form part of this RFP or arising in any way in this Selection Process.

APSFL also accepts no liability of any nature whether resulting from negligence or otherwise, howsoever caused, arising from reliance of any Applicant upon the statements contained in this RFP. APSFL may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information, assessment or assumption contained in this RFP.

Issuance of this RFP does not imply that the APSFL is bound to select an Applicant or to appoint the Selected Applicant, as the case may be, for the RFP, APSFL reserves the right to reject all or any of the Proposals without assigning any reasons whatsoever.

The applicant shall bear all its costs associated with or relating to the preparation and submission of its Proposal including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations which may be required by the APSFL or any other costs incurred in connection with or relating to its Proposal. All such costs and expenses will remain with the Applicant and APSFL shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by an

Applicant in preparation or submission of the Proposal, regardless of the conduct or outcome of the selection process

Acronyms

APSFL	Andhra Pradesh State FiberNet Limited
APTS	Andhra Pradesh Technology Services Limited
BG	Bank Guarantee
DD	Demand Draft
EMD	Earnest Money Deposit
GST	Goods and Services Tax
INR	Indian National Rupee
LCV	Light Commercial Vehicle
LD	Liquidated Damages
LLP	Limited Liability Partnership
LoA	Letter of Acceptance
PBG	Performance Bank Guarantee
PSU	Public Sector Unit
SD	Security Deposit
SPOC	Single Point of Contact

Definitions

- **“Agreement”** means the Agreement to be signed between the successful bidder and APSFL including all attachments, appendices, all documents incorporated by reference thereto together with any subsequent modifications, the RFP, the bid offer, the acceptance and all related correspondences, clarifications, presentations.
- **“Authority”** refers to MD/Directors of APSFL or its nominated representatives
- **“Authorized Representative”** shall mean any person authorized by either of the parties.
- **“Bidder”** means any firm or group of firms (called consortium) represented by the Lead Bidder offering the solution(s), service(s) and /or materials as required in the RFP. The word Bidder/ System Integrator/ Applicant when used in the pre-award period shall be synonymous with parties bidding for this RFP, and when used after award of the Contract shall mean the successful party with whom APSFL signs the agreement for rendering of services for implementation of this project.
- **“Contract”** is used synonymously with Agreement.
- **“Law”** shall mean any Act, notification, bye law, rules and regulations, directive, ordinance, order or instruction having the force of law enacted or issued by the Central Government and/ or Andhra Pradesh or regulatory authority or political subdivision of government agency.
- **“LoA”** means Letter of Acceptance, which shall constitute the intention of the department to place the Purchase Order with the successful bidder.
- **“Party”** means APSFL or Bidder, individually and “Parties” mean APSFL and Bidder, collectively.
- **“Proposal / Bid”** means the Pre-Qualification and Technical Proposals submitted along with the subsequent clarifications and undertakings, if any;
- **“Request for Proposal (RFP)”** means this document and its annexure etc., seeking a set of solution(s), services(s), materials and/or any combination of them.

1. Inviting Authority

APSFL invites RFP from reputed firms of Practicing Chartered Accounting Firms for conducting Internal Audit for the Financial Year 2023-24 in terms of the provisions of Section 138 of the Companies Act,2013. Firm/Practicing Chartered Accountants fulfilling criteria should only apply.

