

## PROPOSED CHANGES IN THE REQUEST FOR PROPFP

S N o.	Clause reference of earlier RFP	Existing Clause	Revised Clause
	<b>Clause 5 - Introduction</b>	The bid documents can be downloaded from 9 <sup>th</sup> February, 2011 to 9 <sup>th</sup> March 2011 & tender should be submitted in sealed cover and delivered at the address given below latest by 10 <sup>th</sup> March 2011 up to 3.00 PM. which shall be opened on the same date at 3.30 PM	The revised bid documents can be downloaded up to 14 <sup>th</sup> April 2011 & tender should be submitted in sealed cover and delivered at the address given below latest by 15 <sup>th</sup> April 2011 up to 3.00 PM. which shall be opened on the same date at 3.30 PM
	<b>Clause 7 - Introduction</b>	The documents for the EMD, Eligibility and Technical bids will be <b>opened at 3.30 PM on the 10<sup>th</sup> March 2011</b> at the address given below in the presence of authorized representatives of the bidders, who may like to attend. The part III i.e. <u>Financial proposal</u> of only those bidders shall be opened who are short listed on the basis of qualifying criteria and technical evaluation. The date and time for opening of part III of the bids will be intimated to the qualifying firms.	The documents for the EMD, Eligibility and Technical bids will be <b>opened at 3.30 PM on 15<sup>th</sup> April 2011</b> at the address given below in the presence of authorized representatives of the bidders, who may like to attend. The part III i.e. <u>Financial proposal</u> of only those bidders shall be opened who are short listed on the basis of qualifying criteria and technical evaluation. The date and time for opening of part III of the bids will be intimated to the qualifying firms.
	<b>DATA SHEET- Information to Consultants Point 9</b>	The proposal complete in all respect shall reach PSPCL on or before <u>10<sup>th</sup> March 2011, at 3.00 PM.</u>	The proposal complete in all respect shall reach PSPCL on or before <u>15<sup>th</sup> April 2011, at 3.00 PM.</u> The proposal submission address is
	<b>DATA SHEET- Information to Consultants Point 9 (Para 2)</b>	The Earnest Money Deposit and Cost of Tender document (Part I), proof of eligibility & technical bid (Part II) shall be opened on <u>10<sup>th</sup> March, 2011</u> at 3.30 PM in the office of Chief Accounts officer/ (A&R Section), PSPCL, The Mall, PATIALA-147 001(PUNJAB)	The Earnest Money Deposit and Cost of Tender document (Part I), proof of eligibility & technical bid (Part II) shall be opened on <u>15<sup>th</sup> April 2011</u> at 3.30 PM in the office of Chief Accounts officer (A&R Section), PSPCL, The Mall, PATIALA-147001 (PUNJAB)

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	<b>Appendix IV Terms of Reference Background</b>	<p>The restructuring process involves a complex and challenging change management exercise. Post restructuring, an effective change management process is the critical success factor for achieving enhanced performance. The following are the key post reform challenges likely to be faced by the accounts and finance department of PSPCL:</p> <ul style="list-style-type: none"> <li>• Compliance of the provisions of Companies Act,1956;</li> <li>• Compliance of Accounting Standards issued by ICAI; &amp; Convergence with IFRS, <b>if</b> applicable;</li> <li>• Compliance of Distribution License conditions and other regulatory compliances for finance functions</li> <li>• Mandatory requirement to maintain cost records in accordance with the Cost Accounting Records Rules, 2001;</li> <li>• Timely finalization of as per changed scenario.</li> <li>• Establishment of new cash flow mechanism;</li> <li>• Revision of manuals in respect of Financial accounting, Budgeting, Internal audit and internal control system;</li> <li>• Organization restructuring, if required</li> <li>• Inter-corporate transactions;</li> <li>• Formulation of key performance indicators (KPIs), their monitoring and evaluation mechanism and</li> <li>• Development of MIS for effective decision making purpose.</li> <li>• In light of the above mentioned restructuring and post reform challenges, PSPCL requires</li> </ul>	<p>The restructuring process involves a complex and challenging change management exercise. Post restructuring, an effective change management process is the critical success factor for achieving enhanced performance. The following are the key post reform challenges likely to be faced by the accounts and finance department of PSPCL:</p> <ul style="list-style-type: none"> <li>• Compliance of the provisions of Companies Act,1956;</li> <li>• Compliance of Accounting Standards issued by ICAI; &amp; Convergence with IFRS, <b>as</b> applicable</li> <li>• Compliance of Distribution License conditions and other regulatory compliances for finance functions</li> <li>• Mandatory requirement to maintain cost records in accordance with the Cost Accounting Records Rules, 2001;</li> <li>• Timely finalization of financial statements as per changed scenario.</li> <li>• Establishment of new cash flow mechanism post-restructuring;</li> <li>• Revision of manuals in respect of Financial accounting, Budgeting, Internal audit and internal control system;</li> <li>• <b>Organization restructuring, if required</b></li> <li>• <b>Laying of guidelines for</b> Inter-corporate transactions;</li> <li>• Formulation of key performance indicators (KPIs), their monitoring and</li> </ul>

