

## United Nations Development Programme

Programme of Assistance to the Palestinian People

برنامج الأمم المتحدة الإنمائي / برنامج مساعدة الشعب الفلسطيني



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RFP-2011-015

### Pre-bid Meeting Minutes and Amendment No 2

**SUBJECT: Long Term Agreement for the Provision of Audit Services  
of the Projects of UNDP, Donors, and Other UN Agencies**

Date: 25 Nov, 2011

The Following is considered as amendment No. 2 to the RFP-2011-015, which shall be deemed to form, be read as part of the tender. Please be informed the following:

Following the pre-bid meeting, which was held at UNDP/PAPP Jerusalem office, on 15 November, 2011, at 11 a.m., participating Offerors raised several issues and UNDP is amending the RFP as follows:

- 1) Subject: the subject is amended to read as follows: "Long Term Agreement for the Provision of Audit Services of the Projects of UNDP, Donors, and Other UN Agencies."
- 2) General: UNDP aims to establish **multiple** Long Term Agreements (LTAs) with qualified audit firms to perform audit services of UNDP DIM (Direct Implementation) and NIM (National Implementation) Projects (on behalf of the Office of Investigation and Audit (hereinafter referred to as OAI)), Donors Projects, and Other UN Agencies Projects for the period of the Agreement.
- 3) Scope of Long Term Agreement: UNDP will request audit services of its own projects once a year. Number, type and size of selected projects will be identified by the OAI. Other UN Agencies, who are operating under the umbrella of UNDP, and Donors of UNDP may request audit services.
- 4) OAI Role: The audit of **UNDP DIM and NIM Projects** will be conducted by an external audit firm on behalf of the OAI. It's not a legal requirement nor an external audit of UN organization. It is OAI who mandates an external audit firm to perform an audit of projects implemented by UNDP on behalf of OAI.
  - a. OAI will participate in the Long Term Agreement evaluation process leading to the selection of the audit firms;
  - b. identify UNDP projects to be audited;
  - c. provide guidance to the audit firm before and during the audit fieldwork of UNDP projects;
  - d. supervise its audit work as deemed necessary and review its audit report before issuing it to UNDP senior management.
- 5) UNDP Annual Audit Plan of DIM and NIM Projects will be ready by the beginning of each year, following the approval of the OAI.
  - a. The timing of the audit fieldwork is expected to begin in February of each year. This date is subject to final determination by UNDP in consultation with the selected firm.
  - b. The first draft of the audit reports must be submitted to UNDP no later than 1 May.

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- c. Final audit reports with signed and certified statements such as CDRs, cash position, and assets and equipment, etc. must be submitted to the OAI by 31 May. This date is very critical and the non-availability of the final audit reports by the stated deadline could lead to audit observations and eventually disqualification of the audit firm (handling the task) by UNDP from participating in future audit services.
  - d. The audit reports of DIM and NIM projects shall be summarized and finally issued by OAI as an internal audit report to the UNDP Administrator. It is part of the internal audit process in essence.
  - e. An audit opinion is conclusion on the work performed; therefore, it is necessary.
- 6) Terms of Reference: The audit firm shall carry out audit services per the terms of reference provided at the time of task request. Two specimen of the terms of reference are attached to "Annex III" of the RFP that relates to the audit of UNDP DIM and NIM Projects.
- 7) Accessibility: UNDP will not be responsible for facilitating the entry of the audit firm staff into the country, issuance of visas, nor entry to Jerusalem or Gaza Strip. Audit firms shall submit proof of local branches or local affiliates in at least two locations: **Gaza Strip and Jerusalem or West Bank. Offerors fail to provide proof will be disqualified.**
- 8) Evaluation and Comparison of Proposals: Technical Evaluation Criteria is amended as follows:

Form 1: Expertise of Audit Firm

Technical Proposal Evaluation Form 1		Points obtainable
1.1	Reputation of Audit Firm and Staff/ Credibility / Reliability	25
1.2	Quality of References	50
1.3	Recruitment Standards (10 points) , promotion policies (15 points), professional training procedures (50 points)	75
1.4	General Organisational Capability which is likely to affect implementation <ul style="list-style-type: none"><li>- Financial Strength (20 points)</li><li>- age/size of the firm (20)</li><li>- Number of qualified staff employed 10 and less – 1 point; 10 to 30 - 10 points; 30 to 50 - 15 points; 50 and more – 20 points)</li><li>- strength of project management support (20 )</li><li>- project management controls (20)</li></ul>	100
1.5	Arrangements in place to conduct simultaneous audit of projects located in Jerusalem, West Bank and Gaza Strip	100

