

TERMS OF REFERENCE (TOR)
FOR
HIRING OF TAX CONSULTANCY
SERVICES.



TENDER ENQUIRY # PROC-
SERVICES/CB/FIN-4854/2020

TERMS OF REFERENCE (TOR)

HIRING OF TAX CONSULTANCY SERVICES

1. OBJECTIVE:

- 1.1. Oil and Gas Development Company Limited (OGDCL) is the national E&P Company which is engaged in the exploration, development and production of oil and gas resources to meet the energy demand of the nation. In October 2003, the Company (OGDCL) was listed on Pakistan Stock Exchange and its Global Depository Share started trading on and London stock exchange from December 2006. The Company has Exploration and Production (E&P) operations in all four provinces of the country.
- 1.2. OGDCL is one of the major contributor to national exchequer in form of corporate tax, sales tax and withholding tax. To fulfill the requirements of Income Tax Ordinance 2001, sales tax under Federal/ Provincial laws and to discharge its tax liabilities properly, the management of the company intend to hire the services of a tax consultancy firm.

2. SCOPE OF WORK AND DELIVERABLES:

The scope of work and deliverables by the consultant for the purpose of this assignment are as follows:

A. Monthly Retainership:

Following taxation services are to be covered under monthly retainership arrangement:

- i. Preparation and filing of corporate tax return with Inland Revenue Department, including the underlying tax computation and revision of return if required.
- ii. Attendance before the tax authorities and responding to notices issued in connection with the corporate tax return and audit proceedings till finalization of assessment.
- iii. Preparation of written submissions and attendance before the assessing officer to plead the case if the company is selected for corporate tax audit and/ or sales tax audit till finalization of assessment.
- iv. Advice regarding advance tax payment on turnover basis or filing of own estimate under Income Tax Ordinance 2001
- v. Review and filing of monthly, quarterly, semi-annual and annual statements of withholding tax as required under Income Tax Ordinance 2001.
- vi. Responding day-to-day notices from Tax authorities and other correspondence on Income Tax and Federal/ Provincial Sales Tax matters concerning the items listed at Sr. i to v above.
- vii. Preparation and filing of appeal documents and written submissions before the Commissioner Inland Revenue (Appeals) under income tax & Federal/ Provincial sales tax laws and attendance to argue appeals.
- viii. Preparation and filing of appeal documents and written submissions before the Appellate Tribunal Inland Revenue under income tax & Federal/ Provincial Sales Tax laws, attendance to argue appeals and where required to defend the appeal filed by Federal/ Provincial revenue authorities.
- ix. Preparation and filing of stay applications including attendance for arguments before the Commissioner Inland Revenue (Appeals) & Appellate Tribunal Inland Revenue under Income tax & Federal/ Provincial sales tax laws.
- x. Preparation & filing of application for refund of Income tax etc.
- xi. Review of monthly, quarterly and annual corporate tax computations for preparation of relevant accounts of the company.

- xii. Intimation of changes in tax laws with special significance to OGDCL and its employees.
- xiii. Monthly provision of Income & Sales tax status with possible outcomes, refund/liability, next date of hearing, appellate forum etc.

B. Specific Assignments:

Separate lump sum rates to be quoted for each of the services listed below:

- i. Filing annual returns of OGDCL’s associated trusts (Pension fund trust, Provident fund trust, Gratuity fund trust, OCTF, OEET, WPPF trust etc.)
- ii. De-commissioning cost certification (To be performed by a partner other than partner providing tax consultancy services)
- iii. Assistance and provision of necessary papers and documents to advocate in appeal before High Court / Supreme Court.
- iv. Obtaining exemption certificates from Tax authorities under various sections of Income Tax Ordinance, 2001 as may be required.

C. Other Services:

Other services, not covered above, including but not limited to advice on Income Tax, Sales Tax, Sales Tax on Services, Federal Excise and Custom Duty issues etc. would be billable at hourly charge out rates to be quoted with financial proposal.

The consultant will perform the assignments and all deliverables within provided timeframe.

3. TIMELINE:

The proposed contract duration is three years.

4. STAFFING:

Trained, experienced & sufficient professionals shall be deputed on the assignments under the contract. The partner and his/her staff shall co-ordinate with GM (Treasury) and Tax Section of OGDCL for performance of the assignments. Consultant should provide list of professionals looking after OGDCL’s assignment separately mentioning their qualifications and experience in the relevant field.

5. TECHNICAL PROPOSAL:

- 1) Technical proposal should consist the following:
 - 1.1. Company profile
 - 1.2. List of team members to be deployed on the assignment with education, certifications, expertise, roles and responsibilities (CVs of proposed team members to be enclosed). Also provide detailed Responsibility Matrix providing information about the task distribution.
 - 1.3. List of clients from Petroleum Industry – Exploration & Production sector (Last 5 years only) availing tax advisory services on following format.

Sr. No.	Required Information	Response
1	Company Name	
2	Consultancy period	From 201x to 201x
3	Consultancy Duration	Xx Years
4	Nature of services provided	
5	Net profit for last 3 years	

- 1.4. The Consultant shall also provide any additional information (which they feel relevant) not covered in the above requirement list.
- 1.5. Detail of focal person, who may be contacted in case any further information is required, including name, phone No., mobile No. & e-mail address.

