

REQUEST FOR PROPOSAL

Date:

Credit No:

Grant No:

Dear Sir/Madam,

1. The Socialist Republic of Vietnam has received an Grant from the International Development Association (Grant No.) for Project. It is intended that part of this Grant will be applied to eligible payments under the contract for the audit of the project accounts.

2. The *[name of implementing agency]* now invites proposals for the audit service of project financial statements, Statement of Expenditures and Special Accounts. More details on the services are provided in the attached Terms of Reference.

3. You may obtain further information from the office of:
[address]

4. The Request for Proposal are addressed to the following short-listed consultants including your firms:

[List of Shortlisted Consultants]

5. Please note that in all cases the *[name of implementing agency]* reserves the right to accept or reject any proposal, and to annul the selection process and reject all proposals at any time prior to award of Contract, without thereby incurring any liability to the affected firms or any obligation to in form the affected firms of the grounds for the Project's action.

6. Please inform us, upon receipt:

(a) that you received the letter of invitation; and

(b) whether you will submit a proposal.

Yours faithfully,

INFORMATION TO CONSULTANTS

1. The proposals shall be in English language and submitted in two envelopes. Each Technical Proposal and Financial Proposal shall be marked “ORIGINAL” or “COPY” as appropriate. If there are any discrepancies between the original and the copies of the proposal, the original governs.

The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked “Technical Proposal,” and the original and all copies of the Financial Proposal in a sealed envelope clearly marked “FINANCIAL PROPOSAL” and warning: “DO NOT OPEN WITH THE TECHNICAL PROPOSAL.” Both envelopes shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address and other information indicated in paragraph 2 of Information to Consultants and be clearly marked “DO NOT OPEN, EXCEPT IN PRESENCE OF THE EVALUATION COMMITTEE.”

2. Proposals must be delivered to with the above address at or before

3. The selection shall be conducted in accordance with the Guidelines on Selection and Employment of Consultants by World Bank Borrowers, January 1997, revised September 1997 and January 1999, Least Cost Selection method.

Selection procedures shall be as follows:

The Technical Envelopes shall be opened first and evaluated. Those securing less than the minimum qualifying mark shall be rejected. The financial envelopes of the rest shall be opened and read out in public. The read-out prices shall be corrected for computational errors, converted to a common currency (____) and adjusted as appropriate to determine evaluated prices. The firm with the lowest evaluated price shall be selected for contract negotiation.

Technical Evaluation Criteria

Maximum Points: 100

No	Evaluation Criteria	Point
1	Firm’s Experience in the Audit of IDA Assisted Development Projects	25
	- Experience in auditing IDA(WB)’s funded projects	15
	- Experience in South East Asian countries preferably in Vietnam	10
2	Proposed methodology and work plan	25
	- Quality of Technical Approach and Methodology	10
	- Proposed work plan in accordance with requested progress	5
	- Organization and Staffing	10
3	Qualifications and Experiences of Key Personnel	50
	- General academic education and qualification of the proposed staff	10
	- Adequacy for the assignment	30
	- Experience in the region and languages	10
	Total	100

The minimum qualifying mark is 70.

4. Minimum Standards and Qualifications of Personnel Proposed for this assignment

4.1 The Audit Manager is required to be a qualified accountant and hold current membership of an internationally-recognised accounting institution e.g. CPA; CA; ACCA or equivalent. The Audit Manager is required to have a minimum of ten years practical experience, with at least three years in Southeast Asia preferably Vietnam. Audit Assistants are required to be graduates of a recognised university in the fields of Commerce, Economics, Accounting and Auditing or equivalent. Audit Assistants must have a minimum of three years relevant experience.

4.2 The auditor should become familiar with the following World Bank documents: *Bank's Guideline on Financial Reporting and Auditing of Projects Financed by the World Bank*; and the *Bank's Disbursement Handbook*. Both documents can be obtained from the Bank Task Team Leader responsible for the project.

5. Preparation of Financial Proposals

In preparing the Financial Proposal, consultants are expected to take into account the requirements and conditions outlined in the RFP documents. The Financial Proposal should include all costs associated with the assignment, including (a) remuneration for staff (foreign and local, in the field and at headquarters), and (b) reimbursable expenses such as subsistence (per diem, housing), transportation (international and local, for mobilization and demobilization), services and equipment (vehicles, office equipment, furniture, and supplies), office rent, insurance, printing of documents, surveys, etc.

The costs should be broken down per activity, and for each year 2002, 2003, 2004 using the sample forms attached.

The Financial Proposal should clearly estimate, as a separate amount, the local taxes (including social security), duties, fees, levies, and other charges imposed under the applicable law, on the consultants, the subconsultants, and their personnel (other than nationals or permanent residents of the government's country).

Consultants may express the price of their services in the currency of any Bank member country or in the euro. The consultants may not use more than three foreign currencies. The Consultants should state their local expenditure in national currency (Vietnam Dong).

