



REQUEST FOR PROPOSAL (RFP) (For Low-Valued Services)

Name and Address of Firm	DATE: October 14, 2021
	REFERENCE: RFP/PNG/013-2021

Dear Sir / Madam:

We kindly request you to submit your Proposal for **Long-Term Agreement for Harmonized Approach to Cash Transfers (HACT) Assurance Services for UNDP and other UN Agencies.**

Please be guided by the form attached hereto as Annex 2, in preparing your proposal.

Proposals shall be submitted on or before 5.00 p.m. (local time) on Wednesday, November 03, 2021

Proposals may be submitted on or before the deadline indicated by UNDP in the e-Tendering system. Bids must be submitted in the online e-Tendering system in the following link:

<https://etendering.partneragencies.org>; using your username and password. If you have not registered in the system before, you can register now by logging in using

Username: event.guest | **Password:** why2change

and follow the registration steps as specified in the system user guide. Your proposal must be expressed in the English, and valid for a minimum period of 90 days.

You are kindly requested to indicate whether your company intends to submit a Proposal by clicking on "Accept Invitation" in the system.

In the course of preparing and submitting your proposal, it shall remain your Responsibility to ensure that it submitted into the system by the deadline. The system will automatically block and not accept any bid after the deadline. Kindly ensure attaching the required supporting documents (*with file name less than 60 characters*) in pdf, word or excel format, which must be free from any virus or corrupted files. Proposals that are received by UNDP after the deadline indicated above, for whatever reason, shall not be considered for evaluation.

The Financial Proposal and the Technical Proposal files **MUST BE COMPLETELY SEPARATE** and uploaded separately in the system and clearly named as either "TECHNICAL PROPOSAL" or "FINANCIAL PROPOSAL", as appropriate. Each document shall include the Proposer's name and address. **The file with the "FINANCIAL PROPOSAL" must be encrypted with a password** so that it cannot be opened nor viewed until the proposal has been found to pass the technical evaluation stage. Once a Proposal has been found to be responsive by passing the technical evaluation stage, UNDP shall request via email the Proposer to submit the password to open the Financial Proposal. The Proposer shall assume the Responsibility for not encrypting the financial proposal. It is strongly suggested that Bidders make a note of the passwords and keep them in a safe place. If we are unable to open the file because of forgotten password (s), the proposal will be disqualified. **The Proposer should not put amount of financial proposal in the eTendering system but indicate "1".**

Services proposed shall be reviewed and evaluated based on completeness and compliance of the proposal and responsiveness with the requirements of the RFP and all other annexes providing details of UNDP requirements.

The proposal that complies with all the requirements, meets all the evaluation criteria, and offers the best value for money shall be selected and awarded the Contract. Any offer that does not meet the requirements shall be rejected.

Any discrepancy between the unit price and the total price shall be re-computed by UNDP, and the unit price shall prevail, and the total price shall be corrected. If the Service Provider does not accept the final price based on UNDP's re-computation and correction of errors, its proposal will be rejected.

No price variation due to escalation, inflation, fluctuation in exchange rates, or any other market factors shall be accepted by UNDP after it has received the proposal. At the time of Award of Contract or Purchase Order, UNDP reserves the right to vary (increase or decrease) the quantity of services and/or goods, by up to a maximum twenty-five per cent (25%) of the total offer, without any change in the unit price or other terms and conditions.

Any Contract or Purchase Order that will be issued as a result of this RFP shall be subject to the General Terms and Conditions attached hereto. The mere act of submission of a Proposal implies that the Service Provider accepts without question the General Terms and Conditions of UNDP, herein attached as Annex 3.

Please be advised that UNDP is not bound to accept any Proposal, nor award a contract or Purchase Order, nor be responsible for any costs associated with a Service Providers preparation and submission of a Proposal, regardless of the outcome or the manner of conducting the selection process.

UNDP's vendor protest procedure is intended to afford an opportunity to appeal for persons or firms did not award a Purchase Order or Contract in a competitive procurement process. In the event that you believe you have not been fairly treated, you can find detailed Information about vendor protest procedures in the following link:

<http://www.undp.org/content/undp/en/home/operations/procurement/business/protest-and-sanctions.html>

UNDP encourages every prospective Service Provider to prevent and avoid conflicts of interest, by disclosing to UNDP if you, or any of your affiliates or personnel, were involved in the preparation of the requirements, design, cost estimates, and other information used in this RFP.

