Monday, 12 June 2017

Request for quotation (RFQ) – goods or services

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| RFQ Title: | Audit service |
| RFQ Issue Date: | 12 June 2017 |
| Terms of Reference / Specifications: | The Goods and/or Services to be delivered are detailed in the attached Schedule |
| Project | Skills and Employment Program in Bangladesh (SEPB) “Sudokkho” |
| The Company | Palladium Bangladesh Limited |
| Closing Date and Time | Thursday, 22 June 2017 |
| Contact Person | Christina Biswas, Contract Coordinator |
| Details for Submission | E-mail: [info@sudokkho.org](mailto:info@sudokkho.org), House#05, Road#10, level-3, Baridhara Diplomatic Area, Dhaka-1212 |

Thank you for your interest in the above procurement. As managing contractor for the Project the Company invites you to submit a quote for the Goods or Services listed below. Your quote will be valid for the Validity Period.

Please forward your quote in accordance with the Details for Submission above by the Closing Date and Time.

I look forward to your response. If you have any queries, please do not hesitate to contact me on +880 1722 924 540 or by e-mail info@sudokkho.org

Yours sincerely,

Popy Christina Biswas

Contract Coordinator

Terms and conditions

1. **Quote Conditions**

By submitting a quote, potential suppliers are bound by these terms and conditions. Potential suppliers must submit offers with all details provided in English and with prices quoted in a single currency.

1. **Quote Lodgement**

The Companymay grant extensions to the Closing Time at its discretion. The Company will not consider any quotes received after the Closing Time specified in the RFQunless the Company determines to do so otherwise at its sole discretion.

1. **Evaluation**

The Company may review all quotes to confirm compliance with this RFQ and to determine the best quote in the circumstances.

1. **Alterations**

The Company may decline to consider a quote in which there are alterations, erasures, illegibility, ambiguity or incomplete details.

1. **The Company’s Rights**

The Company may, at its discretion, discontinue the RFQ; decline to accept any quote; terminate, extend or vary its selection process; decline to issue any contract; seek information or negotiate with any potential supplier that has not been invited to submit a Quote; satisfy its requirement separately from the RFQ process; terminate negotiations at any time and commence negotiations with any other potential supplier; evaluate quotes as the Company sees appropriate (including with reference to information provided by the prospective supplier or from a third party); and negotiate with any one or more potential suppliers.

1. **Amendments and Queries**

The Company may amend, or clarify any aspect of the RFQ prior to the RFQ Closing Time by issuing an amendment to the RFQ in the same manner as the original RFQ was distributed. Such amendments or clarifications will, as far as is practicable be issued simultaneously to all parties.

Any queries regarding this RFQ should be directed to the Contact Person identified on the cover page of this RFQ.

1. **Clarification**

The Company may, at any time prior to execution of a contract, seek clarification or additional information from, and enter into discussions and negotiations with, any or all potential suppliers in relation to their quotes. In doing so, the Company will not allow any potential supplier to substantially tailor or amend their quote.

1. **Confidentiality**

In their quote, potential suppliers must identify any aspects of their quote that they consider should be kept confidential, with reasons. Potential suppliers should note that the Company will only agree to treat information as confidential in cases that it considers appropriate. In the absence of such an agreement, potential suppliers acknowledge that the Company has the right to disclose the information contained in their quote.

The potential supplier acknowledges that in the course of this RFQ, it may become acquainted with or have access to the Company’s Confidential Information (including the existence and terms of this RFQ and the TOR). It agrees to maintain the confidence of the Confidential Information and to prevent its unauthorised disclosure to any other person. If the potential supplier is required to disclose Confidential Information due to a relevant law or legal proceedings, it will provide reasonable notice of such disclosure to the Company. The parties agree that this obligation applies during the RFQ and after the completion of the process.

1. **Alternatives**

Potential suppliers may submit quotes for alternative methods of addressing the Company’s requirement described in the RFQ where the option to do so was stated in the RFQ or agreed in writing with the Company prior to the RFQ Closing Time. Potential suppliers are responsible for providing a sufficient level of detail about the alternative solution to enable its evaluation.