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		<p>consultancy support for institutional capacity building consisting of process study, organizational restructuring if required, defining key performance indicators (KPIs), preparation of manuals relating to Financial accounting, Budgeting, Internal audit and internal control system and implementation support for improvement of processes in the finance and accounts function.</p>	<p>evaluation</p> <ul style="list-style-type: none"> <li>• Mechanism; and</li> <li>• Development of MIS for effective decision making purpose.</li> </ul> <p>In light of the above mentioned restructuring and post reform challenges, PSPCL requires consultancy support for institutional capacity building consisting of process study, organizational restructuring if required, defining key performance indicators (KPIs), preparation of manuals relating to Financial accounting, Budgeting, Internal audit and internal control system, cost system and implementation support for improvement of processes in the finance and accounts function.</p>
	<p><b>Appendix IV Terms of Reference Module 2</b></p>	<p><b>Module 2 – Revision / development of manuals</b></p> <p>The development of the manuals should be based on the following: Relevant provisions / requirements of the following: Companies Act, 1956; Accounting standards issued by ICAI; Application of IFRS as relevant</p> <p>The manuals should cover the detail processes and procedures to be carried out by the accounts (financial and cost accounting), audit (internal</p>	<p><b>Module 2 – Revision / development of manuals</b></p> <p>The development of the manuals should be based on the following: Relevant provisions / requirements of the following: Companies Act, 1956; Accounting standards issued by ICAI; Application of IFRS as relevant/ applicable</p> <p>The manuals should cover the detail processes and procedures to be carried out by the accounts (financial and cost accounting),</p>

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		control and internal audit functions) and Budgeting wings. Before finalization of the manuals, the consultants would be required to discuss with the management of PSPCL.	audit (internal control and internal audit functions) and Budgeting wings Before finalization of the manuals, the consultants would be required to discuss with the management of PSPCL.
	<b>Appendix IV Terms of Reference Module 3</b>	<p><b>Module 3 - Organization Restructuring</b></p> <p>Based on the re-engineered processes, procedures, policies, functions, systems, and revised manuals, the module will cover the following tasks:  The study of the existing structure of accounts, finance &amp; audit at the HQ and unit/ field offices and suggest any minor modification, if required in consultation with PSPCL.  Identification of key job positions of the organization structure; and  Development of job descriptions for each key position.</p> <p>The organization restructuring is envisaged in the context of changes required if any due to the revised accounting system, and as consequence identifying any new job position required and the providing job descriptions for the new job position</p>	<p><b>Module 3 - Organization Restructuring</b></p> <p>Based on the re-engineered processes, procedures, policies, functions, systems, and revised manuals, the module will cover the following tasks:  The study of the existing structure of accounts, finance &amp; audit at the HQ and unit/ field offices and suggest any minor modification, if required in consultation with PSPCL.  Identification of key job positions of the organization structure; and  Development of job descriptions for each key position.</p> <p>The organization restructuring is envisaged in the context of changes required if any due to the revised accounting system and as consequence identifying any new job position required and the providing job descriptions for the new job position <b>for the supervisory and officer level.</b></p>
	<b>Appendix IV Terms of Reference</b>	<b>Phase II Implementation support</b>	<b>Phase II Implementation support</b>

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	<p><b>Phase II</b></p>	<p>It would include the implementation support to the PSPCL after finalization of the road-map for migration to new processes and the Manuals. The objective of this phase would be to assist PSPCL to achieve the desired '<b>To- Be</b>' status and to effectively communicate and disseminate the changes across the affected staff to reduce anxiety and assist in smooth implementation. It is envisaged that the implementation assistance shall be provided for a period of one calendar year from the date of preparation of accounting manuals. For this purpose, the consultant / professional firm shall deploy operating level resources for a total period spread over 12 months. In case PSPCL requires any further implementation assistance beyond one year, the same shall be discussed and agreed mutually.</p> <p>At this stage, the consultant would be required to support the accounts and finance team in respect of the following:</p> <p>Periodic review of the accounting system, accounting policies &amp; procedures and compilation of the trial balances to ensure the compliance with the requirements in respect of the re-engineered processes, policies and procedures prescribed in the respective manuals;</p> <p>(For Phase II, the Consultant / Professional Firm can associate with local firm(s) / individual chartered accountants to conduct the reviews. However the overall responsibility for the reviews</p>	<p>It would include the implementation support to the PSPCL after finalization of the road-map for migration to new processes and the Manuals. The objective of this phase would be to assist PSPCL to achieve the desired '<b>To- Be</b>' status and to effectively communicate and disseminate the changes across the affected staff to reduce anxiety and assist in smooth implementation. It is envisaged that the implementation assistance shall be provided for a period of one calendar year from the date of preparation of accounting manuals. For this purpose, the consultant / professional firm shall deploy operating level resources for a total period spread over 12 months. In case PSPCL requires any further implementation assistance beyond one year, the same shall be discussed and agreed mutually.</p> <p>At this stage, the consultant would be required to support the accounts and finance team in respect of the following:</p> <p>Periodic review of the accounting system, accounting policies &amp; procedures and compilation of the trial balances to ensure the compliance with the requirements in respect of the re-engineered processes, policies and procedures prescribed in the respective manuals;</p> <p>(For Phase II, the Consultant / Professional Firm can associate with local firm(s) /</p>