UNDP implements zero tolerance on fraud and other proscribed practices and is committed to preventing, identifying, and addressing all such acts and practices against UNDP and third parties involved in UNDP activities. UNDP expects its Service Providers to adhere to the UN Supplier Code of Conduct found in this link :

https://www.un.org/Depts/ptd/sites/www.un.org.Depts.ptd/files/files/attachment/page/pdf/unsc/conduct_english.pdf

Thank you and we look forward to receiving your proposal.

Sincerely yours,



Operations Manager

10/13/2021



Annex 1**Description of Requirements**

Context of the Requirement	<u>Long-Term Agreement for Harmonized Approach to Cash Transfers (HACT) Assurance Services for UNDP and other UN Agencies.</u>
Implementing Partner of UNDP	UN/UNDP
Brief Description of the Required Services	<p>Long-Term Agreement for Harmonized Approach to Cash Transfers (HACT) Assurance Services for UNDP and other UN Agencies that includes following services:</p> <ul style="list-style-type: none"> • Macro assessment * • Micro assessment • Spot checks • HACT audit • Special audits • Financial management • Capacity development service • Other related advisory services
List and Description of Expected Outputs to be Delivered	As indicated in the TOR (Annex 3)
Person to Supervise the Work/Performance of the Service Provider	The contracted service providers will work with the focal points appointed by UNDP/UN
Frequency of Reporting	As indicated in the TOR (Annex 3)
Progress Reporting Requirements	As indicated in the TOR (Annex 3)
Location of work	As indicated in the TOR (Annex 3)
Expected duration of work	<p>1. The Contract shall be concluded for a period of 1 (one) year and may be extended for 2 (two) additional 1 (one)-year terms at the discretion of the UNDP subject to satisfactory performance by the Contractor/s.</p> <p>2. It is anticipated to award the contract to up to 3 qualified suppliers as a result of this RFP. To ensure cost efficiency, value-for-money principle and transparent competition among LTA holders secondary competition will be applied.</p>
Target start date	December 2021 (Expected)
Latest completion date	N/A
Travels Expected	As indicated in the TOR (Annex 3)
Special Security Requirements	<input type="checkbox"/> Security Clearance from UN prior to traveling

	<input type="checkbox"/> Completion of UN's Basic and Advanced Security Training <input type="checkbox"/> Comprehensive Travel Insurance <input checked="" type="checkbox"/> Others Responsibility at the bidder's end. UNDP would facilitate if specific support required during the implementation of the assignment
Facilities to be Provided by UNDP (i.e., must be excluded from Price Proposal)	<input type="checkbox"/> Office space and facilities <input type="checkbox"/> Land Transportation <input checked="" type="checkbox"/> Others - As indicated in the TOR (Annex 3)
Implementation Schedule indicating breakdown and timing of activities/sub-activities	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required
Names and curriculum vitae of individuals who will be involved in completing the services	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required
Currency of Proposal	<input checked="" type="checkbox"/> United States Dollars, or <input type="checkbox"/> Euro <input checked="" type="checkbox"/> Local Currency (UN Rate of Exchange of Date of Bid Closure will be applicable)
Value Added Tax on Price Proposal	<input checked="" type="checkbox"/> must be inclusive of VAT and other applicable indirect taxes <input type="checkbox"/> must be exclusive of VAT and other applicable indirect taxes
Validity Period of Proposals (Counting for the last day of submission of quotes)	<input type="checkbox"/> 60 days <input checked="" type="checkbox"/> 90 days <input type="checkbox"/> 120 days In exceptional circumstances, UNDP may request the Proposer to extend the validity of the proposal beyond what has been initially indicated in this RFP. The proposal shall then confirm the extension in writing, without any modification whatsoever on the proposal.
Partial Quotes	<input checked="" type="checkbox"/> Not permitted <input type="checkbox"/> Permitted
Payment Terms	As indicated in the TOR
Person(s) to review/inspect/ approve outputs/completed services and authorize the disbursement of payment	UN/UNDP focal point

