

KERALA STATE ROAD TRANSPORT CORPORATION

Transport Bhavan, Fort, Thiruvananthapuram-695023

Phone-0471-2462829(Office) Mob: 9400058900

E-mail: cmd@kerala.gov.in, ksrtccmd@gmail.com,

Website: www.keralartc.com

No.BK1/010321/23

Date: 21.09.2023

EXPRESSION OF INTEREST FROM COST ACCOUNTANTS/ COST ACCOUNTANT FIRMS/CHARTERED ACCOUNTANT /CHARTERED ACCOUNTANT FIRMS FOR DATA ANALYSIS AND COSTING

Kerala State Road Transport Corporation (KSRTC), one of the biggest public Transport Corporation in India was established on 01-04-1965. KSRTC has 26 % share in the public transport system of the state and offers very economical rates, better riding comfort and social obligation. Kerala State Road Transport Corporation invites Expression of Interest (EOI) from Cost Accounting Firms/Chartered Accountant firms, registered with Institute of Cost Accountants/Chartered Accountants of India, to develop and maintain Costing System in the Corporation.

Objective of the Assignment

The objective of the assignment is to 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 etc on depot wise and consolidated (organization as a whole)and shall be able to assist the Board to take appropriate Management decisions.

Scope of Work

The scope of this project is to develop a Costing System that can identify Depot-wise costs and profits. This system should be integrated and combined to provide consolidated costing and profitability for the entire organization. *The Cost Accountant/Chartered Accountant or their team shall visit all 93 Depots to develop a Costing System tailored to the size and structure of each Depot (they may not visit all 93 depots which will increase cost. Instead consider the sentence " The costing team shall visit corporate office, regional offices, depots*

or such other offices/stores/other places, for assessing and evaluating the system needs.”) . The system should be flexible enough to accommodate any future increase or decrease in the number of depots. Additionally, the system should provide valuable insights to the management for effective decision-making.

The Costing System should provide the following details:

- Setting up and implementation of an effective Costing System for KSRTC
- Identifying cost/profit centres, cost allocation/apportionment policies.
- Designing of appropriate Costing MIS for the organisation including formats of MIS, frequency of reporting which shall enable the corporation with daily/weekly/monthly/quarter/annual MIS for evaluation.
- Designing system for Operating Cost ascertainment for Bus Operations. This should enable the corporation to ascertain Cost per kilometre , Profit per kilometre,
- Setting up such other Key Performance Indicators (KPIs) that can be utilized by management for decision-making purposes.
- Providing Training to concerned staff on Costing MIS preparation based on your analysis.
- Preparation of Costing MIS and other costing reports based on existing data.
- Evaluation of Present passenger tariff based on existing data.
- Suggestions for cost savings
- Suggestions for cost control methods
- Preparation of a comprehensive user manual of the Costing system.
- Assist in ERP implementation for Costing system.

Minimum Eligibility Criteria

Any Cost Accountants Firm or Consortium of Cost Accountants Firms/Chartered Accountant firms having the following eligibility can participate in the EOI

- The firm/s should be a partnership firm (including LLPs) with minimum three partners and must be registered with the Institute of Cost/Chartered Accountants of India (CMA/ICAI). In case of Consortium of Firms, the total

number of partners in all the firms under consortium shall be minimum of three numbers.

- The firms or its partners should have experience in successfully undertaking Costing or Cost Audit assignments.
- 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.
- Once the Consortium is approved in the pilot project satage, any change in the consortium shall be intimated to the respective authority and shall get prior approval for continuing in the bidding process.