1. **Reference Material**

If the RFQ references any other materials including, but not limited to, reports, plans, drawings, samples or other reference material, the potential supplier is responsible for obtaining the referenced material and considering it in framing their quote. And provide it to the Company upon request.

1. **Price Basis**

Prices quoted must be provided as a fixed maximum price and show the tax exclusive price, the tax component and the tax inclusive price.

The contract price, which must include any and all taxes, supplier charges and costs, will be the maximum price payable by the Company for the Goods and/or Services.

1. **Financial information**

If requested by the Company, potential suppliers must be able to demonstrate their financial stability and ability to remain viable as a provider of the Goods and/or Services over the term of any agreement.

If requested by the Company, the potential supplier must promptly provide the Company with such information or documentation as the Company reasonably requires in order to evaluate the potential supplier’s financial stability.

1. **Referees**

The Company reserves the right to contact the potential supplier’s referees, or any other person, directly and without notifying the potential supplier.

1. **Conflict of interest**

Potential suppliers must notify the Company immediately if any actual, potential or perceived conflict of interest arises (a perceived conflict of interest is one in which a reasonable person would think that the person’s judgement and/or actions are likely to be compromised, whether due to a financial or personal interest (including those of family members) in the procurement or the Company).

1. **Inconsistencies**

If there is inconsistency between any of the parts of the RFQ the following order of precedence shall apply:

1. these Terms and Conditions;
2. the first page of this RFQ; and
3. the Schedule

so that the provision in the higher ranked document will prevail to the extent of the inconsistency.

1. **Collusion and Unlawful Inducements**

Potential suppliers and their officers, employees, agents and advisors must not engage in any collusive, anti-competitive conduct or any other similar conduct with any other potential supplier or person or quote any unlawful inducements in relation to their quote or the RFQ process.

Potential suppliers must disclose where quotes have been compiled with the assistance of current or former the Company employees (within the previous 9 months and who was substantially involved in the design, preparation, appraisal, review, and or daily management of this activity) and should note that this may exclude their quote from consideration.

Potential suppliers warrant that they have not provided or offered any payment, gift, item, hospitality or any other benefit to the Company, its employees, consultants, agents, subcontractors (or any other person involved in the decision-making process relating to this RFQ) which could give arise to a perception of bribery or corruption in relation to the RFQ or any other dealings between the parties.

1. **Jurisdiction**

This Agreement shall be subject to the laws of the Jurisdiction.

The Supplier and the Company will use their best efforts to settle amicably any dispute, controversy, or claim arising out of, or relating to this Agreement or the breach, termination, or invalidity thereof.

If no agreeable settlement can be found, any dispute, controversy, or claim arising out of or relating to this Agreement or the breach, termination, or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules in effect on the date of this Agreement. The appointing authority shall be the Secretary-General of the Permanent Court of Arbitration. The Parties will be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute.

The place of arbitration shall be the headquarters location of Company at the time the claim is filed and the language of the arbitration will be English. The relevant laws shall be the laws of the Jurisdiction.

Schedule - Terms of Reference

**Terms of Reference for**

**Skills and Employment Programme- Bangladesh Audit 2017**

1. **Background of SEP-B project**

The Skills and Employment Programme of Bangladesh (SEP-B) is a DFID and SDC funded programme which aims to accelerate investment in technical and vocational education and training to create stronger links with productive work in the formal sector. The £20.9 million, 5-year project from April 2014 to March 2019, strives to cultivate an enabling policy environment and transform private sector training markets to support the absorption of large numbers of disadvantaged groups into skilled and semi-skilled employment. It supports a skills training market that targets the poor and those with limited education, with special attention to the development potential of women. Interventions will be tailored to employer needs in the Ready-Made Garments and Construction industries, and linked to jobs that improve earning potential and subsequently enable beneficiaries to graduate from poverty.