Type of Contract to be Signed	<input checked="" type="checkbox"/> Purchase Order <input type="checkbox"/> Institutional Contract <input type="checkbox"/> Contract for Professional Services <input checked="" type="checkbox"/> Long-Term Agreement (Purchase Order for call-off contracts) <input type="checkbox"/> Other Type of Contract <i>[pls. specify]</i>
Criteria for Contract Award	<input type="checkbox"/> Lowest Price Quote among technically responsive offers <input checked="" type="checkbox"/> Highest Combined Score (based on the 70% technical offer and 30% price weight distribution) <input checked="" type="checkbox"/> Full acceptance of the UNDP Contract General Terms and Conditions (GTC). This is a mandatory criterion and cannot be deleted regardless of the nature of services required. Non-acceptance of the GTC may be grounds for the rejection of the proposal.
Criteria for the Assessment of Proposal	Combined Scoring Method, using the 70%-30% distribution for technical and financial proposals, respectively. The minimum technical score required to pass is 70%. Evaluation matrix and minimum requirements are provided in the Annex 3.
UNDP will award the contract to:	<input type="checkbox"/> One and only one Service Provider <input checked="" type="checkbox"/> One or more Service Providers, depending on the following factors: It is anticipated to award the contract to up to 3 qualified suppliers as a result of this RFP. To ensure cost efficiency, value-for-money principle and transparent competition among LTA holders secondary competition will be applied.
Contract General Terms and Conditions	<input checked="" type="checkbox"/> General Terms and Conditions for contracts (goods and/or services) <input type="checkbox"/> General Terms and Conditions for de minimis contracts (services only, less than \$50,000) Applicable Terms and Conditions are available at: http://www.undp.org/content/undp/en/home/procurement/business/how-we-buy.html
Annexes to this RFP	<input checked="" type="checkbox"/> Form for Submission of Proposal (Annex 2) <input checked="" type="checkbox"/> Detailed TOR (Annex 3) with Attachment
Contact Person for Inquiries (Written inquiries only)	procurement.pg@undp.org <i>Please mention the following in the subject while sending any query to UNDP regarding this RFP on or before October 28, 2021, 4.30 PM (PNG Time)</i> <i><u>"Queries on RFP/PNG/013-2021"</u></i> Any delay in UNDP's response shall not be used as a reason for extending the deadline for submission unless UNDP determines that such an extension is necessary and communicates a new deadline to the Proposers.
Other Information <i>[pls. specify]</i>	A pre-bid meeting will be held <u>on October 21, 16.30 PM PNG TIME</u> <u>Through Zoom Meeting ID: https://undp.zoom.us/j/82774250843</u>

Annex 2

FORM FOR SUBMITTING SERVICE PROVIDER'S PROPOSAL***(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery)***

[insert: Location].

[insert: Date]

To: [insert: Name and Address of UNDP focal point]

Dear Sir/Madam:

We, the undersigned, hereby offer to render the following services to UNDP in conformity with the requirements defined in the RFP dated [specify date] , and all of its attachments, as well as the provisions of the UNDP General Contract Terms and Conditions:

A. Qualifications of the Service Provider

The Service Provider must describe and explain how and why they are the best entity that can deliver the requirements of UNDP by indicating the following:

- a) Profile – describing the nature of business, field of expertise, licenses, certifications, accreditations.*
- b) Business Licenses – Registration Papers, Tax Payment Certification, etc.*
- c) Latest Audited Financial Statement – income statement and balance sheet to indicate Its financial stability, liquidity, credit standing, and market reputation, etc.*
- d) Track Record – list of clients for similar services as those required by UNDP, indicating description of contract scope, contract duration, contract value, contact references.*
- e) Certificates and Accreditation – including Quality Certificates, Patent Registrations, Environmental Sustainability Certificates, etc.*
- f) Written Self-Declaration that the company is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List.*

The proposed draft is below:

Dear Sir,

I declare that is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List.

Yours Sincerely,

g) Please provide information on similar audit assignments, micro- and macro- assessments, risk assessment.

h) Please list common experience of HACT audits on request of international organizations. Also, please state any UN experience.

B. Proposed Methodology for the Completion of Services

The Service Provider must describe how it will address/deliver the demands of the RFP; providing a detailed description of the essential performance characteristics, reporting conditions and quality assurance mechanisms that will be put in place while demonstrating that the proposed methodology will be

appropriate to the local conditions and context of the work

Please provide your methodology to this assignment, describe experience in applying either ISA or INTOSAI audit standards, share task schedule for each type of service.

C. Qualifications of Key Personnel

The Service Provider must provide:

- a) Names and qualifications of the key personnel that will perform the services indicating who is Team Leader, who are supporting, etc.*
- b) CVs demonstrating qualifications must be submitted for at least 3 team members as described in the below section, and***
- c) Written confirmation from each personnel that they are available for the entire duration of the contract.*

D. Cost Breakdown per Component

The Proposer is required to prepare the Financial Proposal in a password-protected file, separated from the rest of the technical proposal. The financial proposal should be provided in two files: pdf format duly signed and a xls. file filled in. Both files should be password protected.

