

EXPRESSION OF INTEREST (EOI)

**Title of Consulting Service:
Due Diligence Audit**

Method of Consulting Service : National

**Project Name : CONSULTANCY SERVICE FOR THE DUE
DILIGENCE AUDIT OF NEA**

EOI: NEA-FD-2081/82-CS-01

Office Name: Nepal Electricity Authority

Office Address: Durbarmarg, Kathmandu

May 2025

Financing Agency : Nepal Electricity Authority

Abbreviations

e-GP – Electronic Government Procurement

EOI - Expression of Interest

GON - Government of Nepal

PAN - Permanent Account Number

TOR - Terms of Reference

VAT - Value Added Tax

QCBS - Quality Cost Based Selection

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A. Request for Expression of Interest

Request for Expression of Interest

Name of the Employer: Nepal Electricity Authority

Date: 20 May 2025

Name of the Project: Consultancy for the Due Diligence Audit (DDA)

1. Nepal Electricity Authority (NEA) has allocated fund toward the cost of CONSULTANCY SERVICE FOR THE DUE DILIGENCE AUDIT OF NEA and intend to apply portion of this fund to eligible payments under the Contract for which this Expression of Interest is invited for National consulting service
2. Nepal Electricity Authority (NEA) now invites Expression of Interest (EOI) from eligible consulting firms (“consultant”) to provide the following consulting services: Consultancy Services with regard to due Diligence Audit of NEA.
3. Interested eligible consultants may obtain further information and EOI document free of cost at the address of
Finance Directorate,
Nepal Electricity Authority,
Durbarmarg, Kathmandu,
Bagmati Province,
Nepal during office hours on or before 3 June 2025 12:00 or visit eGPsystem www.bolpatra.gov.np/egp or visit the client’s website www.nea.org.np
4. Consultants may associate with other consultants to enhance their qualifications.
5. Expressions of interest shall be delivered online through e-GP system www.bolpatra.gov.np/egp on or before 3 June 2025 12:00.
6. In case the last date of obtaining and submission of the EOI documents happens to be a holiday, the next working day will be deemed as the due date but the time will be the same as stipulated.
7. EOI will be assessed based on Qualification and experience of manpower 55%, Experience of consulting firm 25%, and Capacity of Consulting Firm and key personnel 20%. Based on evaluation of EOI, only shortlisted firms will be invited to submit technical and financial proposal through a request for proposal.
8. Minimum score to pass the EOI is 70 and not less than 50 in each category.

B. Instructions for Submission of Expression of Interest

Instructions for Submission of Expression of Interest

1. Expression of Interest may be submitted by a sole firm or a joint venture of consulting firms and maximum number of partners in JV shall be limited to three.
2. Interested consultants must provide information indicating that they are qualified to perform the services (descriptions, organization and employee and of the firm or company, description of assignments of similar nature completed in the last 7 years and their location, experience in similar conditions, general qualifications and the key personnel to be involved in the proposed assignment).
3. This expression of interest is open to all eligible National Consulting firm with possessing foreign affiliation.
4. In case, the applicant is individual consultant, details of similar assignment experience, their location in the previous 4 years and audited balance sheet and bio data shall be considered for evaluation.
5. The assignment has been scheduled for a period of 90 days. Expected date of commencement of the assignment is October, 2024.
6. A Consultant will be selected in accordance with the QCBS method.
7. Expression of Interest should contain following information:
 - (i) A covering letter addressed to the representative of the client on the official letter head of company duly signed by authorized signatory.
 - (ii) Applicants shall provide the following information in the respective formats given in the EOI document:
 - EOI Form: Letter of Application (Form 1)
 - EOI Form: Applicant's Information (Form 2)
 - EOI Form: Work Experience Details (Form 3(A), 3(B) & 3(C))
 - EOI Form: Capacity Details (Form 4)
 - EOI Form: Key Experts List (form 5).
9. Applicants may submit additional information with their application but shortlisting will be based on the evaluation of information requested and included in the formats provided in the EOI document.
10. The Expression of Interest (EOI) document must be duly completed and submitted by electronically only using the forms and instructions provided by the system.
11. The completed EOI document must be submitted on or before the date and address mentioned in the "Request for Expression of Interest". In case the submission falls on public holiday the submission can be made on the next working day. Any EOI Document received after the closing time for submission of proposals shall not be considered for evaluation.