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		shall rest with the Consultant / Professional Firm.) Provide any inputs for two years with respect to the new policies and procedures required for the finalization of annual accounts. Finalization of annual accounts as on 31-03-2011 and 31-03-2012 (including accounting policies. Notes to accounts) for two years based on the revised accounting system/processes	individual chartered accountants to conduct the reviews. However the overall responsibility for the reviews shall rest with the Consultant / Professional Firm.) Provide any inputs for two years with respect to the new policies and procedures required for the finalization of annual accounts. Finalization of annual accounts as on 31-03-2012 and 31-03-2013 (including accounting policies. Notes to accounts) for two years based on the revised accounting system/processes
	<b>Appendix-V General Terms &amp; Conditions Clause 9 (i) – Security Deposit</b>	The successful tenderer shall be required to submit security deposit for faithful execution of the work order/contract at the rate of five percent (5%) of value of work order. No interest shall be payable to the consultant on the amount of security. Earnest Money received with the tender shall be converted into security deposit and the balance, if any shall be deposited in the form of demand draft in favour of Accounts Officer/Cash, PSPCL, Patiala.	The successful tenderer shall be required to provide security deposit for faithful execution of the work order/contract at the rate of five percent (5%) of value of work order. No interest shall be payable to the consultant on the amount of security. Earnest Money received with the tender shall be converted into security deposit and the balance, if any shall be retained by PSPCL from the amount payable as per the Payment Schedule proportionately from each bill towards the Security Deposit.
	<b>Appendix-V General Terms &amp; Conditions Clause 15 (iii) and (iv) - Legal</b>	(iii) Consultant shall bear the entire responsibility, liability and risk relating to coverage of workforce under different statutory regulations including but not limited to Workmen Compensation Act, ESI Act, Factories Act, Contract Labour Act 1970 etc. and other relevant regulations, as the case may be.	(iii) Consultant shall bear the entire responsibility, liability and risk relating to coverage of workforce under different statutory regulations including but not limited to Workmen Compensation Act, ESI Act, Factories Act, Contract Labour Act 1970 etc. and other relevant regulations, as the case

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		(iv) Consultant shall be fully responsible for payment of benefits including but not limited to Provident Fund, Bonus, Retrenchment Compensation, Leave Encashment, etc. as per statutory provisions.	may be for the personnel in the consultant's employment. (iv) Consultant shall be fully responsible for payment of benefits including but not limited to Provident Fund, Bonus, Retrenchment Compensation, Leave Encashment, etc. as per statutory provisions for the personnel in the consultant's employment.
	<b>Appendix-V General Terms &amp; Conditions</b>  <b>Clause 20 - Payment Clause (Sr. No. 5)</b>	After completion of implementation support to PSPCL as per Phase-II. Note- This 40% shall be apportioned in 4 parts, and each part is payable after every three months from commencement of Phase-II.	<b>During successful</b> implementation support to PSPCL as per Phase-II. Note- This 40% shall be apportioned in 4 parts, and each part is payable after every three months from commencement of Phase-II.
	<b>Appendix-V General Terms &amp; Conditions</b>  <b>Clause 21 - Penalty Clause</b>	The time allowed for carrying out the work as prescribed, shall be strictly observed by the consultant and shall be reckoned from the date of commencement of work. The work shall throughout the stipulated period of the contract be proceeded with all the due diligence (time being deemed to be the essence of the contract on the part of the consultant) and the consultant shall pay as penalty an amount equal to one half percent (0.5%) of the fee payable for every week, the work remains unfinished after the contract completion period, provided always that the entire amount of compensation to be paid under the provision of this clause shall not exceed five percent (5%) of the fee payable.	The time allowed for carrying out the work as prescribed, shall be strictly observed by the consultant and shall be reckoned from the date of commencement of work. The work shall throughout the stipulated period of the contract be proceeded with all the due diligence (time being deemed to be the essence of the contract on the part of the consultant) and the consultant shall pay as penalty an amount equal to one half percent (0.5%) of the fee payable for every week of delay, if the work remains unfinished beyond the contract completion period, provided always that the entire amount of compensation to be paid under the provision of this clause

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			shall not exceed five percent (5%) of the fee payable and such penalty shall be chargeable only in the event the delay is attributable to the Consultant.