

Terms of Reference (TORs)
For Pre-Qualification of 3rd Party Audit Firms (Process & Product Audit)
Engineering Development Board (EDB)
Ministry of Industries & Production
Government of Pakistan

1. Introduction & Background

The **Engineering Development Board (EDB)**, under the **Ministry of Industries & Production (MoIP)**, is responsible for promoting indigenization, compliance, and development of Pakistan's engineering sector.

As part of the **New Energy Vehicle (NEV) Policy 2025–30**, the Government of Pakistan has launched the **PAVE Scheme**, targeting the subsidization of **2.2 million EVs over 5 years**, including major share for two- and three-wheelers. To ensure integrity, transparency, and alignment with global best practices, EDB seeks to pre-qualify independent 3rd Party Audit Firms (national & international repute) for process and product audits.

2. Objectives of the Assignment

- Ensure transparency, due diligence, and compliance with PPRA Rules 2004 in the pre-qualification of OEMs and evaluation processes.
- Conduct rigorous technical and product validation audits of the Qualified and Selected OEMs in line with NEV Policy 2025–30.
- Strengthen stakeholder confidence by ensuring independent oversight and verification.
- Prevent malpractice, favoritism, or misrepresentation in the OEM pre-qualification and product delivery stages.

3. Scope of Work

Task 1: Process Audit

- Audit of EDB's PQ process for OEMs:
 - Review of RFPs, bidding documents, evaluation criteria.
 - Audit of bid receipt, opening, evaluation, and PQ outcomes.
 - Verification of adherence to PPRA procurement framework.

Task 2: Product Audit

- Verification and validation of EV models post e-balloting:
 - Compliance with EDB approvals, NEV specifications, and safety and quality standards as approved by EDB/MoIP.
 - Laboratory testing of critical components (battery, motor, controller, chassis).
 - Random post-delivery field inspections to ensure conformity with approved designs.

4. Eligibility Criteria

Firms must demonstrate:

- Registration with SECP, ICAP, or equivalent international regulatory body.
- Accreditation under ISO/IEC 17020/17065.
- Minimum 10 years' experience in industrial/automotive/EV audits.
- Minimum 3 assignments of technical/product validation for government or multilateral agencies.
- Qualified team: At least 5 professional engineers and 2 ISO 19011-trained auditors.
- Annual turnover \geq PKR 50 million.
- Signed declaration of independence & conflict of interest.

5. Proposal Submission

- **Single Stage Two-envelope method:** technical & financial proposals separately.
- Proposals to be submitted in hard copy (sealed) and soft copy (portal/USB).
- Must include: company profile, legal documents, audited financials (3 years), proof of assignments, staff CVs.
- Phased-wise financial proposal with price validity for one year.

6. Evaluation

- Technical Evaluation (70%): Experience, methodology, staffing, compliance.
- Financial Evaluation (30%): Cost competitiveness (LCS/CQS methods under PPRA).
- Minimum technical score: 70% for financial bid opening.

7. Deliverables

- Process audit reports.
- Product validation reports.
- Laboratory testing certificates.
- Exception & compliance reports.

8. Contract Terms

- Duration: 1 year (renewable based on performance).
- Reporting: Directly to CEO-EDB.
- Strict adherence to timelines and PPRA provisions.