SEP-B is implemented by Palladium International, in consortium with Swisscontact and British Council. The programme adheres to the TVET reform agenda of Bangladesh in coordination with the Ministry of Education.

The objective of SEP-B is to establish integrated, market-driven, skills training models in Bangladesh that incentivize higher productivity, efficiency and investment among trainees, private training providers and employers. Interventions are structured around three components:

1. Supporting private training providers to offer affordable quality training that enhances employability.
2. Supporting private sector industries to develop and operate industry-led training facilities
3. Contributing to policies and developing of skill training packages that meet the occupational training standards of the industry and can be used by above mentioned training systems.
4. **Objective**

To conduct an independent financial audit of the DFID and SDC funded*Skills and Employment Programme of Bangladesh (SEP-B).* The auditor is to express a professional opinion on the financial position of the project at the end of the reporting period and of the funds received and expenditures for the reporting period. The auditor should also confirm whether the reported expenditure has, in all material respects, supported by appropriate documentation and in agreement with financial statements and been used in conformity with the provisions of the Head Contract, including any amendments thereto as contained in implementation letters, and with due attention to economy and efficiency.

1. **Recipient of Service**

The recipient of the audit are DFID Bangladesh, SDC as well as the implementing partner and the direct beneficiaries.

1. **Scope of Work**

The audit is being conducted to satisfy DFID, SDC and programme management that programme income and expenditure for the period 1 ***April 2016 to 31 March 2017 inclusive*** has been properly incurred and invoiced in accordance with the terms and conditions of the contract and that resources have been employed appropriately in pursuit of the established programme objectives.

The audit involves selecting samples and obtaining evidence about the amounts and disclosures in the programme financial reports and reimbursement of invoices, sufficient to give reasonable assurance that the reports and invoices are free from material inaccuracy. This includes an assessment of whether the internal controls and accounting practices are appropriate and have been consistently applied during the period. The auditors will be given access to all required accounting records and supporting documentation.

Financial reports for this period represent approx. £2.1 million in total funds invoiced including personnel and operating costs.

The audit will be limited to verification of project reports and to assemble expenditure reimbursement of invoices to DFID in accordance with the DFID Head Contract and associated head contract amendments. Specific focus will be to:

1. Establish that the funds have been properly expended and recorded in accordance with the terms and conditions of the contract;
2. Establish that expenditure has been appropriately incurred taking into account the objectives of the programme;
3. Establish that goods and services have been procured in accordance with the guidelines included in the contract;
4. Establish that maintenance of clear separation of duties for any procurement and financial administration.
5. Verify that supporting documents, records and accounts have been kept in respect of programme expenditures;
6. With regards to Programme assets:
   1. verify the physical existence,
   2. assess their condition, and
   3. verify they are properly recognised in programme asset register.

### **Methodology**

The audit will include, but not be limited to:

1. Interviews with:
2. DFID programme representatives;
3. SDC programme representative;
4. Palladium International programme management team;
5. SEP-B programme and financial management team;

With a view to forming an opinion on the effectiveness of the internal control system, identify the internal control gaps and recommend measures for improvement in the management of the programme.

1. Examination of the programme’s financial transactions and records for the period taking into account:
2. Any operational arrangement outside contract reached between Palladium and DFID and SDC affecting amount and timing of payment;
3. Any other formal correspondence between DFID and Palladium International which may have effect on the focus, direction and expenditure activities of the programme.
4. Any other DFID financial management policies

The financial records would consist of all documents relevant to the raising of reimbursement invoices from Palladium International to DFID. For personnel fees this would include support by relevant timesheets and actual invoices from consultants.

