



OIL AND GAS REGULATORY AUTHORITY

EXPRESSION OF INTEREST

SELECTION OF FIRM FOR UNACCOUNTED FOR GAS (UFG) AUDIT

1. Oil & Gas Regulatory Authority (OGRA) intends to carry out a comprehensive audit of Unaccounted for Gas (UFG) of Sui Southern Gas Company Limited (SSGCL) for FY 2007-08 interalia including reconciliation of the calorific value of gas received from gas sources and supplied to consumers.

Audit is required to be completed within twenty weeks from signing of the contract.

2. OGRA invites reputable engineering cum accountancy/audit firms having minimum ten years of experience of financial and operational audit of large industrial concerns. Interested firms must provide information indicating that they have financial and relevant engineering expertise to undertake the assignment. Expression of Interest shall also include detailed resumes of members of core team, along with organizational structure, list of clients and statement of financial stability. The firm may associate technical experts to enhance their capacity to meet the specialized nature of the assignment.

3. Existing auditors of SSGCL and SNGPL are not eligible to participate in this assignment.

4. The bidders should submit a single package containing two separate sealed envelopes in accordance with Rule 36 (b) of PPRA Rules 2004. One envelop should contain the Technical Proposal and the other envelope should contain the Financial Proposal. The envelopes should be marked as "TECHNICAL PROPOSAL" and "FINANCIAL PROPOSAL".

5. The Technical Proposals will be opened in the first instance for evaluation on in the presence of the bidders or their authorized representatives, who may like to present Bids to the undersigned. The financial proposals of the bidders/auditors whose technical proposals are accepted will be opened in the presence of the bidder on a date and time to be communicated to them in advance.

6. OGRA reserves the right in its sole discretion to accept or reject any and / or all the bids without justifying any reason thereof before accepting any bid. The interested parties meeting the laid down criteria may submit EOI within 15 days of this advertisement.

Scope of work/TOR for Third Party Auditors and evaluation criteria can be obtained from the OGRA website www.ogra.org.pk and PPRA website www.ppra.org.pk.

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TECHNICAL EVALUATION CRITERIA

A	Clause	Description	Points
1	General Information	a. Organization Brief giving the Address, Telephone, Fax, e-mail, website b. Date of Establishment. c. Nature of ownership (family, Concern/Partnership, joint venture registered under Companies Act etc.) (Attach copy). d. Income Tax Registration number (attach copy if applicable). e. Litigation, if any.	
2	Financial capabilities	Last three years balance sheets	20
3	Manpower	a. <u>Organization Chart</u> . b. <u>CV's of the Key Personnel</u> , giving Name, background, qualification, employment records and detailed professional experience of each expert related to UFG Audit of natural gas utilities.	25
4	Experience	a) <u>Total Work experience</u> , and competency of the Firms undertaking UFG audit of natural gas transmission and distribution systems giving the names of projects, company (s) address, period served, telephone, fax, e-mail, website addresses (if any). b) Completion Certificate or Authentication along with satisfaction level from the Clients to whom Audit Firm/Agency has provided similar kind of services.	35
5	Work Protocol Work Plan	A comprehensive approach, strategy or methodology, which will be adopted to carryout "UFG Audit of the Company". Work plan - network diagram of principal activities indicating those on the critical path; office & field work set out in a schedule indicating clearly the estimated duration.	20
TOTAL			100

SCOPE OF WORK/TERMS OF REFERENCE

For exercise to be undertaken by an independent consultant/expert on various aspects of unaccounted for gas (UFG)

1. INTRODUCTION:

Unaccounted for Natural Gas (UFG) means, in respect of financial year, the difference between the total volume of metered gas received by Gas Utility Companies during that financial year and the volume of natural gas metered as having been delivered by the licensee to its consumers excluding there from metered natural gas used for self consumption by the Gas Utility Companies for the purposes of its regulated activity; and such other quantity as may be allowed by the Authority for use by the licensee in the operation and maintenance of its regulated activity.

UFG (Unaccounted for gas) is one of the major operational elements and benchmarking of UFG greatly determines the operational efficiency of a transmission and distribution company.

Considering the importance of the issue, OGRA intends to carry out detailed audit in respect of its licensees i.e. SSGCL on various aspects of UFG through a consultant/expert of eminence in the field.

2. OBJECTIVES:

Verification and reconciliation in respect of SSGCL of natural gas (volumes/BTUs) purchased from different sources and transferred from each delivery point with the gas (volumes/BTUs) sold to consumers of that area on monthly and yearly basis for fiscal year 2007-08.

3. TASKS:

Carryout verification and reconciliation on a monthly basis and then on yearly basis of:

- i) Volumes and BTUs purchased from each supply point.
- ii) Metered gas sale to different category of consumers.
- iii) Volume / Weighted Average BTUs injected into consumers system at each delivery point SMS cum CMS (in case of consumers tapped from transmission system directly).
- iv) Gas billed to each category of consumers on the following basis:
 - a) **Metered Sales:**
 - Metered volume and BTUs
 - Minimum billing
 - Nil billing/no consumption
 - Sticky / stopped meters
 - Provisional billing (estimated)
 - Accrued sales- not yet Billed
 - Prior year credit adjustment
 - b) **Un-Metered Sales**
 - Gas Blown off during maintenance / operational works
 - Rationale and detailed evaluation of gas blown in sabotage / blasts

- v) Segregate region / sector wise UFG by considering the option of UFG in Transmission and Distribution separately. Detailed analysis on UFG variation should also be provided. The purpose of this study is to identify the areas where UFG levels are high.
- vi) Gas Internally Consumed (GIC)
- vii) UFG in Transmission and Distribution system separately of an integrated system.
- viii) Volume / Btu received at the upstream of JJVL and delivered to the SSGC network.

5. DELIVERABLES:

- i) Within seven days of engagement, the consultant shall file a schedule to OGRA of activities to accomplish above tasks.
- ii) Periodic presentations and interim reports to the Authority.
- iii) Audit firm shall submit final report in line with the periodic discussions/representations made during the course of exercise within the stipulated time period or any other time schedule as extended/approved by the Authority.

6. QUALIFICATION OF THE CONSULTANT:

The consultant (Auditor / Audit Firm) shall have minimum 10 years experience in similar areas and is able to function effectively in a professional environment, and shall have support of engineering and financial experts.

7. TERM/DURATION OF ASSIGNMENT:

The study shall be completed within **20 weeks** from the date of job assignment.

8. LOCATION:

All relevant correspondence and meetings will be convened in the office of Oil and Gas Regulatory Authority, currently located at Block -7, Civic Center, Sector G-6, Islamabad, Pakistan.

9. COUNTER PARTS:

Mr. Sarfraz Ali Sheikh, Senior Executive Director (Gas) and Syed Jawad Naseem, Senior Executive Director (Finance) will be the counter part who will provide day-to-day coordination for the project.