C. Objective of Consultancy Services or Brief TOR

C. OBJECTIVE OF CONSULTANCY SERVICES OR BRIEF TOR

Terms of Reference for Consultancy Services

with regard to Due Diligence Audit of Nepal Electricity Authority

1. Background:

Nepal Electricity Authority (NEA) was established on August 16, 1985 under Nepal Electricity Authority Act, 1984 through the merger of the Department of Electricity, Ministry of Water Resources, Nepal Electricity Corporation and related Development Boards. The primary objective of NEA is to generate, transmit and distribute adequate, reliable and affordable power by planning, constructing, operating and maintaining all generation, transmission and distribution facilities in interconnected and isolated sector in Power System of Nepal.

NEA carries out its' functions through the following nine directorates established under Managing Director:

- (a) Distribution and Consumer Service Directorate
- (b) Generation Directorate
- (c) Transmission Directorate
- (d) Planning, Monitoring and IT Directorate
- (e) Engineering Service Directorate
- (f) Project Management Directorate
- (g) Administration Directorate
- (h) Finance Directorate
- (i) Business Development Directorate

For brief status of existing Generation, Transmission, Distribution network, financial and other, please visit to:

http://www.nea.org.np/annual_report

<http://www.nea.org.np/Directorate>

2. Objective:

The main objective of the proposed DDA is to conduct a detail and comprehensive examination of NEA's financial and other related information with a view to assessing its condition and determine the potential business and various associated risks.

The objectives of proposed study are:

- i) To study on present financial status.
- ii) To improve & increase the efficiency, effectiveness and credibility of business of NEA
- iii) To examine assets & liabilities.
- iv) To propose some strategies/recommendations.
- v) To maintain good corporate governance.
- vi) To suggest fair value of net worth.

- vii) To suggest appropriate capital structure.
- viii) To ensure Compliance with applicable laws, regulations, standards and policies governing its operations.
- ix) To evaluate the efficiency, reliability, and sustainability of its electrical infrastructure and operational processes.

3. Scope of work:

The financial Due Diligence Audit will be carried out on the basis of review and evaluation of financial information and the enterprise valuation as on Ashad ended 2081. For this the consultant is required to evaluate the financial position and financial performance as on that date. To substantiate the DDA report, as the context requires, the consultant requires reviewing recent financial statements and various financial/technical data. Analysis of the past trend of the last five years will also be carried out.

Consultant is expected to carry out DDA and suggest fair value of net worth of the organization through review and analysis including but not limited to the following:

A. Financial Assessment

- Review audited financial statements for the past five years and financial projection for next five years.
- Analyze revenue sources, cost structures, and profit margins.
- Evaluate assets, debt, liabilities, other reserve Funds, capital commitments and Contingent Liabilities.
- Assess cash flow, liquidity position, and working capital management, and solvency Check.
- Identify financial risks and mitigation strategies.
- Identification of Potential funding sources and set definitive working capital target.
- Review of Corporate Development Plan & capital investment plan.
- Synergy Capture (Expenses Reduction, New Revenue)
- Assess of tax liability and its adequacy.
- Analyze and assess the qualified opinion made by Office of Auditor General and provide remedies/suggestion to rectify the qualifications.

B. Technical & Operational Assessment

- Review Performance of assets
- Review of estimation procedure for procurement of goods and services.
- Evaluate the efficiency, reliability, and sustainability of its electrical infrastructure and operational processes
- Assess the adequacy of existing power generation, transmission, and distribution systems and identify potential risks and areas for improvement

C. Regulatory & Legal Compliance

- Analyze legal, contractual obligations, power purchase agreements (PPAs), and tariff structures.
- Identify pending or potential litigations and regulatory risks.
- Adequacy of internal control system.

D. Governance & Risk Management

- Evaluate corporate governance structures and decision-making processes.

4. Deliverables

All the products and deliverables of the consultant shall be in line with the Objectives and Scope of the Work mentioned.

The consulting firm must provide presentation on the synopsis, major findings of the DDA and recommendations to the organization for the betterment of its business after the finalization of DDA.

The consultant/consulting firm shall prepare a detailed Financial Due Diligence Report of NEA as of Ashad ended 2081 (15 July 2024).

The consultant shall provide the following reports:

i) Inception Report

The consultant shall finalize the Inception Report (Consultancy Project Plan) in collaboration with NEA within 15 days of Contract Signing. This report shall be prepared on the basis of time plan and methodology submitted by the consultant in its technical proposal. Draft Inception Report shall be approved by the NEA within 7 days of submission of the Inception Report. Project plan shall be updated as required during discharge of services and communicated to the NEA.

ii) Draft report of financial Due Diligence Audit of NEA

The consultant shall submit draft financial due diligence report within 60 days of approval of inception report. The due diligence draft report shall be prepared in compliance with the mutually approved detailed stepwise plans and procedures for the DDA as per its objectives, scope of work and tasks specified in the Terms of Reference of the Consultancy Service.

iii) Final Report of Financial Due Diligence Audit of NEA

NEA will provide the comments and suggestions on the draft Due Diligence Audit Report and the consultant shall submit final Due Diligence Audit Report within one week from the receipt of the comments suggestion on the draft Due Diligence Report.

