

REQUEST FOR PROPOSAL

APPOINTMENT OF FIRMS OF CHARTERED ACCOUNTANTS FOR ALLOTMENT OF AUDITS

Rajiv Gandhi Jeevandayee Arogya Yojana Society (RGJAYS) invites proposals from firms of Chartered Accountants empanelled with C&AG which meet all the minimum conditions as per the eligibility criteria given in Request for Proposal (RFP) for carrying out statutory audit of RGJAYS.

Important Dates for the selection process:

- | | |
|---|------------------------------|
| a) Date for pre-bid conference | : 03-04-2012 at 11.00 a.m. |
| b) Last date for submission of Proposal | : 10-04-2012 upto 1.00 noon. |
| c) Date of opening Technical bid | : 10-04-2012 at 2.00 p.m. |

Venue for Pre-bid Conference:

Arogya Bhavan, St. George's Hospital Compound, P.D. Mello Road, Mumbai 400001

Phone No.: 022-22626755 E-mail: pa.rgjay@gmail.com

Terms of Reference (ToR)

1. Background

The State Government of Maharashtra has launched Rajiv Gandhi Jeevandayee Arogya Yojana (RGJAY) in order to improve medical access facility for both Below Poverty Line (BPL - Yellow card holders) and Above Poverty Line (APL- orange card holders) families. This in turn will enhance the quality of medical care to BPL and APL families. The scheme will extend quality medical care for identified specialty services, requiring hospitalization for surgeries and therapies or consultations, through an identified network of health care providers. The insurance of policy/coverage under the RGJAY for the eligible beneficiary families in 8 districts of Phase - I will be in force for an initial period of one year from the date of commencement of the policy. The scheme will cover 30 specialized service categories inclusive of 972 procedures and 121 follow up procedures.

The Scheme is being implemented by the Rajiv Gandhi Jeevandayee Arogya Yojana Society (RGJAYS), a society registered under the Societies Act 1860. RGJAYS has entered into an MoU with National Insurance Company. RGJAYS shall pay quarterly premium to the Insurer based on the number of beneficiary families for the scheme and shall monitor the scheme. The Insurer has the responsibility of operating the project through dedicated staff located at the Project Office, district offices, network hospitals and other sites.

Further information on the scheme may be obtained from the MoU between RGJAYS and the Insurer available at <http://jeevandayee.org/RGJAYAgreements.aspx>

2. Objective of audit services:

The objective of the audit is to ensure adequate, independent, professional audit assurance that funds are used for purposes intended in line with the objectives of the Society and that the annual financial statements are free from material mis-statements.

The objective of the audit of the financial statements is to enable the auditor to express a professional opinion as to whether - (1) the financial statements give a true and fair view of the Financial Position (2) the funds were utilized for the purposes for which they were provided

In conducting the audit special attention should be paid to the following:

a) An assessment of adequacy of the project financial systems, including financial controls. This should include aspects such as adequacy and effectiveness of accounting, financial and operational controls; level of compliance with established policies, plans and procedures; reliability of accounting systems, data and financial reports; methods of remedying weak controls; verification of assets and liabilities; a specific report on this aspect would be provided by the auditor annually as part of the management letter;

b) Goods and services financed have been procured in accordance with the relevant procurement guidelines issued by the Gol/ State Government.

c) All necessary supporting documents, records and accounts have been kept in respect of the project.

d) Notes on Accounts showing the accounting policies followed in the preparation of accounts and any other significant observation of the auditor.

e) Financial Statements and relevant schedules shall be prepared in accordance with the rules of Gol/ State Government.

Management Letter:

In addition to the audit reports, the auditor will prepare a "Management Letter" in which the auditor should summarise the observation on the internal control issues (other than those which materially affect his opinion on the financial statements) as under:

- Give comments and observations on the accounting records, systems and internal controls that were examined during the course of the audit;
- Identify specific deficiencies and area of weakness in the system and internal controls and make recommendations for their improvement;
- Report on the level of compliance with the financial internal control.
- Communicate matters that have come to the attention during the audit which might have significant impact on the implementation of the project; and
- Bring to Society's attention any other matter that the auditor considers pertinent.

The observations in the management letter must be accompanied by the implications, suggested recommendations from the auditors and management comments/ response on the Observations/ recommendations have to be obtained and reported along with the Audit report.

3. Reporting and Timing

The final Audit Report should be submitted by 31st July, (i.e. within four months of the end of the financial year), to the Society in **3 copies (Spiral Bound) and also soft copy in MS Excel / MS Word and Scanned (Both) is also to be submitted in mail or CD** of the audited financial statements and audit report.