1.1. Key Events and Dates

S.No.	Description	Details
1.	Name of the Authority	Andhra Pradesh State FiberNet Limited
2.	Name of the Assignment	Selection of Agency for conducting Internal Audit of APSFL
3.	RFP Number	Ref. No. APSFL/Internal Auditors/2024, Dt: 13.12.2024
4.	RFP Publishing Date	13.12.2024
5.	Last date & time for receiving queries/clarifications	20/12/2024 at 5:00 PM
6.	Last date and time for submission of proposal (Proposal Due Date)	27/12/2024 at 3:00 PM The proposal is to be submitted in sealed envelopes at APSFL office Vijayawada.
7.	Date, time and location of opening bids	27/12/2024 at 4:00 PM Andhra Pradesh State FiberNet Limited NTR Administrative Block, 3rd Floor, Pandit Nehru Bus Station, NH -65, Vijayawada - 520013 Web address: www.apsfl.in Email address: apsfl@ap.gov.in
8.	Bid Processing Fee (Non-refundable)	INR 5,000 (Rupees Five Thousand Only) in the form of Demand Draft issued by one of the Nationalized / Scheduled Banks in India drawn in favour of Andhra Pradesh State FiberNet Ltd , payable at Vijayawada. Original DD must be submitted in APSFL office at Vijayawada before proposal due date.
9.	Bid Security / EMD (Refundable)	INR 8,000 (Rupees Eight Thousand Only) in the form of Demand Draft or Bank Guarantee issued by one of the Nationalized / Scheduled Commercial Banks in India drawn in favour of Andhra Pradesh State FiberNet Ltd , payable at Vijayawada. Original BG must be submitted in APSFL office at Vijayawada before proposal due date. Bid Security / EMD should be valid for a period of 180 days from Proposal Due Date. The Bid Security / EMD will be refunded to unsuccessful Applicant agencies within 30 (Thirty) days of completion of selection process.
10.	Performance Bank Guarantee	10% of the Contract Value in the form of Bank Guarantee issued by one of the Nationalized / Scheduled Commercial Banks in India drawn in favour of Andhra Pradesh State FiberNet Ltd, payable at Vijayawada. ▪ Should be valid for contract period + additional 2 months

11.	For any enquiries and clarifications, please contact:	Chief Financial Officer Andhra Pradesh State FiberNet Limited NTR Administrative Block, 3rd Floor, Pandit Nehru Bus Station, Vijayawada - 520013 Web address: www.apsfl.in Email: apsfl@ap.gov.in
12.	Submission of bids	Bid shall be submitted to email apsfl@ap.gov.in
13.	Validity of the Proposal	Bid proposals shall remain valid for a period of 180 days from the Proposal due date.

1.2. Procedure for Bid Submission

All bidders should submit the bid along with Original DD towards the bid processing fee & Original BG towards EMD in sealed envelopes at APSFL office, Vijayawada before proposal due date. APSFL shall carry out the evaluation solely based on the submitted documents.

APSFL will not take any responsibility for any delay in receipt/non-receipt of bid, original DD/BG towards Document Fee/ EMD before the stipulated time.

S.No	Details for EMD	
1	Name of Beneficiary	Andhra Pradesh State FiberNet Ltd
2	Name of Bank	Andhra Bank
	Bank Address	Andhra Bank, Main Branch, RR Appa Rao Street, Vijayawada, Andhra Pradesh
3	Bank Account No	060611100003785
4	IFSC CODE	UBIN0806064
5	MICR CODE	520026016
6	BRANCH CODE	0606

The bidder is requested to download the RFP document and read all the terms and conditions mentioned in the RFP Document and seek clarification if any from the RFP Inviting Authority.

The bidder has to keep track of any changes by viewing the Addendum/Corrigenda issued by the RFP Inviting Authority from time-to-time on APSFL website. The Department calling for RFPs shall not be responsible for any claims/issues arising out of this

2. Introduction

Andhra Pradesh State FiberNet Limited (APSFL) has been incorporated under the Companies Act 2013 in October 2015, to undertake the works of AP Fiber Grid, its operations & maintenance and related business activities. It is a fully owned entity of the Government of AP under the control of Infrastructure & Investment (E, I&I) department. APSFL aims to provide high quality & affordable digital services to households, government departments and enterprises across the State.

Fiber Grid is one of the 5 Grids identified by the Government of Andhra Pradesh to accelerate socio-economic growth of the State. Fiber Grid is primarily aimed at harnessing the power of information resource and enabling provision of qualitative and cost-effective IT, Communication (data, voice & video) and other related services to the citizens of A.P.

Vision of AP Fiber Grid is as follows:

“To establish a highly scalable network infrastructure, accessible on a non-discriminatory basis, to provide on demand, affordable and end-to-end broadband connectivity of 15 Mbps for all households and 100 mbps to 1 Gbps or more for institutions & multi-dwelling units by 2018, to enable realization of the Vision of Digital Andhra Pradesh, in partnership with the Government of India and Private Sector.” In line with the vision, a dual phased approach has been undertaken to deliver the project mandate in AP.

Phase I – Aerial Fiber Grid Network will create an aerial fiber network up-to Mandal level by leveraging assets of electricity companies.

Phase II - Aerial Fiber network covering the entire State upto Gram Panchayats level.