5. Duration of the Project:

The total duration of project will be 90 days.

6. Mode of Payment:

The payment schedule would be as follows:

Payment Installment	Payment (%)	Outcomes
1st payment	10	Upon approval of inception report
2nd Payment	20	Upon submission of draft report
3 rd Payment	70	Upon submission of final report

7. Eligibility Criteria:

The consultant willing to bid for the services must comply all the criteria listed below:

1. The Consultant should be a Chartered Accountant Firm registered in Nepal, possessing Foreign affiliation and having a minimum 15 years of experience in the field of DDA/ Auditing/accounting/consulting services.
2. The Consultant should have following experiences:
 - i. Completed at least three DDA of the public limited company or Government organization having turnover not less than NPR 4 Billion and
 - ii. Completed at least two Financial DDA of the public limited company or Government organization having turnover not less than NPR 4 Billion
3. The Consultant must have average annual turnover of not less than NPR 5 Million based on turnover of last three financial years.
4. The Consultant should allocate following person in team for carrying out DDA in NEA on time:

SN	Team Structure	Qualification	Experience	Other	Estimated Days
1	Team Leader (One)	CA/ACCA/CPA or equivalent	1. At least 12 years of post qualified experience 2. Must have carried out at least two Financial DDA in public limited company or government organization as team leader	<ul style="list-style-type: none"> Additional experience in carrying out Financial DDA in public limited company or government organization will be value added Team Leader with Certified Company Valuator Certificate will be value added 	60

SN	Team Structure	Qualification	Experience	Other	Estimated Days
2	International Expert (One)	CA/CPA/CFA	At least 7 years Experience in Audit/DDA/Energy		30
3	Financial Experts (Two)	CA/ACCA/CPA or equivalent	1. At least 7 years of post qualified experience 2. Must have carried out at least one Financial DDA in a public limited Company or government organization	Additional experience in carrying out more than one Financial DDA in public limited company or government organization will be value added	90
4	Legal Expert (One)	Bachelor Degree in Law	1. At least 5 years of post qualified experience 2. Must have been involved in company market valuation or Financial Due Diligence Audit in at least one public limited Company or government organization		40
5	Technical Expert (Mechanical-1) (Electrical-1 (Civil-1)	Minimum Bachelor's Degree in Electrical/ Mechanical Civil	At least 5 Years post qualified experience in related field		50
6	Other Team members (Five)	CA/ACCA/CPA or equivalent	At least 3 Years post-qualified experience	Involved in carrying out DDA in Public Limited Company or government organization will be value added	90

5.The Consultant, its partner and assigned staffs should not have been engaged in statutory or any Consulting/sub-consulting services of NEA in last five years.

6.The consultant should allocate enough professional staffs to complete the assignment on time.

8. Submission of Required Documents

Consulting firm should submit Proposal along with following details. Upon failure to submit the documents and information, the firm (s) will not be eligible to be included for selection process.

- Firm Registration Certificate along with renewal documents
- Copy of Business License Certificate
- VAT/PAN Registration Certificate
- Tax Clearance/Tax Return of latest fiscal year
- Audit Report or financial statements of latest Fiscal Year
- Self- Declaration Letter of not being blacklisted under any legislation

- g. Self-Declaration Letter of not being subjected to any disciplinary action as per prevailing laws
- h. Self-Declaration Letter of not being disqualified and having no conflict of interest with the organization as per prevailing laws.
- i. CVs of proposed key and other supporting personnel.
- j. A copy of current organization structure
- k. List of human resources that will be involved in the assignment along with their details and documents to validate the personal capabilities of resources (including academic qualification, training and work experience)

9. Intellectual Property Rights

All the works, manuals, reports, presentations or any form of documents furnished by the consultant shall be NEA's Property and must be handed over as and when requested and prior to the final settlement at the end of contract duration.