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<b>Technical Proposal Evaluation Form 1</b>		<b>Points obtainable</b>
1.6	Relevance of: <ul style="list-style-type: none"> <li>- Experience on Similar Programme / Projects (20 p)</li> <li>- Work for UNDP/ major multilateral/ or bilateral programmes (proven experience - 30 points; no experience - 0 points)</li> </ul>	50
<b>Total Form 1</b>		<b>400</b>

## Form 2: Plan and Approach

<b>Technical Proposal Evaluation Form 2</b>		<b>Points Obtainable</b>
2.1	To what degree does the Offeror understand the task?	<b>40</b>
2.2	Have the important aspects of the task been addressed in sufficient detail?	<b>90</b>
<b>Audit Report</b>		<b>50</b>
	– Adopts International Standards	10
	– Reports to be produced according to the format recommended in the TOR	15
	– Opinion as to overall financial situation of project: limited to the financial forms and the reconciliation of the operating fund account	15
	– Certify, sign and stamp CDR, Cash Position, Asset Management inventory and updated Action plan	10
<b>Management Letter</b>		<b>30</b>
	– Review of Project Progress	5
	– Assessment of internal control systems	5
	– Identify & recommendations for internal control weakness	5
	– Categorization of Audit findings by risk severity	5
	– Classification of possible causes of audit findings	5
	– Previous recommendations implemented	5
2.3	Quality assurance mechanism	<b>40</b>
<b>Total Form 2</b>		<b>250</b>

## Form 3: Audit Personnel

<b>Technical Proposal Evaluation Form 3</b>		<b>Points Obtainable</b>
3.1	<b>Audit Partners / Audit Managers</b>	
	- Qualifications	10

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Technical Proposal Evaluation Form 3		Points Obtainable
	- International Experience	10
	- Professional Relative Training Experience	10
	- Professional Experience in the area of specialisation	10
	- Knowledge of the region	5
	- Language Qualifications	5
	<b>Sub-total</b>	<b>50</b>
3.2	<b>Audit Seniors</b>	
	- Qualifications	10
	- International Experience	10
	- Professional Relative Training Experience	25
	- Professional Experience in the area of specialisation	25
	- Years of Experience within the audit firm	20
	- Knowledge of the region	5
	- Language Qualifications	5
	<b>Sub-total</b>	<b>100</b>
3.3	<b>Audit Assistants</b>	
	- Qualifications	20
	- Professional Relative Training Experience	60
	- Years of Experience within the audit firm	30
	- Professional Experience in the area of specialisation	90
	<b>Sub-total</b>	<b>200</b>
<b>Total Form 3</b>		<b>350</b>

- 9) Audit Seniors: Audit seniors who will be responsible for the task are required to have the following minimum qualifications:
- . Bachelor degree in **Accounting or Finance** (major) from a reputable university.
  - . A qualified Accountant with **CPA**.
  - . At least 2 years experience within the audit firm submitting the offer.
  - . At least 5 years experience in financial auditing.
- 10) Financial Proposal: the quotation for the Audit Rate shall be in the form of a **Composite Daily Rate**, regardless of the type and size of project to be audited or the standard terms of reference, and:
- a) The Composite Daily Rate must be fixed, firm and final and valid for the duration of the Agreement.
  - b) Rate quoted must be exclusive of all taxes, since the UNDP is exempt from taxes as detailed in clause 18 of the General Conditions of Contract.
  - c) Any incidental out of pocket expenses (OPE) must be included in the overall audit fee submitted to UNDP.

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d) The costs of preparing a proposal and of negotiating a contract are not reimbursable by UNDP.

11) **Financial Evaluation:** In the Second Stage, the **price proposals (Composite Daily Rates) of all Offerors, who have attained the minimum score of (70%) in the technical evaluation will be opened and evaluated.**

12) **Award of Long Term Agreement and Resulting Contracts:** UNDP will establish **Multiple** Long Term Agreements with the qualified audit firms who obtain the minimum technical score and whose financial proposals meet the requirements.