Phase I of the Project (Aerial Fiber grid project), APSFL has established state-wide high speed optical fiber network infrastructure covering approximately 23,000 kms route across the 13 districts of Andhra Pradesh through 2449 PoPs being operated and controlled from Network Operations Centre (NOC) setup in Vishakhapatnam. Phase I project components include laying aerial optical Fiber across the State upto mandal level, so that the State, District, Zonal and Mandal's are connected with each other using ring topology as much as possible. In addition, the last mile connectivity is to be made available through a network of MSOs/ LCOs.

3. Scope of Work

The auditor shall review the existence and effectiveness of control system(s) and report on the adequacy of those controls, as well as deficiencies, if any.

The primary focus shall be on propriety aspect in addition to authorization, internal control, reconciliation, recording, safeguarding, and valuation aspects.

The key objective of the internal audit is to ensure the following at APSFL:

- a. Orderly and efficient conduct of APSFL's working.
- b. The transactions and decisions taken by the authorized persons reflect the highest sense of propriety and governance,
- c. Adherence to APSFL's policies,
- d. Safeguarding of its assets,
- e. To ensure the effectiveness of the system for timely repayment of liabilities
- f. To create, standardise the controls for continuous growth of revenue eco system of the company.
- g. To create, standardise the controls for expenditure of the company and proper cash outflow mechanism.
- h. The prevention and detection of frauds and errors,
- i. The accuracy and completeness of the accounting records and statutory compliances,
- j. The timely review and support for preparation of reliable financial information and coordinate with Statutory Auditors and C&AG.
- k. The timely review and support for Direct and Indirect Tax related compliances.
- l. Timely and efficient reporting for proper establishment of Internal Controls best in industry.
- m. To ensure the system adherence to the State Government finance regulations and other applicable provisions, if any for the time being in force.
- n. To ensure the system adhere and comply with the provisions of AGR (Adjusted Gross Revenue) filings and payments.
- o. Review and modifications of Financials of the company from time to time, for submission to Statutory Auditor and C&AG to complete the Audits.
- p. Proper information in required formats for submission to Department or Ministry of State or Central Government.
- q. Periodical Review and Report of project(s) status and progress and corrective actions taken to meet the compliances.
- r. Guidance to comply HS Codes or relevant provisions of various tax matters, for tax payments and / or reducing or nullifying the unnecessary tax burden with actions to be taken advance by APSFL.
- s. Attend Audit committee meetings, other committee meetings and other such meeting with Government officials as suggested by the Managing Director from time to time with required financial presentations.
- t. Any other works or tasks assigned by the management from time to time

Scope of Audit:

1. Verification of Accounting Records such as vouchers, Bills etc.
2. Verification of Internal Controls and Assessment of risk of Business Process.
3. Verification of all Statutory Compliances such as TDS-IT, TDS-GST and GST etc.
4. Review of Financial, Operational aspects, RFPs and contract agreements of the business.
5. Review of Reconciliation between funds released and expenditure incurred in the business.
6. Review on the financial modelling and business activities of APSFL.
7. Costing of the services, business Packages offered by APSFL from time to time.
8. Certification of Quarterly Profit and Loss Statements for the purpose of Calculation of AGR based licensed Fee.
9. Verification of operational efficiency of various process, functions and departments.
10. Verification of Provisional Annual Accounts before submission to the Board.
11. Quarterly Reports have to be submitted.
12. Any other related item as per the requirement of the company.

The audit report shall be submitted on a quarterly and half yearly basis within one month from the close of the respective period.

4. Time period:

The audit firm shall submit the Internal Audit Report within one month from the date of issue of work order for 2023-24. APSFL reserves the right recover delay penalty for aueg delays beyond the permitted time.

5. Others:

- The cut-off date for ascertaining experience will be 31-03-2024. Any amendment / corrigendum / clarification to the RFP will be posted on the website.
- The APSFL shall not be liable for non-receipt/late receipt of any of the applications for this Expression of Interest.
- Interested firms of practicing Chartered Accountants may please send their detailed profiles, copies of relevant documents along with the fee chargeable for conducting the Internal Audit for the FY 2023-24 through email to apsfl@ap.gov.in ;
- The APSFL reserves the right to reject any of the applications or whole process without assigning any reason at any time and may call for any other details or additional information from any of the applicants/members at its own discretion. Non submission of details sought for will render the firm ineligible for the assignment
- The decision of the APSFL shall be final as regard to selection of the firm out of the applications so received.
- Incomplete applications shall be summarily rejected.
- Audit shall be conducted by appointed firm only and shall not be allowed to sublet the audit assignment.
- The auditor shall maintain confidentiality of information obtained during the course of audit.
- The engagement of the auditor shall commence immediately upon assignment of task.
- In case of any dispute or difference arising out of or in connection with any of the term and condition of this Notice / Engagement Letter issued to the selected Auditor, in the first instance, the parties shall try to resolve the issue by mutual consultation, failing which the same shall be referred to the sole arbitrator to be appointed mutually by the parties. The Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof, shall apply to these arbitration proceedings. Arbitration proceedings shall be held at Vijayawada and the language of