The proposals must remain valid for _____ days after the submission date. During this period, the consultant is expected to keep available the professional staff proposed for the assignment. The Client will make its best effort to complete negotiations within this period. If the Client wishes to extend the validity period of the proposals, the consultants who do not agree have the right not to extend the validity of their proposals.

SAMPLE CONTRACT FOR CONSULTING SERVICES

Small Assignments

Lump-Sum Payments
(IBRD/IDA Financed)

The World Bank
Washington, D.C.

June 1995

**SAMPLE CONTRACT FOR CONSULTING SERVICES
SMALL ASSIGNMENTS
LUMP-SUM PAYMENTS
(IBRD/IDA FINANCED)**

CONTRACT

THIS CONTRACT (“Contract”) is entered into this *[insert starting date of assignment]*, by and between *[insert Client’s name]* (“the Client”) having its principal place of business at *[insert Client’s address]*, and *[insert Consultant’s name]* (“the Consultant”) having its principal office located at *[insert Consultant’s address]*.

WHEREAS, the Client wishes to have the Consultant perform the services hereinafter referred to, and

WHEREAS, the Consultant is willing to perform these services,

NOW THEREFORE THE PARTIES hereby agree as follows:

- 1. Services**
- (i) The Consultant shall perform the services specified in Annex A, “Terms of Reference and Scope of Services,” which is made an integral part of this Contract (“the Services”).
 - (ii) The Consultant shall provide the personnel listed in Annex B, “Consultant’s Personnel,” to perform the Services.
 - (iii) The Consultant shall submit to the Client the reports in the form and within the time periods specified in Annex C, “Consultant’s Reporting Obligations.”

2. Term The Consultant shall perform the Services during the period commencing *[insert starting date]* and continuing through *[insert completion date]*, or any other period as may be subsequently agreed by the parties in writing.

3. Payment A. Ceiling

For Services rendered pursuant to Annex A, the Client shall pay the Consultant an amount not to exceed *[insert amount]*. This amount has been established based on the understanding that it includes all of the Consultant's costs and profits as well as any tax obligation that may be imposed on the Consultant.

B. Schedule of Payments

The schedule of payments is specified below:¹

[insert amount and currency] upon the Client's receipt of a copy of this Contract signed by the Consultant;

[insert amount and currency] upon the Client's receipt of the draft report, acceptable to the Client; and

[insert amount and currency] upon the Client's receipt of the final report, acceptable to the Client.

[insert amount and currency] Total

C. Payment Conditions

Payment shall be made in *[specify currency]*, no later than 30 days following submission by the Consultant of invoices in duplicate to the Coordinator designated in paragraph 4.

4. Project Administration

A. Coordinator.

The Client designates Mr./Ms. *[insert name]* as Client's Coordinator; the Coordinator will be responsible for the coordination of activities under this Contract, for acceptance and approval of the reports and of other deliverables by the Client and for receiving and approving invoices for the payment.

B. Reports.

The reports listed in Annex C, "Consultant's Reporting Obligations," shall be submitted in the course of the assignment, and will constitute the basis for the payments to be made under paragraph 3.

5. Performance Standards

The Consultant undertakes to perform the Services with the highest standards of professional and ethical competence and integrity. The Consultant shall promptly replace any employees assigned under this Contract that the Client considers unsatisfactory.

6. Confidentiality

The Consultants shall not, during the term of this Contract and within two years after its expiration, disclose any proprietary or confidential

¹ Modify, in order to reflect the output required, as described in Annex C.

information relating to the Services, this Contract or the Client's business or operations without the prior written consent of the Client.

- 7. Ownership of Material** Any studies reports or other material, graphic, software or otherwise, prepared by the Consultant for the Client under the Contract shall belong to and remain the property of the Client. The Consultant may retain a copy of such documents and software.²
- 8. Consultant Not to be Engaged in Certain Activities** The Consultant agrees that, during the term of this Contract and after its termination, the Consultant and any entity affiliated with the Consultant, shall be disqualified from providing goods, works or services (other than the Services and any continuation thereof) for any project resulting from or closely related to the Services.
- 9. Insurance** The Consultant will be responsible for taking out any appropriate insurance coverage.
- 10. Assignment** The Consultant shall not assign this Contract or sub-contract any portion of it without the Client's prior written consent.
- 11. Law Governing Contract and Language** The Contract shall be governed by the laws of *[insert government]*, and the language of the Contract shall be³ *[insert language]*.
- 12. Dispute Resolution⁴** Any dispute arising out of the Contract, which cannot be amicably settled between the parties, shall be referred to adjudication/arbitration in accordance with the laws of the Client's country.

² Restrictions about the future use of these documents and software, if any, shall be specified at the end of paragraph 7.

³ The law selected by the Client is usually the law of its country. However, the Bank does not object if the Client and the Consultant agree on another law. The language shall be English, French, or Spanish, unless the Contract is entered into with a domestic firm, in which case it can be the local language.