Considering the specific of service provision, the financial evaluation will be provided based on the weighted service fee. Weight coefficients applied to each fee are based on the share of the service in the structure of consumption based on forecast analysis for 2021. For 2022-2023 common distribution of services is expected. Bidder should indicate their service fees (column 1) that will be fixed during the contract duration. Weighted price will be calculated automatically and used for evaluation purpose only.

Unit/Range of Budget (for one audit project)		Proposed price per audit/assessment , USD	Estimated qty for 2021	Weighted qty	Weighted price for evaluation purpose
-	-	<u>1</u>	<u>2</u>	<u>3</u>	<u>=1x3</u>
Macro Assessment	1 Assessment		1	2%	0
Micro Assessment	1 Implementin g Partner		15	31%	0
Spot check	\$10,000 to \$ 100,000		2	4%	0
	\$100,001 to \$300,000		5	10%	0
	\$300,001 to \$500,000		4	8%	0
	\$500,000 & above		5	10%	0
Internal Control Audits	\$10,000 to \$ 100,000		4	8%	0
	\$100,001 to \$300,000		3	6%	0
	\$300,001 to \$500,000		5	10%	0
	\$500,000 & above		1	2%	0

Unit/Range of Budget (for one audit project)		Proposed price per audit/assessment , USD	Estimated qty for 2021	Weighted qty	Weighted price for evaluation purpose
Financial Audits	\$10,000 to \$ 100,000		5	10%	0
	\$100,001 to \$300,000		3	6%	0
	\$300,001 to \$500,000		5	10%	0
	\$500,000 & above		2	4%	0
Weighted fee			49	100%	0

[Name and Signature of the Service Provider's Authorized Person]

[Designation][Date]

Annex 3

TERMS OF REFERENCE

Long-Term Agreement for Harmonized Approach to Cash Transfers (HACT) Assurance Services

1. BACKGROUND

The UNDP Papua New Guinea together with other participating agencies (UNICEF and UNFPA) hereon referred to as UN Agencies, seeks to establish long term agreement with up to 3 service providers to provide a range of financial assessment and assurance activities, and capacity development related to Implementing Partners (IPs), to UNDP Country Office. The financial assessment and assurance activities, as well as capacity development and other advisory activities and services, will be provided under the HACT (Harmonized Approach to Cash Transfers) Framework. The assurance and assessment activities will encompass macro assessments, micro assessments, financial spot checks, financial audits, and scheduled audits. The capacity development activities will comprise tailored activities to address specific weaknesses or gaps in financial management and reporting systems of UN Agencies' implementing partners in Papua New Guinea.

The HACT framework was first adopted in 2005 and updated in 2014. It is applied by UNICEF, UNFPA, and UNDP, pursuant to United Nations General Assembly Resolution 56/201 on the triennial policy review of operational activities for the development of the United Nations system. The HACT framework represents a common operational (harmonized) framework for transferring cash to government and non-governmental IPs, irrespective of whether these partners work with one or multiple United Nations agencies. The objective of the HACT framework is to support a closer alignment of development aid with national priorities and to strengthen national capacities for management and accountability, with the ultimate objective of gradually shifting to national systems. It is understood that 'harmonized' in the context of the HACT framework refers to agencies implementing a common operational framework using the same, consistent, standardized approach and tools.

The HACT framework represents a shift from assurance for cash transfers derived from project-level controls and audits towards a method of assurance derived from risk/system-based assessments and audits.

2. SCOPE OF WORK

A. MACRO ASSESSMENT

To ensure adequate awareness of the public financial management (PFM) environment within which agencies provide cash transfers to IPs, a desk review of assessments of the PFM system is conducted. In the HACT framework, PFM is broadly defined to include a range of considerations for operating in the country. It is not limited solely to the financial environment but also includes national procurement capacity, exchange rate volatility, presence of informal/black markets, etc. This assessment is called a macro assessment.

The two primary outputs of the macro assessment are:

- (a) An outline of risks related to the use of the PFM for cash transfers to government IPs (in general) within the country (individual IP risk is determined through the micro assessment), as well as other country-specific knowledge for non-governmental IPs, such as environmental conditions, exchange rate volatility, presence of black markets, etc.; and
- (b) A determination on whether the government's supreme audit institution (SAI) has the capacity to undertake the scheduled and special audits of government IPs.