D. Evaluation of Consultant's EOI Application

Evaluation of Consultant's EOI Application

Consultant's EOI application which meets the eligibility criteria will be ranked on the basis of the Ranking Criteria.

i) Eligibility & Completeness Test

S.N.	Criteria Title	Compliance
1	Firm Registration Certificate along with renewal documents	
2	Business License Certificate	
3	VAT/PAN Registration Certificate	
4	Tax Clearance/Tax Return of latest fiscal year.	
5	Audit Report or financial statements of latest Fiscal Year.	
6	Self-Declaration Letter of not being black listed under any legislation	
7	Self-Declaration Letter of not being subjected to any disciplinary action as per prevailing laws	
8	Self-Declaration Letter of not being disqualified and having no conflict of interest with the company as per prevailing laws	
9	EOI Form 1: Letter of Application	
10	EOI Form 2: Applicant's Information Form	
11	EOI Form 3: Experience of the Consulting Firm (Form 3(A), 3(B) & 3(C))	
12	EOI Form 4: Capacity (A)	
13	EOI Form 5: Qualification of Key Experts (The consultant should submit the CVs of proposed key and other supporting personnel)	

ii) EOI Evaluation Criteria

A. Qualification

S.N.	Criteria	Minimum Requirement
1	Qualification of Key Experts	
	<i>Team Leader</i>	CA/ACCA/CPA or equivalent
	<i>International Expert</i>	CA/CPA/CFA
	<i>Financial Expert</i>	CA/ACCA/CPA or equivalent
	<i>Legal Expert</i>	Bachelor Degree in Law
	<i>Technical Expert</i>	Bachelor's Degree in Electrical/Mechanical/Civil
	<i>Other Team Members</i>	CA/ACCA/CPA or equivalent
2	Experience of Key Experts	
	<i>Team Leader</i>	<ul style="list-style-type: none"> At least 12 years of post qualified experience Must have carried out at least two Financial DDA in public limited company or government organization as team leader
	<i>International Expert</i>	<ul style="list-style-type: none"> At least 7 years Experience in Audit/DDA/Energy
	<i>Financial Expert</i>	<ul style="list-style-type: none"> At least 7 years of post qualified experience Must have carried out at least one Financial DDA in a public limited Company or government organization
	<i>Legal Expert</i>	<ul style="list-style-type: none"> At least 5 years of post qualified experience Must have been involved in company market valuation or Financial Due Diligence Audit in at least one public

S.N.	Criteria	Minimum Requirement
		limited Company or government organization
	<i>Technical Expert</i>	<ul style="list-style-type: none"> At least 5 Years post qualified experience in related field
	<i>Other Team Members</i>	<ul style="list-style-type: none"> At least 3 Years post-qualified experience

Score: 55

B. Experience of the consulting firm

S.N.	Criteria	Minimum Requirement
1	General Experience of consulting firm	Consultant should be a Chartered Accountant Firm registered in Nepal Possessing foreign affiliation and having a minimum 15 years of experience in the field of Auditing/accounting/ DDA/ consulting services.
2	Specific experience of consulting firm	<p>Completed at least three DDA of the public limited company or Government organization having turnover not less than NPR 4 Billion and</p> <p>Completed at least two Financial DDA of the public limited company or Government organization having turnover not less than NPR 4 Billion</p>
3	Similar Geographical experience of consulting firm	

Score: 25

C. Capacity

S.N.	Criteria	Minimum Requirement
1	Capacity	<ul style="list-style-type: none"> Average Annual turnover of last three financial years should not be less than 5 million. Consultant shall have foreign affiliation Working Methodology

Score: 20

Minimum score to pass the EOI is 70 and not less than 50 in each category.

Note : If the corruption case is being filed to Court against the Natural Person or Board of Director of the firm/institution /company or any partner of JV, such Natural Person or Board of Director of the firm/institution /company or any partner of JV such consultant's proposal shall be excluded during the evaluation.

E. EOI Forms & Formats

D. EOI Forms & Formats Form

1. Letter of Application Form
2. Applicant's information Form
3. Experience (General, Specific and Geographical) Form

4. Capacity Form

5. Qualification of Key Experts

Standard EOI Document

1. Letter of Application

(Letterhead paper of the Applicant or partner responsible for a joint venture, including full postal address, telephone no., fax and email address)

Date:

To,
Full Name of Client:
Full Address of Client:
Telephone No.:
Fax No.:
Email Address:

Sir/Madam,

1. Being duly authorized to represent and act on behalf of (hereinafter "the Applicant"), and having reviewed and fully understood all the short-listing information provided, the undersigned hereby apply to be short-listed by ***[Insert name of Client]*** as Consultant for ***{Insert brief description of Work/Services}***.

2. Attached to this letter are photocopies of original documents defining:

- a) the Applicant's legal status;
- b) the principal place of business;

3. ***[Insert name of Client]*** and its authorized representatives are hereby authorized to verify the statements, documents, and information submitted in connection with this application. This Letter of Application will also serve as authorization to any individual or authorized representative of any institution referred to in the supporting information, to provide such information deemed necessary and requested by yourselves to verify statements and information provided in this application, or with regard to the resources, experience, and competence of the Applicant.