1. Review a sample of invoices for fees and reimbursable expenses by Palladium International and confirm:
2. The basis on which invoices have been calculated;
3. Deliverables from all short and long term consultancies were properly incurred before relevant costs were charged to DFID;
4. Properly authorised time sheets are available for all consulting hours charged to DFID during the period under review;
5. Monthly fees charged to DFID are for the contractually approved productive days only;
6. Scheduled leave days are appropriately discounted from chargeable days on long term and short term consultancy fees.
7. Review a sample of invoices paid for services rendered by service providers to the Programme and ascertain that:
8. Services invoiced in the period under review are covered in the relevant sub-contracts;
9. Contractually agreed deliverables have been achieved and approved by appropriate authority within Palladium International.
10. Review the procurement process and procedures for short and long term consultancy contracts for the period under review and select a sample to ascertain that:
11. Transparent and open systems are in place to ensure negotiations for contracts (services, works and printing) are competitive and represent value for money;
12. Appropriate procedures are in place to document and manage conflicts of interest that may arise from related party transactions;
13. Separation of Duties exist to ensure transparency and accountability in procurement practices;
14. Review the assets register and confirm that it is up to date:
15. Assets have been fully recorded with clear identification marks;
16. The physical existence and conditions of assets;
17. Express an opinion on the fair presentation of expenditure in support of invoices raised to DFID for the entire period under review;
18. Review the Terms of Reference for the head contract and ascertain the extent to which Palladium International have complied with specified reporting requirements.
19. Bring to the attention of DFID any other matters that are considered pertinent relating to Financial Management and practices.

### **Deliverables / Reporting**

1. All reports will be addressed to the Programme Manager in DFIDB based in Dhaka.
2. Audit reports (hard and soft copies) of the programme for the period under review a financial statement covering 1st April 2016 – 31st March 2017. The financial statement should also show the SDC portion of the programme expenditure as separate from the DFID funds. All statements are expected to be delivered by 30 August 2017 The audit report will include:

* Observations on financial management systems in place at the project office including any areas of deficiency on the operation of design or controls around those systems;
* Weaknesses in control, items of missing or unusable inventory and errors of commission or omission identified along with clear indications of the implications of those weaknesses;
* Results of any detailed tests carried out to investigate whether there is evidence of losses of any kind;
* Recommendations to improve financial management processes and controls and assurance arrangements; and
* Management’s response on the auditors’ findings and recommendations.

Furthermore, the auditor should comment on:

* The degree of financial compliance with the Head Contract and give comments, if any, on the matters affecting such compliance;
* Any suspected fraud or irregularity that arises during the course of the audit and communicate matters that have come to attention during the audit which might have a significant impact on the implementation of the project
* Bring to the attention of DFID any other matters considered pertinent.

1. The report will give details of the number of locations visited and the size of samples tested.
2. A management letter, which should highlight observed areas of improvement in the system of internal control, the impact on the delivery of Programme objectives and the recommendations for managing the issues over the life of the programme. This management letter covering the entire audit period should be submitted by 30 August, 2017.
3. A statement of compliance with DFID terms and conditions as contained in Palladium International’s Head Contract.
4. A verification report on all programme funded assets.

### **Financial Statements**

The Project Financial Statements should include:

1. Summary of Uses of Funds showing the uses of funds by contract category, both for the current fiscal year and accumulated to date;
2. Split of funds from SDC and DFID used in the period under review
3. Separate note of any ineligible expenditure identified during the review.

### **Co-ordination**

The consultant will report to the nominated Palladium International Representative.

### **Profile of Auditor**

An audit firm with relevant experience in conducting similar audit assignments of international development programmes. Prior experience in auditing DFID programmes is a significant value addition. Availability to start with the assignment in July 2017 is a key selection criterion.

If your quote is successful, you will be required to enter into the Company’s standard contract for the types of goods or services being provided. In the provision of the Goods and Services, you will be required to comply with the Company’s policies, including (without limitation) its Business Partner Code of Conduct and any relevant Project Manual. Potential suppliers must also comply with the Company’s Business Partner Code of Conduct in the submission of any quotes pursuant to this RFQ.

If you are bidding as part of a joint venture, partnership or similar, please make this clear in your submission. Likewise, if you propose to subcontract any part of the goods or services provision, then disclose this fact within your submission. The Company may require additional information from you and approval for subcontracting will not be automatic as subcontractors will be subject to Palladium’s Due Diligence process.