

No.Bud.1 - 008679/2020

Dated, 13.08.2020

Expression of Interest

***Proposal for engaging
Cost Accountant Firms
in KSRTC
for the Cost Analysis in Pilot Projects***

***Kerala State Road Transport Corporation
Transport Bhavan, Fort,
Thiruvananthapuram - 695 023***

**INVITATION TO
EXPRESSION OF INTEREST (EOI)**

Kerala State Road Transport Corporation (**KSRTC**), owns around 6200 buses, operates around 5000 buses every day through 94 depots through out the State. Work shops are established in depots and also as regional workshops. It generates an income of Rs. 2243.54 Cr during 2019-20 while the expenditure was approximate Rs. 3450 Cr excluding depreciation and adjustments. The corporation invites Expression of Interest (Eoi) from firms providing Cost Accounting Services, registered with the Institute of Cost Accountants of India (ICAI), to first undertake the costing for the last one year and then design, develop and maintain a Costing System for the Corporation.

1. Objective of the Assignment

The objective of the assignment is to design, develop and implement an effective and efficient Costing System for the Corporation. The Costing System should be able to support the Management of the Corporation to understand, monitor and evaluate the Cost of Operations, Cost of Maintenance, Administrative and Overhead Expenses, etc on a functional / activity / department level , generate MIS Reports and shall be able to assist the Board to take the most appropriate Management decisions.

2. Scope of Work

- Undertake the costing of the corporation – bus wise and depot wise (selected few only) utilising the figures /data for the last one year and identify the areas where the corporation has to introduce cost cutting measures.
- Introduce a data collection system (format based – preferably through Google forms or other electronic systems) for the inputs needed for establishing a daily cost analysis system on the basis of costing operations as above.
- Ultimately Design and Develop a Costing System to collect Cost Information from all the depots of the Corporation and also from other supporting departments and workshops.
- The developed Costing System shall be able to generate daily, weekly, monthly, quarterly and yearly Costing MIS to be presented to the various levels of Management and Board of the Corporation.
- The Firm, who develop the Costing System, shall support the Corporation in implementation and maintainance of the Costing System and shall handhold the Management to Generate Costing Reports for a period of ONE year.

3. Minimum Eligibility Criteria

Any Cost Accountants Firm / LLP or Consortium of Cost Accountants Firm including LLP having the following eligibility criteria are eligible to submit their EoI

- i. The firm must be registered with the Institute of Cost Accountants of India (ICAI) and fulfilling any of the following criteria.

- a. Partnership firms (including LLPs) with a minimum three partners

OR

- b. Consortium of Firms where the total number of partners in all the firms under consortium shall be a minimum of three
- ii. The firms or its partners should have a minimum of 5 (five) years of experience in successfully undertaking Costing or Cost Audit assignments.

Note:

- i. In case of Consortium of Firms, application shall be made by the LEAD firm in the Consortium. The LEAD firm shall be responsible for all the activities of the Consortium.
- ii. Once the Consortium is approved in the pilot project stage, any change in the consortium shall be intimated to the respective authority and shall get prior approval for continuing in the bidding process.

4. Primary Evaluation Criteria

The firm will be awarded marks based on the matrix as follows: -

Sl. No.	Selection Criteria	Basis for awarding of Points	Maximum Points
1	Turnover of the Firm or Consortium	1 Point for every Rs 10 lakhs of average Annual Turnover for last 3 years	5

Sl. No.	Selection Criteria	Basis for awarding of Points	Maximum Points
2	Firm's experience in practice (From date of registration with the Institute of Cost Accountants of India) (No: of years)	1 Point for every years of Firm's registration. Will be computed as on 1 st August 2020.	5
3	Number & Experience of partners	3 Marks per Partner having Fellow Membership in full time practice (8Years)	15
4	Experience of Cost System Implementation / Cost Analysis and feasibility reports / Cost Audit/ of Costing in Kerala Government Public Sector Undertaking and Public Limited Companies	3 Points each for each Public Sector Undertaking	15
5	Infrastructure / Office Facility	2 marks for offices in each District (Only one office in a district shall be counted for that district)	10
Total			50

The firm, scoring a minimum of 25 marks in the evaluation criteria will be eligible to participate in the Pilot project

5. Selection Criteria

- 5.1 The selection of the firm shall be made based on technical and financial evaluation. All the Applicants qualifying for

the above specified Minimum Eligibility Criteria shall be assigned different "Functional Units" (Depots/ operation segments) as decided by the Management for the work specified under "Scope of Work".