4. ***[Insert name of Client]*** and its authorized representatives are authorized to contact any of the signatories to this letter for any further information.¹

5. All further communication concerning this Application should be addressed to the following person,

[Person]
[Company]
[Address]
[Phone, Fax, Email]

6. We declare that, we have no conflict of interest in the proposed procurement proceedings and we have not been punished for an offense relating to the concerned profession or

¹ *Applications by joint ventures should provide on a separate sheet, relevant information for each party to the Application*

business and our Company/firm has not been declared ineligible.

7. We further confirm that, if any of our experts is engaged to prepare the TOR for any ensuing assignment resulting from our work product under this assignment, our firm, JV member or sub-consultant, and the expert(s) will be disqualified from short-listing and participation in the assignment.

8. The undersigned declares that the statements made and the information provided in the duly completed application are complete, true and correct in every detail.

Signed :

Name :

For and on behalf of (name of Applicant or partner of a joint venture):

Standard EOI Document

2. Applicant's Information Form

(In case of joint venture of two or more firms to be filled separately for each constituent member)

1. Name of Firm/Company:
2. Type of Constitution (*Partnership/ Pvt. Ltd/Public Ltd/ Public Sector/ NGO*)
3. Date of Registration / Commencement of Business (*Please specify*):
4. Country of Registration:
5. Registered Office/Place of Business:
6. Telephone No; Fax No; E-Mail Address
7. Name of Authorized Contact Person / Designation/ Address/Telephone:
8. Name of Authorized Local Agent /Address/Telephone:
9. Consultant's Organization:
10. Total number of staff:
11. Number of regular professional staff:

(Provide Company Profile with description of the background and organization of the Consultant and, if applicable, for each joint venture partner for this assignment.)

Standard EOI Document

3. Experience

3(A). General Work Experience

(Details of assignments undertaken. Each consultant or member of a JV must fill in this form.)

S.N	Name of assignment	Location	Value of Contract	Year Completed	Client	Description of work carried out
1						
2						
3						
4						
5						
6						
7						

Standard EOI Document

3(B). Specific Experience

Details of similar assignments undertaken in the previous seven years

(In case of joint venture of two or more firms to be filled separately for each constituent member)

<i>Assignment name:</i>	<i>Approx. value of the contract (in current NRs; US\$ or Euro)²:</i>
<i>Country:</i>	<i>Duration of assignment (months):</i>
<i>Location within country:</i>	
<i>Name of Client:</i>	<i>Total No. of person-months of the assignment:</i>
<i>Address:</i>	<i>Approx. value of the services provided by your firm under the contract (in current NRs; US\$ or Euro):</i>
<i>Start date (month/year):</i> <i>Completion date (month/year):</i>	<i>No. of professional person-months provided by the joint venture partners or the Sub- Consultants:</i>
<i>Name of joint venture partner or sub-Consultants, if any:</i>	<i>Narrative description of Project:</i>
<i>Description of actual services provided in the assignment:</i>	
<i>Note: Provide highlight on similar services provided by the consultant as required by the EOI assignment.</i>	

Firm's Name: _____

² Consultant should state value in the currency as mentioned in the contract

3(C) Geographic Experience

Experience of working in similar geographic region or country

(In case of joint venture of two or more firms to be filled separately for each constituent member)

No	Name of the Project	Location (Country/ Region)	Execution Year and Duration
1			
2			
3			
4			
5			
6			
7			

4. Capacity

4(A). Financial Capacity

(In case of joint venture of two or more firms to be filled separately for each constituent member)

Annual Turnover	
Year	Amount Currency

- Average Annual Turnover

(Note: Supporting documents for Average Turnover should be submitted for the above.)

4(B). Infrastructure/equipment related to the proposed assignment³

No	Infrastructure/equipment Required	Requirements Description
1		
2		
3		
4		
5		
6		
7		

³ Delete this table if infrastructure/equipment for the proposed assignment is not required.

5. Key Experts *(Include details of Key Experts only)*

(In case of joint venture of two or more firms to be filled separately for each constituent member)

SN	Name	Position	Highest Qualification	Work Experience (in year)	Specific Work Experience (in year)	Nationality
1						
2						
3						
4						
5						

(Please insert more rows as necessary)

Contact Person regarding Query about EOI Document

Sabita Ghimire

Senior Chartered Accountant

Central Account Division

Contact No.: 9851224236

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