For detailed terms of reference, please refer to Annex 1.

B. MICRO ASSESSMENT

The micro assessment assesses the IP's financial management capacity (i.e., accounting, procurement, reporting, internal controls, etc.) to determine the overall risk rating and assurance activities. The risk rating, along with other available information, is also taken into consideration when selecting the appropriate cash transfer modality for an IP, based on each agency's business model. This assessment applies to both governmental and non-governmental IPs.

The two primary outputs of the micro assessment are:

- (a) An overall risk rating related to cash transfers to IPs (low, moderate, significant, or high); and
- (b) The appropriate type and frequency of assurance activities and cash transfer modality based on each agency's business models.

The micro assessment is viewed as a component of the standard overall assessment of an IP, in addition to other available sources of information (e.g., history of engagement with the agency, previous audit reports, etc.) and results from the macro assessment (or the absence of information regarding the PFM environment and capacity of the SAI if no macro assessment exists).

The micro assessment is performed by a service provider and includes a site visit to the IP. The assessment primarily consists of interviews with IP personnel and a review of relevant documentation sufficient to complete the micro assessment questionnaire.

For detailed terms of reference, please refer to Annex 2.

C. ASSURANCE ACTIVITIES

The purpose of assurance activities is to determine whether the funds transferred to IPs were used for their intended purpose and in accordance with the work plan. Without appropriate completion of the assurance activities, the HACT framework would only serve as a mechanism for risk assessment/ identification, rather than a mechanism for risk management and mitigation. This would expose the United Nations to significant risk and audit findings.

The components of financial assurance activities are briefly described as:

- a. *Spot checks*: a review of financial records related to the management of the partnership with the UN Agencies. Spot checks are performed in the office of implementing partners. Spot checks are not auditing therefore, the extent of expense testing is generally lower than what would be undertaken during an audit.

For detailed terms of reference, please refer to Annex 3.

- b. *HACT audit*: a systematic and independent examination of data, statements, records, operations, and performance of an implementing partner carried out by service provider.
 - *Internal Control Audit*
The objective of an agreed-upon procedures attest engagement is to prepare a report of findings based on specific procedures performed on the subject matter. As the service provider is engaged to report on factual findings of the agreed-upon procedures, no assurance is expressed. Instead, users of the report assess for themselves the procedures and findings reported by the service provider and draw their own conclusions from the work. The report is restricted to parties

that have agreed to the procedures to be performed since others, unaware of the reasons for the procedures, may misinterpret the results.

For detailed terms of reference, please refer to Annex 4.

– *Finance Audit*

The objective of the audit is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, thereby enabling the auditor to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework. The auditor also expresses an opinion whether the funds were properly supported with approved documentation and used for the purpose intended in accordance with the approved budget, requirements of the applicable funding agreement and the organization's policies and procedures

For detailed terms of reference, please refer to Annex 5.

- c. *Special audit*: an audit performed when significant issues and concerns are identified during the programme cycle, often resulting from programmatic visits and spot checks. The special audit may focus on financial or internal controls, depending on the nature of the potential or identified issues.

D. CAPACITY DEVELOPMENT

Capacity development is a central part of the HACT vision and is a core component of managing risk, rather than just assessing it. Identification of capacity gaps in IPs and plans to address them must be an element of HACT implementation. In this context it is acknowledged that financial management capacity is a crosscutting, underlying capacity necessary for any IP to effectively contribute to achievement of the programme result.

Capacity development work in this context will take place at the IP level and will be provided through activities targeted to improve specific gaps in financial management capacity. Capacity development is key to achieving the HACT objective of promoting national ownership.

*) Throughout this document the term "implementing partner" is used to refer to the institution designated to manage the project. Where the project is nationally implemented (NIM), this will refer to a government institution. Where the project is NGO executed, this will refer to an NGO. The term "government coordinating authority" refers to the government institution, which is the official UN counterpart.

Possible IPs include:

- Government institutions.
- Inter-governmental organizations; and
- Eligible civil society organizations, including non-governmental organizations.
- Eligible civil society organizations are those that are legally registered (if required) in the country where they operate.

Scope of professional services

	Service	Terms of reference, including output	Comments
1	Macro assessment *	Annex A: Terms of Reference for Macro Assessment	Required once every program cycle (5 years).