6. PROFESSIONAL FEES:

The consultant will submit financial proposal/bid in a sealed envelope quoting separate rates (excluding out of pocket expenses) for each of the three categories mentioned in scope of work. The quoted fee shall be inclusive of all taxes, duties, levies, etc. except provincial/ICT sales tax. Federal/ provincial sales tax wherever applicable will be re-imbursed based on documentary evidence of payment to the concerned revenue authority. Out of pocket expenses will be paid by OGDCL at actual.

7. INVOICING:

The contractor/ consultant is required to submit its invoices within 45 days after completion of each assignment.

8. DURATION OF CONTRACT:

- 8.1 The duration of the contract is for the period of three (03) years.
- 8.2 The bid proposal/rates should remain valid unconditionally during the period of contract.

9. PAYMENT TERMS:

- 9.1 The prices quoted by bidder in financial bid should be in Pak Rupees. The quoted price should be fixed/firm and are inclusive of all applicable taxes, duties and levies etc. except Provincial Sales Tax/ICT Tax on Services.
- 9.2 The payments to the service company will be made through cross cheque in 100% Pak Rupees, at actual, against verified invoices.

10. BID BOND:

Bid Bond/Bid Security amounting to **PKR 960,000/-** (Pak Rupees Nine Hundred Sixty Thousand only) is to be attached/provided **with Technical bid**. Please see Master Set of Tender Document for further details.

11. MODE OF PROCUREMENT:

Bids against this tender are invited on “**Single Stage Two Envelope Bidding Procedure**” through press tendering therefore, the bidders shall submit one original technical and financial bid. Soft copy of technical bid is also to be submitted. Unpriced commercial proposal should be the part of technical bid.

Note: The Master Set of Tender Documents for Services uploaded on OGDCL’s website (www.ogdcl.com) is the integral part of this TOR.

12. EVALUATION CRITERIA:

A. Technical Evaluation Criteria:

Technical Evaluation will be given 70% weightage and will be carried out on following criteria:

S. No	Item	Max. Marks	Criteria
1.	Year of establishment. Tax Consultancy experience of firm in years. Minimum 10 years	20	Less than 10 years will carry no marks. One Mark each year from 10 years
2.	Offices in Islamabad and 4 provincial capitals (i.e. Karachi, Lahore, Peshawar, Quetta).	10	Office in each Federal/ Provincial capital will be given 2 marks
3.	No. of Partners and Managers looking after tax matters at Islamabad Office.	30	FCA 4 Marks each ACA 3 Marks each
4.	Experience of providing tax advisory services to clients from Petroleum – Exploration & Production sector.	25	Relative marking i.e. full marks will be given to the bidder which has the maximum clients from petroleum/ E & P sector while all others will be marked on the sliding scale basis.
5.	Affiliation with International firms.	5	International Affiliation will carry 05 marks.
6.	Rating of quality assurance by ICAP.	10	10 marks for satisfactory Rating during last 5 years (2 marks for each year).

The bidders obtaining less than 65% points/ marks in technical evaluation shall not be considered for the assignment.

B. Financial Evaluation Criteria:

Financial evaluation will be carried out using expected activity level (for 3 year contract period) given below.

Item	UOM	Grand Total in PKR		
		Nos.	Unit rate in PKR	Grand Total in PKR
Retainership fee [3A(i)to(xiii) of TOR]	Months	36		
Filing annual returns of OGDCL's associated trusts (Pension fund trust, Provident fund trust, Gratuity fund trust, OCTF, OEET, WPPF trust etc.) [3B(i) of TOR]	Returns	18		
Assistance and provision of necessary papers to advocates in appeal before High court/ supreme court [3B(iii) of TOR]	Appeals	9		
Obtaining exemption certificates [3B(iv) of TOR]	Certificates	75		
De-commissioning cost certification [3B(ii) of TOR]	Concessions	140		
Other services (hourly rate) [3C of TOR]	Hours	2500		
Grand Total in PKR for Three Year Contract inclusive of all taxes (except Provincial Sales Tax/ ICT Tax on Services, where applicable), duties, levies, charges etc.				

Financial evaluation will carry 30% weightage, the financially lowest bidder will obtain full 30 marks and others would be ranked on the sliding scale basis.

C. Bid Score Evaluation:

Technical Bid Score will get a weightage of 70% and Financial Bid Score will get a weightage of 30% in Award Decision.

The contract will be awarded to the bidder securing highest evaluated score.

The total bid score would be determined as follows:

$$Score_a = \left(\frac{Cost_{lowest}}{Cost_a} \right) \times 30\% + (Technicl_{score_a} \times 70\%)$$

- $Score_a$ = Evaluated Score of the Bidder a
- $Cost_a$ = Evaluated Bid Price of the bidder a
- $Cost_{lowest}$ = Lowest evaluated bid price amongst all responsive bids
- $Technicl_Score_a$ = Technical score of bidder a