the arbitration proceeding shall be in English. The arbitral award shall be final and binding upon both the parties. All arbitral awards shall be in writing and shall state the reasons therefor. The cost of arbitration shall be borne by both the parties equally Subject to the arbitration clause as mentioned above; the Courts at Vijayawada shall have the exclusive jurisdiction to try any suit in the matter.

APSFL reserves the right to cancel or modify this process at any stage without assigning any reason.

6. Pre-Qualification Criteria

The bidder should enclose documentary evidence for fulfilling the Eligibility in the Pre-qualification Bid. If a bidder fails to enclose the documentary proof for eligibility, their bid is liable to be rejected. The prospective bidders must satisfy the following eligibility criteria for submission of their bids and provide supporting documents as proof of eligibility.

S. No	Eligibility Criteria	Documents Required
1	The Bidder should be a Sole Proprietorship firm or a company registered in India under the Companies Act, 1956 / 2013 /LLP Act 2008 /Indian Partnership Act 1932, as amended from time to time, and should be in operation for at least the last 10 years as on the date of bid submission.	For Sole Proprietorship firm, following documents are required. a. Copy PAN b. Proof of address and contact details For other, following documents are required: a. Copy of valid Certificate of Incorporation from Registrar of Companies b. Copy of Corporate Identification Number (CIN) c. Copy of GST registration certificate d. Copy of PAN
2	Bidder should not have been blacklisted by any central or state Govt. department or PSU on the date of bid submission	Bidder should submit an undertaking, as mentioned in Annexure A of the RFP, that it has not been blacklisted/debarred by any Govt. department or any PSU in India as on bid submission date.
3	The firm should have minimum internal audit or management support or statutory Audit experience during last two financial years in public sector undertakings / branches. Experience in Telecom sector will be added advantage. Preference will be given to PCA/Firm having experience in conducting Internal Audit of Public Sector undertakings in Vijayawada.	Copy of Work Completion certificate shall be submitted
4	Firm with a minimum of 3 partners of which at least 1 partners should be FCAs. And at least two partners should have a continued association of 5 years or more with the firm.	Self Declaration shall be submitted

5	The Head Office or Branch office of the firm should be located at the Vijayawada.	Self declaration, Address proof shall be submitted

7. Disqualifications:

- The Chartered Accountants Firm shall not be eligible to apply if:
- The firm or any of its partners has any pecuniary or other interest in the APSFL, being a party to any project (other than services) tender allotted by the company.
- The Chartered Accountants Firm or any of its partners have been declared guilty of any professional and/or other misconduct under the provisions of the Chartered Accountants Act, 1949 during the current year and / or immediate past five years.
- The audit firm have association or is associated with any foreign audit firms.
- The audit firm not been disqualified by the AP State Government or any entity or company related to AP State Government.

Declaration: The Applicant while expressing their interest shall be required to submit a declaration that they do not suffer from any of the above disqualifications and the details furnished in this regard are true and correct. Any incorrect information will lead to rejection of the application.

NOTE :

a. Only the bids of those Bidders, who submit the hard copies of Bid-processing fee and EMD, shall be considered for evaluation. The bids not accompanied with a valid Bid-processing fee and EMD as part of the proposal shall be summarily rejected.

b. Bidders are required to provide the aforementioned information as per the formats provided along with the required supporting documents and annexures for each of the criteria mentioned above.

Post Tender Discussions at any cost and at any form will not be entertained.

Proposals without necessary supporting documents or without meeting the prescribed qualification criteria will be treated as non-responsive and will not be considered for further evaluation.