4. Eligibility Criteria:

- a) The firm must be empanelled with C & AG for the year 2011-12.
- b) The firms having H.O. in Mumbai may be given preference. (Such head office should be existed for not less than three years as per the ICAI Certificate).
- c) Firms must qualify following minimum criteria:

S. No.	Criteria	Scoring	Min criteria	Max Points
1	No. of years of firm's existence as per ICAI certificate	5 points for min. criteria and then 1 Point per year	5 years	10
2	No. of FCAs associated with the firm for not less than 3 years	2 Points per Partner	2 FCAs	10
3	Turnover of the firm (average annual in the last 3 financial year)	1 points for every Rs. 2 lac turnover over Rs. 10 lacs	Rs. 10 lacs	10
4	Audit of Societies (where Govt. is a stakeholder)	5 for 2 assignments and for every additional assignment 5 points	Min 2	15
5	Audit of Public Sector/ Government entities	5 for 2 assignments and for every additional assignment 5 points	Min 2	15

Supporting Documents for Eligibility Criteria: Following supporting documents must be submitted by the firm along with the technical proposal

- For S. No. 1 and 2 above, the firm must submit an attested copy of Certificate of ICAI as on 1.1.2012.
- For S. No. 3, the firm must submit, a copy of the balance sheet for the last three years or A. Certificate issued by any other C.A. firm certifying the turnover of the firm during last three years.
- For S. No. 4&5, the firm must submit a copy of the appointment letters from the audited organizations.

5. Evaluation and Selection

The firms securing 70% technical score shall be considered for financial bid opening. The financial bids shall be considered on a least cost basis. The preferred bidder shall be called for negotiations for award of contract.

6. Guidelines for submitting proposals

A. General Guidelines:

Agencies are required to submit the proposal as per the guidelines and formats detailed out as follows:

- a) The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked "**TECHNICAL PROPOSAL**" Similarly, the original Financial Proposal shall be placed in a separate sealed envelope clearly marked "**FINANCIAL PROPOSAL**" followed by the name of the assignment, and with a warning "**DO NOT OPEN WITH THE TECHNICAL PROPOSAL.**" The envelopes containing the Technical and Financial Proposals shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address, reference number and title of the Assignment, and be clearly marked "**DO NOT OPEN, EXCEPT IN PRESENCE OF THE OFFICIAL APPOINTED.**" The Society shall not be responsible for misplacement, loss or premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may provide a case for Proposal rejection. If the Financial Proposal is not submitted in a separate sealed envelope duly marked as indicated above, this shall constitute grounds for declaring the Proposal non-responsive/ invalid.
- b) A firm should submit only one proposal. If a firm submits or participates in more than one proposal, all such proposals shall be disqualified
- c) The Technical Proposal shall be marked "ORIGINAL" or "COPY" as appropriate. All required copies of the Technical Proposal are to be made from the original. If there are discrepancies between the original and the copies of the Technical Proposal, the original governs.
- d) 2 copies of Technical proposal are required to be submitted
- e) Financial proposals submitted by the firm should be valid for 6 months from the date of submission of the proposal by the firm.
- f) Each page, Form, Annexure and Appendices of the Technical and Financial Proposal must be signed by the Authorized signatory of the firm.
- g) The Proposal should be accompanied by a **Demand draft of Rs. 1000/- drawn in favour of "Rajiv Gandhi Jeevandayee Arogya Yojana Society, Mumbai"** payable at Mumbai.
- h) **Last date for receipt of applications at the office –10 April 2012**
- i) The application should be addressed to:-

The Chief Executive Officer

Rajiv Gandhi Jeevandayee Arogya Yojana Society

4th Floor, Arogya Bhavan, St. George's Hospital Compound,

P.D. Mello Road, Mumbai 400001

Phone No.: 022-22626755 E-mail: pa.rgjay@gmail.com

- j) RGJAYS reserves the right to accept or reject any application without giving any explanation and can change the evaluation criteria as per its requirements in the interest of the organization.

B. Technical Proposal:

- i. Letter of Transmittal (**Form T-1**)

- ii. Details of the Firm along with Details of Partners and the necessary documents of proof
 - a. Year of establishment of the Firm:
 - b. Brief Introduction of the Firm:
 - c. Partners (details) as per ICAI certificate as on 01.01.2012:
 - d. Names of the Paid Chartered Accountants / Cost Accountants employed with the
 - e. firm:
 - f. Number of semi-qualified employees attached with the firm (CA - Intermediate
 - g. and/or Cost -Intermediate):
 - h. Firm Income Tax PAN No.
 - i. Firm Service Tax Registration No.
 - j. Firm's registration No. with ICAI
 - k. Empanelment No. with CAG