	Service	Terms of reference, including output	Comments
2	Micro assessment	Annex B: Terms of Reference for Micro Assessment	Required for all partners receiving more than \$100,000/year for UNICEF and UNFPA and \$150,000/year for UNDP (must be updated at least every 5 years).
3	Spot checks	Annex C: Terms of Reference for Spot Checks	Required for all partners receiving more than \$50,000/year with increased frequency for a higher value of cash transfers and higher risk partners and further to individual agencies' requirements.
5	HACT audit	Annex D: Terms of Reference for Internal Control Audit Annex E: Terms of Reference for Financial Audit	The HACT audit for UNDP is based on the Country office Risk Rating.
6	Special audits	The specific terms of reference and outputs will be developed in accordance with the issue that triggered the special audit.	Triggered because of specific issues and concerns arising during the programme cycle. Examples include operational audits, financial audit, and investigative procedures.
7	Financial management capacity development	The specific terms of reference and outputs will be developed according to the specific capacity development activity.	Financial management capacity development will be advisory services to assist partners in the remediation of issues identified by micro assessments and assurance activities.
	Service	Terms of reference, including output	Comments
8	Another related advisory services	The specific terms of reference and outputs will be developed according to the specific advisory services requirement.	Possible services include quality assurance activities, strategic advice on establishing standards for assurance activities such as audit, micro assessment and spot check sample size, frequency, training of UN Agencies staff on spot check procedure.

As of the date of this RFP, it is difficult for UN Agencies to provide figures as to the volume of services required for year 2021 and beyond. This is since the request for services will be driven by the number and volume of partners of each UN Agencies and this varies.

3. LOCATION OF SERVICES

UN Agencies in Papua New Guinea would like to establish up to 3 Long Term Agreements for the above-described services. Contracts for specific services would then be enacted by specific UN agencies country offices at the LTA-specified unit costs and other conditions. This means that the service provider would (ideally) have offices in Papua New Guinea. It is not envisaged that the signatory of the LTA, wherever based, would send staff out to provide the services. This latter arrangement is not considered feasible (lack of local knowledge and infrastructure) nor cost-effective. However, it is possible that where some particular countries in the region do

not have a local office of the service provider, staff may be flown in from neighboring countries to undertake the contracted services.

Where bidder is required to include the estimate cost of travel in the financial proposal, travel cost shall be calculated based on economy class travel, regardless of the length of travel and costs for accommodation, meals and incidentals shall not exceed applicable daily subsistence allowance (DSA) rates, as promulgated by the International Civil Service Commission (ICSC).

4. REPORTING REQUIREMENTS

The exact report specifications of the deliverables of are provided in attachments to each of the Annexes 1-5.

Final reports are to be issued by the service provider directly to the respective UN agency. The respective UN agency will share the final report(s) with the implementing partner and other UN agencies. The service provider will not share any deliverable to any other party, including donors providing funding for the specific project or programme.

Reports are to be provided in Word or Excel format, as appropriate (or as may be further specified in the specific terms of reference). Where the service provider's internal policies require the final signed version to be provided only in PDF, UN Agencies will accept the PDF version accompanied by a Word/Excel version with same content but without signature and/or branding (as per service provider's internal policies).

5. OTHER PERTINENT MATTERS

In the delivery of any services under this LTA, cases which indicate fraud or presumptive fraud will be brought to the immediate attention of the designated person in each UN Agency office without waiting for the issuance of the audit report.

The service provider is to maintain working papers supporting audit work at its premises for five years. UN Agencies shall on request have access to the working paper documentation. At the request of UN Agencies, the service provider is to brief subsequent service providers on the details of the results of any work carried out under this LTA and records are to be kept for ten years.

Professional experience and qualification of each service provider staff member are expected to meet or exceed specific requirements listed in each individual terms of reference contained in the LTA. UN Agencies reserve the right to request CVs for each service provider staff member that will be carrying out any work under this LTA. UN Agencies reserves the right to request the service provider to provide replacement staff where UN Agencies feels CVs do not meet minimum requirements as per the specific terms of references.

Any staff of the service provider providing services to UN agencies is required to review [UNDG Harmonized Approach to Cash Transfer \(HACT\) Framework](#), respective UN agencies HACT related policies and procedures (provided upon contact award) and other pertinent background material in order to provide quality services to UN agencies.