The Agreement represents an offer on the part of the successful audit firm to provide UNDP with specific services against the fixed Composite Daily Rate for the duration of the Agreement and under the Terms and Conditions detailed. It shall not represent a contract in itself, nor obliges UNDP to any financial commitment whatsoever. Resulting Professional/Institutional Services Contract made pursuant to such Agreement and only for the items stipulated therein will constitute a commitment on UNDP part.

**UNDP reserves the right to discontinue any Long Term Agreement if the Contractor's performance is not satisfactory to UNDP.**

Once audit service is requested, procurement unit will:

- a) Provide the LTA Holders (winning Audit Firms) with details of the projects to be audited and the applied standard terms of reference. The LTA Holders shall submit to UNDP the total number of working days required to complete the audit services requested within a stipulated deadline along with the staff/task work-plan. UNDP immediately applies the Composite Daily Rate of each LTA Holder to the quoted number of working days to identify the cost. An example is attached hereto to demonstrate the exercise that procurement unit will carry out to identify the contract winner.

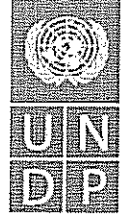
EXAMPLE						
	Audit Firm (1)		Audit Firm (2)		Audit Firm (3)	
	Composite Daily Rate in USD (Fixed)	Proposed No of Working Days	Composite Daily Rate in USD (Fixed)	Proposed No of Working Days	Composite Daily Rate in USD (Fixed)	Proposed No of Working Days
	\$ 100	40	\$ 85	50	\$ 120	30
Total	\$ 4,000		\$ 4,250		\$ 3,600	
Ranking	2 <sup>nd</sup> Lowest		3 <sup>rd</sup> Lowest		1 <sup>st</sup> lowest (winner)	

- b) Provide the first lowest LTA Holder with the Contract and notify the remaining LTA Holders that contract was awarded to the first lowest.
- c) **The proposed number of working days (submitted at the time of task request) will be fixed, regardless from the actual number of working days needed to**

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- complete the task.** No amount other than the resulting fees (Fixed Composite Daily Rate x No of Proposed Working days) will be paid by UNDP for the provision of the audit services of the project/s in need for audit.
- d) The winning LTA Holder is obliged to include the audit personnel proposed in its original offer as a response to this RFP. UNDP will compare the names of those in the signed LTA. Any changes in the key personnel shall require prior written approval of the UNDP Special Representative and amendment of the long term agreement.
- e) Contract Price will be in USD only. The audit firms shall hold the rates fixed and not subject to change throughout the validity of the Agreement.
- 13) The audit work papers article shall read as follows: "The audit work papers and related documentation shall be kept in the custody of the selected firm. The eventual transfer, disposal or destruction of the work papers will be subject to the instructions of UNDP Office. The audit work papers and related documentation shall be subject to submission and review by UNDP solely and at its discretion."
- 14) Materials to be audited: Depending on the type of project to be audited (NIM, DIM, Donor Project, or Other UN Agency Project), audited materials may be located in Jerusalem, Gaza Strip and/or West Bank.
- 15) Please use the attached Amended Price Schedule.
- 16) Reminder: Deadline to receive proposals was **extended to 5 December 2011 @ 10 a.m.**

For your kind attention and consideration,

  
Khaled Shahwan  
Deputy Special Representative (Operations)





**Annex V  
Amended PRICE SCHEDULE**

The Contractor is asked to prepare the Price Schedule as a separate envelope from the rest of the RFP response as indicated in Section D paragraph 14 (b) of the Instruction to Offerors.

The quotation for the Audit Fee shall be as the Composite Daily Rate.

<b>Composite Daily Rate (USD)</b>

- (a) The Composite Daily Rate must be fixed, firm and final and valid for the duration of the Agreement.
- (b) Rate quoted must be exclusive of all taxes, since the UNDP is exempt from taxes as detailed in clause 18 of the General Conditions of Contract.
- (c) Any incidental out of pocket expenses (OPE) must be included in the overall audit fee submitted to UNDP.
- (d) The costs of preparing a proposal and of negotiating a contract are not reimbursable by UNDP.

Name of Bidder .....

Signature and Stamp .....

*NR*