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 (If the partners of the firm have individual turnover other than the firms turnover, then to arrive theTurnover of Firms or Consortium, the partners individual turnover can also be clubbed)	2 Points for every 5 lakhs of average Turnover for last 3 years	5
2	Firm's experience in practice (From date of registration with the Institute of Cost/Chartered Accountants of India) (No: of years)	2 Points for every year of Firm's registration.	5
3	Number & Experience of partners	7.50 Marks per Partner having Fellow Membership in full time practice and 5 Marks per Partner having Associate Membership in full time practice	20

Sl. No.	Selection Criteria	Basis for awarding of Points	Maximum Points
4	Experience of Costing System Implementation, Cost Analysis or Cost Audit in Kerala Government Public Sector Undertaking	2 Points each for each Public Sector Undertaking	10
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 minimum 25 marks in the evaluation criteria will be eligible to participate in the Pilot project.

SELECTION CRITERIA

The firm who qualify for the primary evaluation criteria, shall be eligible to participate in the selection procedure. The selection of firms shall be made based on the combined marks obtained from

- technical evaluation based on the Pilot Project Report and
- marks for the financial bid.

The detailed procedure for selection is as follows.

All the firms qualifying for the above specified Primary Evaluation Criteria (Marks Obtained) shall be assigned different "Functional Units" (Depots) as decided by the Management for the work specified under "Scope of Work" above. The firms 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 Cost/Chartered Accountant Firm. Corporation shall fix a UNIFORM fee for this Pilot Project. On completion of the SPECIFIED PROJECT, all the reports obtained shall be evaluated by a Technical Committee. All the participants shall be given an opportunity for 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. **Pilot Project Report** that score at least 50% of the Technical Maximum (25 out of 50 points) will be considered as qualified for the review of financial proposal. **Any Pilot Project which has less than 25 marks will be disqualified from proceeding to the next step.**

NOTE: Pilot Project

The firms who are qualified in the primary evaluation criteria will be awarded one pilot project each, undertaking a costing study of a "Functional Units" (Depots). The list of the pilot projects will be given by the Corporation.

1. Financial Bid

The firms who are selected in the Primary Evaluation Criteria (who have obtained minimum of 25 marks in the primary evaluation criteria) may submit their Financial Bid along with the Pilot Project Report.

Financial Bid to be submitted in sealed covers.

The interested Cost Accounting Firms/Chartered Accountant Firms may submit their application, in the format given as Annexure, **on or before 05.10.2023, 04.00PM to the: -**

The Chairman and Managing Director,
Kerala State Road Transport Corporation,
Transport Bhavan, Fort
Thiruvananthapuram-23


CHAIRMAN AND MANAGING DIRECTOR

Format for submission of Expression of Interest

- Name of the Firm :
- Registration No. Of the Firm :
- Date of Registration of the Firm :
- Details of Head Office & Branch Office (s) :
- No of Partners :
- Details of qualified Assistants:
- Details of semi-qualified Assistants:
- Details of Experience of firm :
- Details of Experience of costing system implementation,
Cost analysis or Cost Audit in Kerala Government Public- :
Sector undertaking
- Details of experience of partners:
- PAN number of the Firm:
- GST registration number if any:
- Turnover of the firm for the last 5 years :

It is confirmed that all the requirements as per EOI documents have been complied with.

- We confirm that we have not taken any deviation from the specified terms and conditions, of the EOI documents. A copy of complete EOI document duly signed and sealed on all pages as a token of acceptance of all terms and conditions is attached.
- Our firm is not debarred/disqualified/black listed by any regulatory/statutory body or Government entity or any International/National agency for corrupt or fraudulent practices.

**Signature of Partner with
Name & Seal of the Audit Firm**

Declaration of Confidentiality

Subject to conditions contained in this EOI, Firm shall take all necessary steps to safeguard the privacy and confidentiality of any information about KSRTC during the audit and shall use its best endeavors to secure that:

- No person acting on behalf of Firm divulges or uses any such information except as may be necessary in the course of providing services to KSRTC;
- No person seeks such information other than that is necessary for the purpose of internal audit works as specified in the EOI; and
- The Firm shall bind its employees to terms of confidentiality clause and shall take all action reasonably necessary to secure the confidentiality of such information against theft, loss or unauthorized disclosure.

**Signature of the Authorized Signatory
of the Firm with seal**