6. LTA ARRANGMENTS

1. The Contract shall be concluded for a period of 1 (one) year and may be extended for 2 (two) additional 1 (one)-year terms at the discretion of the UNDP subject to satisfactory performance by the Contractor/s.
2. It is anticipated to award the contracts to up to 3 qualified suppliers as a result of this RFP. To ensure cost efficiency, value-for-money principle and transparent competition among LTA holders, secondary competition will be applied.

3. For further secondary competition, future orders will be awarded based on the secondary competitive bidding process between selected LTA holders. UNDP or UN Agency will transmit requests to the LTA holders as and when required. Prices submitted by the LTA holder(s) in response to the requests shall be equal or vary a maximum +/- 15% from the ceiling prices quoted against this RFP. Call-off contracts from the LTAs will be awarded via Purchase Orders issued by UNDP.

In addition to the cost offered in response to the call-off requests, adjudication of the secondary bidding will take into consideration the proposed timeframes.

7. DOCUMENTS TO BE SUBMITTED BY THE BIDDER

- Company (audit services provider) profile, which should not exceed ten (10) pages but should include references to the audits of similar nature, preferably for international organizations. The profile shall explicitly note the information contained in the Evaluation Criteria section.
- At least two (2) reference letters from the previous customers/clients/partners reflecting the nature of projects implemented, their results and the role of the applicant. Letters from UN Agencies are of special value.
- Description of the proposed team, including CVs of the team suggested that allow to assess their experience. For more details, see the section “Key requirements for the organization”.
- Technical proposal, including work plan, timetable of stages, methodology and approach.
- Copies of professional certificates for proposed staff (if available).
- Registration documents’ scan copies.
- Copies of financial balance sheets as per local legislation requirements past 2 years.
- A financial proposal in line with the instructions provided in the RFP. Note: the financial proposal shall be in a password-protected archive and separate from the technical proposal. The password to the financial proposal archive shall not be provided unless requested and shall not be included with the original submission – in the cover letter or any other submission part.

8. MINIMUM REQUIREMENTS

Key requirements for the organization:

- Properly registered company/organization (commercial, non-profit, or academic). If the bid comes from a consortium, all consortium members must be properly registered.
- At least years of professional experience in similar audit assignments.
- At least 5 years of professional experience in similar micro- and macro- assessments, risk assessment.
- Proven experience of HACT audits on request of international organizations will be considered as asset.
- Previous experience of audits for UN Agencies will be considered as asset.

Team Leader (one person):

- Advance University degree (Master’s) or equivalent in Economics, Finance, Public Administration, Management, or related field.
- At least 5 (five) years of experience in the field of finance, public financial management, private sector development, budgeting, and planning.
- Experience in leading teams conducting HACT Audits on request of international organizations.
- Experience in applying either ISA or INTOSAI audit standards, whichever is applicable for the audit.
- Languages Fluent English, written and spoken.

Auditor (two persons):

- Advanced University degree (Master’s) or equivalent in Economics, Finance, Public Administration, Management, or related field.

- At least 3 (three) years of experience in the field of provision audits for international companies/organizations. • Experience in HACT audit projects implementation.
 - Experience of provision audit on request of UN Agencies would be considered as an asset.
 - Experience in applying either ISA or INTOSAI audit standards, whichever is applicable for the audit.
- Languages: Fluent English or fluent Tok Pisin.

9. EVALUATION CRITERIA MATRIX

A two-stage procedure is utilized in evaluating the proposals, with an evaluation of the technical proposal being completed prior to any price proposal being opened and compared. The price proposals will be opened only for submissions that have passed the minimum technical score of 70% (or 490 points) of the obtainable score of 700 points in the evaluation of the technical proposals. At the First Stage, the technical proposal is evaluated based on its responsiveness to the Terms of Reference (TOR) and as per below Evaluation Criteria.

At the Second Stage, the price proposals of all offerors, who have attained minimum 70% score in the technical evaluation, shall be reviewed.

The overall evaluation shall result from a cumulative analysis, under which the technical and financial aspects will have pre-assigned weights on 70% and 30% of the overall score, respectively. The lowest cost financial proposal (out of technically compliant) will be selected as a baseline and allocated the maximum number of points obtainable for the financial part (i.e., 300). All other financial proposals will receive a number of points inversely proportional to their quoted price, e.g., 300 points x lowest price / quoted price.