- 5.2 The Applicant participating in the process shall conduct a costing study at the Functional Unit so assigned to them (Pilot Project) and shall submit their report within the SPECIFIED PERIOD. The Corporation shall provide or make arrangements to provide required information as requested by the Applicant.
- 5.3 Corporation shall fix a UNIFORM fee for all the Pilot Projects. On completion of the SPECIFIED PERIOD, all the reports obtained shall be evaluated by a Technical Committee, to be paid only on satisfactory completion of the work or assessing the efforts put in by the firm
- 5.4 All the participants shall be given an opportunity to make a presentation of their report before the Technical Committee. Based on the evaluation of the report and the presentation, the Technical Committee shall award MARKS for each such report. Maximum marks for this part is 50.
- 5.5 The Applicant who obtains the minimum threshold marks (50 out of 100) shall be determined as "QUALIFIED". All the QUALIFIED Cost Accounting Firms / Consortium shall be eligible to participate in the Financial Bidding process.

6. Pilot Project

- 6.1 The firms who are qualified for this stage will be awarded one pilot project each, like undertaking a costing study of a "Functional Units" (Depots). The pilot project shall be submitted within **THREE WEEKS** from the date of AWARD of Pilot Project
- 6.2 The Firms who have successfully completed the pilot project, to the satisfaction of the Corporation, will be eligible to submit the financial bid as described in the "Selection Criteria" above.

6.3 Themes for Pilot Project

- a) Depot Analysis/ Variance Analysis in one District for APRIL, SEPTEMBER , DECEMBER & MARCH of 2019-20 Vs same of 2018-19 - few select routes of a district & Total Operational Analysis of a District for Last 2 years
- b) Profitability Analysis of - Own Vs Lease- Scania & Electrical Vehicle Operation Vs Diesel vehicle
- c) Central Workshop TVM & RW Ernakulam - Audit & Analysis - 2017-18, 2018-19 & 2019-20 including Spare Audit & Tyre Purchase /Replacement / Rethread- Tyre Cost per Kilometre Analysis
- d) Fuel Costing & Comparative Study of Selected Depots 2018-19 & 2019-20
- e) Costing for the substitution of 473 diesel buses of Thiruvananthapuram city with Electric buses based on the 2019-20 data
- f) Costing for the substitution of 473 diesel buses of Thiruvananthapuram city with CNG buses based on the 2019-20 data
- g) Costing for the substitution of 473 diesel buses of Thiruvananthapuram city with LNG buses based on the 2019-20 data
- h) Costing for the substitution of 473 diesel buses of Thiruvananthapuram city with diesel hybrid buses based on the 2019-20 data
- i) Performance analysis of CNG Bus for last 4 years

Based on the experience from the costing works undertaken in the pilot stage, the corporation may also

modify the terms of this bid document and reissue the same to the qualified firms which were entrusted with the pilot projects and one more round of Technical Bid opening may be required .

7. Financial Bid

The list of firms who are qualified in the evaluation process by a technical committee appointed by the corporation will be published and firms will be given the opportunity to file their remarks/objections. Those firms further qualified by the Technical committee will be intimated in writing and invited to submit their financial bids and the firms /consortium quoting the lowest fees will be selected.

In case, if it is desired by the Corporation to entrust the work to more than one firm/consortium – either area wise or segment wise – on the basis of the recommendation of the technical committee, it may entrust the work spilt into one or more firms, agreeing to the lowest rates of the qualified bidder, as per the ranking obtained after the evaluation of the financial bid.

They can select any of the areas for pilot study, for which they have to give completed report of the work within three weeks.