8. Selection process:

The Selection shall be done on Least Cost/Lowest Cost (L1) criteria as per the quotes submitted duly compiling the prequalification criteria

Annexures

a. Annexure A – Declaration regarding Clean Track Record

To,
Managing Director
Andhra Pradesh State FiberNet Limited
NTR Administrative Block, 3rd Floor, Pandit Nehru Bus Station,
NH -65, Vijayawada – 520001

Sub: Selection of Agency for conducting Internal Audit of APSFL
Ref: -----

Sir,

I/We hereby declare that my company has not been debarred / black listed as on Bid submission date by any State Government, Central Government, Central & State Govt. Undertakings / Organizations and by any other Quasi Government bodies / Organizations, and any other major Enterprise / Organizations in India for non-satisfactory past performance, corrupt, fraudulent or any other unethical business practices.

Yours faithfully,

(Signature, name and designation of the authorized signatory)

(Name and seal of the firm)

Note:

- Submission of this Annexure is mandatory along with the bid. Failure to submit this Annexure may lead to disqualification.

b. Annexure B – Earnest Money Deposit (EMD) Format

(To be executed in Rs.100/- Stamp Paper)

To,
The Managing Director,
Andhra Pradesh State FiberNet Limited,
3rd Floor, NTR Administrative Block,
Pandit Nehru Bus Station,
NH – 65, Vijayawada – 520013

Bank Guarantee No:

Amount of Guarantee:

Guarantee covers from:

Last date for lodgement of claim:

This Guarantee executed by (Banker's Name & Address) having our Head Office at (address) (hereinafter referred to as “Bank”) in favour of Andhra Pradesh State FiberNet Limited NTR Administrative Block, 3rd Floor, Pandit Nehru Bus Station, NH -65, Vijayawada – 520013 India (hereinafter referred to as “Beneficiary”) for an amount not exceeding Rs. /- (Rupees -----Only) as per the request of M/s.-----having its office address ----at (hereinafter referred to as “Bidder”) against RFP reference no APSFL----- of M/s. Andhra Pradesh State FiberNet Limited (APSFL). This guarantee is issued subject to the condition that the liability of the Bank under this guarantee is limited to a maximum of Rs. -----/- (Rupees-----Only) and the guarantee shall remain in full force up to -----(date) and cannot be invoked otherwise by a written demand or claim by the beneficiary under the Guarantee served on the Bank before -----(date).

ANDWHEREAS, it has been stipulated by you in the said ORDER that the Supplier shall furnish you with a Bank Guarantee by a Scheduled/Nationalized Bank for the sum specified therein as EMD towards bid submission.

ANDWHEREAS, we have agreed to give the Bidder a Guarantee.

THEREFORE, we (Banker’s address), hereby affirm that we are Guarantors and responsible to you on behalf of the Bidder for Rs. /- (Rupees Only) and we undertake to pay you, upon your first written demand without any demur, cavil or argument, any sum or sums within the limit of Rs. /- (Rupees Only) as aforesaid, without your needing to prove or show grounds or reasons for your demand or the sum specified therein. We will pay the guaranteed amount notwithstanding any objection or dispute whatsoever raised by the Bidder.

This Guarantee is valid until -----

Place:

Date:

Signature and seal of Guarantors (Bank)

c. Annexure C – Commercial Bid Cost Components

Price Bid for Selection of Agency for conducting Internal Audit of APSFL

S.No	Item Description	Total Price In Rs.
1	Cost for conducting Internal Audit	
Total (In words)		

**Exclusive of Taxes*

- Unit Rate shall include all duties, levies, insurance, transport and other charges excluding Taxes.
- The rate quoted will be valid throughout the contract period and subject to vary on contract period.
- If there is a discrepancy between words and figures, the amount in words shall prevail.
- The fees shall be inclusive of out of pocket expenses.
- No TA/ DA or out of pocket expenses shall be paid.

APSFL reserves the right to:

1. Modify, reduce or increase the quantity requirements of the tendered quantity at the discretion of APSFL with the same rates terms and conditions
2. If delivery performance of the Bidder is not satisfactory, then APSFL reserves the right to take action against them including cancelling the complete order, forfeiting the Bank Guarantee and blacklisting.
3. APSFL reserves its right to withhold any amount for the deficiency in the service aspect
4. APSFL reserves the right to cancel or modify this process at any stage without assigning any reason.

9. Payment Terms

Payment shall be made exclusive of GST and shall be paid on submission of final audit report. APSFL reserves the right to extend audit assignment for 2024-25 subject to satisfactory performance. In case the assignment extended for the FY 2024-25, the agency shall submit periodical reports