Technical Proposal Evaluation		Points obtainable
<u>Form 1: Expertise of the Firm/Organization</u>		
1	At least 5 years of professional experience in similar micro- and macro-assessments, risk assessment (5-7 years -60 points, 8-10 years - 80 points, 11 years and more - 100 points)	50
2	At least 7 years of professional experience in similar audit assignments (7-9 years - 60 points, 10-12 years - 80 points, 13 years and more - 100 points)	100
3	Proven experience of HACT audits on request of international organizations (1-2 projects - 20 points, 3-4 projects - 40 points, 5 project and more - 60 points)	60
2	Previous experience of audits for UN Agencies – 40 points	40
Total		250
<u>Form 2: Technical Proposal Evaluation</u>		Points obtainable
1	Does the submitted Technical Proposal meet the objective and scope of work? (The Technical Proposal generally meets the objectives and scope of work – 30 points; The Technical Proposal corresponds well to the task, but workload overstated/understated – 40 points; the Technical Proposal is logical and details the algorithm of the task which is corresponding to the volume of work – 50 points)	50
2	How well developed, reasonable and reliable is the methodology of implementation of services? (The methodology was developed with and incomplete understanding of HACT requirements – 40 points; The methodology logically describes a sequence of works, demonstrates overall understanding of HACT requirements and templates – 50 points; The methodology includes thorough criteria that demonstrate its feasibility and practical experience of the bidder in HACT Assessments –60 points)	60

Technical Proposal Evaluation		Points obtainable
3	Experience in applying either ISA or INTOSAI audit standards	50
4	How well developed and reliable is the task schedule? (The proposed task schedule is realistic, but exceeds deadlines installed in TOR, clarification required – 30 points; the organization provided a balanced and realistic task schedule, meeting deadlines of the audit – 50 points)	50
Subtotal		210
Form 3: Management Structure and Key Personnel		Points obtainable
Team leader		Team Leader
1	Advanced University degree (Master's) or equivalent in Economics, Finance, Public Administration, Management, or related field (Master's – 7 points; PhD – 10 points)	10
2	At least 5 years of experience in the field of finance, public financial management, private sector development, budgeting, and planning (5-7 years – 20 points; 8 and more– 30 points)	30
3	Experience in leading teams conducting HACT Audits on request of international organizations (1-2 projects - 15 points, 3-4 projects - 20 points and 5 projects or more - 25 points)	25
4	Experience in applying either ISA or INTOSAI audit standards, whichever is applicable for the audit	10
5	At least 5 years of professional experience in similar micro- and macro-assessments, risk assessment (5-7 years -7 points, 8-10 years - 10 points, 11 years and more - 15 points)	15
6	Fluent English - 5 points; Fluent English and Tok Pisin - 10 points	10
<u>Subtotals</u>		<u>100</u>
Auditor 1		Specialist 1
1	Advanced University degree (Master's) or equivalent in Economics, Finance, Public Administration, Management, or related field (Master's – 7 points; PhD – 10 points)	10
2	Experience in implementation of HACT Audit projects (1-2 projects - 10 points, 3 or more - 15 points)	15
3	Experience of provision audit on request of UN Agencies	10
4	Experience in applying either ISA or INTOSAI audit standards, whichever is applicable for the audit	10
5	At least 3 (three) years of experience in the field of provision audits for international companies/organizations (3-5 years – 10 points; 6 and more – 15 points)	15
5	Fluent English - 5 points and fluent Tok Pisin 5 points (10 in total)	10
<u>Subtotals</u>		<u>70</u>
Auditor 2		Specialist 2
1	Advanced University degree (Master's) or equivalent in Economics, Finance, Public Administration, Management, or related field (Master's – 7 points; PhD – 10 points)	10
2	Experience in implementation of HACT Audit projects (1-2 projects - 10 points, 3 or more - 15 points)	15

Technical Proposal Evaluation		Points obtainable
3	Experience of provision audit on request of UN Agencies	10
4	Experience in applying either ISA or INTOSAI audit standards, whichever is applicable for the audit	10
5	At least 3 (three) years of experience in the field of provision audits for international companies/organizations (3-5 years – 10 points; 6 and more – 15 points)	15
5	Fluent English - 5 points and fluent Tok Pisin 5 points (10 in total)	10
<u>Subtotals</u>		<u>70</u>
Total		240

Summary of Technical Proposal Evaluation Forms		Points obtainable
1	Expertise of Firm / Organization	250
2	Proposed Methodology, Approach, and Implementation Plan	210
3	Management Structure and Key Personnel	240
Total		700