- iii. Details as per the eligibility criteria along with supporting documents

C. Financial Proposal:

- i. The financial bid shall be submitted only for the professional (audit) fee to be charged by the firm and shall be exclusive of the taxes as applicable. The financial bid shall be submitted as per **Form F-1**.
- ii. Percentage (or proportion) of funds involved/turnover shall not be basis for quoting the audit fee, and in such case the proposal shall be rejected.
- iii. **Timeliness for completion of Audit:** In order to ensure timeliness from the part of the Auditor, if the Society feels that in spite of providing all information, documents, and updated books of accounts, there was delay and due to lacking at the part of the auditor then the Society may deduct the audit fees @ 5% per month from the expected day of completion of audit, as agreed in the terms of contract.

Form T-1

Letter of Transmittal

To,
The CEO,
Rajiv Gandhi Jeevandayee Arogya Yojana Society,
4th Floor, Arogya Bhavan, St. George's Hospital Compound,
P.D. Mello Road, Mumbai 400001

Dear Sir,

We, the undersigned, offer to provide the audit services for Rajiv Gandhi Jeevandayee Arogya Yojana Society in accordance with your Request for Proposal dated *[Insert Date]*.

We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope.

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.

The prices quoted by us in the Financial Proposal (Form F-1) are valid till six months from the date of submission of the quotation. We confirm that this proposal will remain binding upon us and may be accepted by you at any time before the expiry date.

Prices have been arrived independently without consultation, communication, agreement or understanding (for the purpose of restricting competition) with any competitor.

We agree to bear all costs incurred by us in connection with the preparation and submission of the proposal and to bear any further pre-contract costs.

We understand that Rajiv Gandhi Jeevandayee Arogya Yojana Society is not bound to accept any proposal or to give any reason for award, or for the rejection of any proposal.

I confirm that I have authority of *[Insert Name of the C.A. Firm]* to submit the proposal and to negotiate on its behalf.

Yours faithfully,
[Name & Signature]

[Official seal of the firm]

Form F-1

Financial Proposal

Category	Amount (in Rupees)
Audit fee (exclusive of taxes)	
Service Tax including cess	
Total	

Total in words

SAMPLE CONTRACT FOR AUDIT FIRMS

CONTRACT

THIS CONTRACT ("Contract") is entered into this *[insert starting date of assignment]*, by and between *[name of SOCIETY,]* ("the Client") having its principal office at *[insert Society's address]*, and *[insert Firm's/Auditor's name]* ("the Auditor") having its principal office located at *[insert Firm's/Auditor's address]*.

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

WHEREAS, the Auditor is willing to perform these services,

NOW THEREFORE THE PARTIES hereby agree as follows:

1. Services

(i) The Auditor shall perform the services as per the RFP.

(ii) The Auditor shall provide qualified personnel to perform the Services as per the proposal.

(iii) The Auditor shall submit to the Client the reports in the form and within the time periods as agreed.

2. Term

The Auditor shall complete the audit within 90 days of the signing of this "Contract" or such extended time as may be mutually agreed with the client. After a complete and timely completion of audit the contract can be renewed for next financial year with a suitable enhancement in the fees.

3. Payment

A. The Client shall pay the Auditor an amount of Rs. _____ [Rupees insert amount in words] as audit fee inclusive of all costs. This fee is exclusive of service taxes which shall be calculated based on the prevailing guidelines and reimbursed additionally.

B. Payment Conditions Payment shall be made subject to acceptance of the deliverables and reports within 30 days following submission by the Auditor of invoices in duplicate and its approval with the Coordinator designated in paragraph 4.

Conditions for deduction in fees for not following the timeliness and completion as mentioned in RFP are acceptable.

4. Project Administration

A. Coordinator. The Society 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.

5. Performance Standards

The Auditor undertakes to perform the Services with the highest standards of professional and ethical competence and integrity in line with the Engagement & Quality Control Standards issued by ICAI. The Auditor shall promptly replace any employees assigned under this Contract

that the Client considers unsatisfactory and any substitution of staff, if necessary, shall be with a staff of at least the same level of qualifications.

7. Ownership of Material

Any studies, reports or other material, graphic, software or otherwise, prepared by the Auditor for the Client under the Contract shall belong to and remain the property of the Client.

8. Assignment

The Auditor shall not assign this Contract or sub-contract any portion of it without the Client's prior written consent.

9. Law Governing Contract and Language

The Contract shall be governed by the laws of Government of India and the language of the Contract shall be English.

10. Dispute Resolution

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 Government of India and shall be subject to the jurisdiction of the courts of Mumbai.

FOR THE CLIENT

Signed by _____
Title: _____

FOR THE AUDITOR

Signed by _____
Title: _____