⁴ In the case of a Contract entered into with a foreign Consultant, the following provision may be substituted for paragraph 12: "Any dispute, controversy or claim arising out of or relating to this Contract or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force."

FOR THE CLIENT

FOR THE CONSULTANT

Signed by _____

Signed by _____

Title: _____

Title: _____

LIST OF ANNEXES

Annex A: Terms of Reference and Scope of Services

Annex B: Consultant's Personnel

Annex C: Consultant's Reporting Obligations

SAMPLE TERMS OF REFERENCE FOR THE
AUDIT OF TRUST FUND
(and Accompanying SOE and SA Where Applicable)

Objective

The objective of the audit of the Trust Fund is to enable the auditor to express a professional opinion on the financial situation of the grant of the [name of the fund] for the period ended mm/dd/yy as well as an opinion on the Statement of Expenditures and the Special Account, where applicable.

Scope

The audit will be carried out in accordance with International Standards of Auditing, and will include such tests and controls as the auditor considers necessary under the circumstances. In carrying out the audit special attention should be paid to the following:

- (a) All funds have been used in accordance with the provisions of the grant agreement, with due attention to economy and efficiency, and only for the purposes for which they were provided;
- (b) Goods and services financed have been procured in accordance with the relevant provisions in the grant agreement;
- (c) The books of accounts have been prepared in accordance with consistently applied [**Please indicate basis accounting**] and give a true and fair view of the financial situation of resources and expenditures for the period ended (mm/dd/yy). All necessary supporting documents, records, and accounts have been kept in respect of fund provided including expenditures reported via SOE or SA.
- (d) Where Special Accounts have been used, they have been maintained in accordance with the provisions of the grant agreement;

For the further information related to the project and audit assignment, please see the Annex *(please complete the Annex – Introduction of the Project as a part of the TOR)*

Phasing

The assignment shall be implemented in accordance with the following phasing:

Phase 1 (200..): from ... to...

Phase 2 (200..): from... to...

Phase 3 (200..): from ... to

....

The services required at each phase will cover all audit activities described in these TOR for the fiscal year. A consultant will be selected to carry out the whole assignment. Before work begins on the next phase, the Client shall evaluate and must satisfy himself with the performance of the consultant under previous phase. The contract price shall be broken down by each phase for this purpose.

The Required Financial Statements

A set of financial statements should include;

(1) a Summary of Funds received and Disbursed, showing funds received from various donors separately and funds disbursed by main categories of expenditures, both for the current fiscal year and accumulated to date.

As an annex to the summary, the auditor should prepare a reconciliation between the amounts shown as “received the fund from the World Bank” and that shown as being disbursed by the Bank. As part of that reconciliation, the auditor should indicate the mechanism for the disbursement, i.e. Special Accounts, Statements of Expenditures, or direct reimbursement.

(2) *Statements of Expenditures*, showing a schedule listing individual SOE withdrawal applications by specific reference number and amount. The total withdrawals under the SOE procedure should be part of the overall reconciliation of Bank disbursements described above.

In addition to the audit of the Summary of funds received and disbursed, the auditor is required to audit all SOEs used as the basis for the submission of withdrawal applications. These expenditures should be carefully compared for eligibility with the grant agreement. Where ineligible expenditures are identified as having been included in withdrawal applications and reimbursed against, these should be separately noted by the auditor.

(3) *Special Account*

In conjunction with the audit of the Summary of funds received and disbursed, the auditor is also required to audit the activities of the Special Account associated with the grant. The Special Accounts usually comprise of (1) deposits and replenishments received from the Bank; (2) payments substantiated by withdrawal applications; (3) interest that may be earned from the balances and which belong to the Borrower; and (4) the remaining balances at the end of each fiscal year.

The auditor must form an opinion as to the degree of compliance with the Bank's procedures and the balance of the Special Account at year-end. The audit should examine the eligibility and correctness of financial transactions during the period under review and fund balances at the end of such a period, the operation and use of the SA in accordance with the grant agreement, and the adequacy of internal controls for this type of disbursement mechanism.

Special Accounts statements and the auditor's report should be included with the *Statement of funds received and disbursed*.

Audit Opinion

Besides a primary opinion on the Summary of funds received and disbursed, the audit report should include a separate paragraph, where applicable, commenting on the accuracy and propriety of expenditures withdrawn under SOE procedures and the extent to which the Bank can rely on SOEs as a basis for Bank disbursement and a separate paragraph on the Special Account. The auditor should bring to the recipient's attention any specific deficiencies and areas of weaknesses in accounting records, systems, controls, and matters related to which the auditors considers pertinent.

The statements, including the audit report, should be received by the Bank no later than six months after the end of the accounting period to which the audit refers. The auditor should submit the report to the recipient's designated agent rather than to any staff member of the implementing agency. The agent should then promptly forward two copies of the audited accounts and report to the Bank.