If require Pilot project may also be modified. In case of more than one bidder offer for a particular pilot project with same rate, it could be decide by lot.

The rate of the pilot project should be affordable to Corporation and the decision of the Corporation on the rate shall be final

Financial Bid to be submitted in sealed covers.

Two bid system -

Contents of the Technical Bid - (Formats - 1)

Contents of the Financial Bid - (Formats - 2)

The interested Cost Accounting Firms may submit their application in sealed and superscribed covers, in the format given as Annexure, on or before 3:00 PM on 20.08.2020 to: -

The Managing Director,
Kerala State Road Transport Corporation,
Transport Bhavan, Thiruvananthapuram

Annexure**Format of Application for Developing Costing System**

- 1 Name of the Firm (Lead Firm in case of Consortium)
- 2 Registration No of the Firm / Lead Firm
- 3 Date of Registration of each firms under consortium
- 4 PAN of the Firm / Lead Firm
- 5 GST No of the Firm / Lead Firm
- 6 Contact Person
- 7 Designation of the Contact Person
- 8 E-mail of the Contact Person
- 9 Mobile No of the Contact Person
- 10 Contact Address
- 11 Head office of the Firm / Lead Firm
Branch offices of the Firm / Each Consortium
- 12 members

12. Details of Partners in the Firm / Lead Firm				
Sl No	Name of the Partner	Membership No	Membership Status (ACMA/FCMA)	Date of joining the firm as partner
1				
2				
3				

12. Details of Partners in other members of the Consortium				
Sl No	Name of the Partner	Membership No	Membership Status (ACMA/FCMA)	Date of joining the firm as partner
1				
2				
3				

13. Details of Assignment in Kerala Government Public sector undertaking by the Firm / Lead Firm

Sl. No	Name of the Company / Unit	Year of Assignment	Type of Assignment	Whether successfully completed (Yes/No)
1				
2				
3				

14. Details of Assignment in Kerala Government Public sector undertaking by Other Consortium Members

Sl. No	Name of the Company / Unit	Year of Assignment	Type of Assignment	Whether successfully completed (Yes/No)
1				
2				
3				

FORMAT - 1

TECHNICAL BID

1. Registration Certificate of Institute of Cost Accounts of India (ICAI) – Certified Copy.
2. Partnership Agreement / Consortium Agreement – Certified Copy.
3. Experience Certificates of Partners / Consortium Members – Certified Copy.
4. Proof of Office Address.
5. Audited Financial Statement for last 3 Years.
6. Experience in the Cost Accounting Works undertaken in large Public Sector / Private Sector firm (above 25 Crore turnover) in the Manufacturing / Service Sector.

Technical Bid should be submitted separately.

FORMAT - II**FINANCIAL BID**

Sl. No.	Pilot Projects	Rate of Pilot Projects
a)	Depot Analysis/ Variance Analysis in one District for APRIL, SEPTEMBER, DECEMBER & MARCH of 2019-20 Vs same of 2018-19 - few select routes of a district & Total Operational Analysis of a District for Last 2 years	
b)	Profitability Analysis of - Own Vs Lease-Scania & Electrical Vehicle Operation Vs Diesel vehicle	
c)	Central Workshop TVM & RW Ernakulam - Audit & Analysis - 2017-18, 2018-19 & 2019-20 including Spare Audit & Tyre Purchase /Replacement / Rethread- Tyre Cost per Kilometre Analysis	
d)	Fuel Costing & Comparative Study of Selected Depots 2018-19 & 2019-20	
e)	Costing for the substitution of 473 diesel buses of Thiruvananthapuram city with Electric buses based on the 2019-20 data	
f)	Costing for the substitution of 473 diesel buses of Thiruvananthapuram city with CNG buses based on the 2019-20 data	
g)	Costing for the substitution of 473 diesel buses of Thiruvananthapuram city with LNG buses based on the 2019-20 data	
h)	Costing for the substitution of 473 diesel buses of Thiruvananthapuram city with diesel hybrid buses based on the 2019-20 data	
i)	Performance analysis of CNG Bus for last 4 years	