



# REQUEST FOR QUOTATION (RFQ)

## FOR SERVICES

<b>Project Title:</b>	Green Climate Fund Project Audits
<b>Nature of the services</b>	Audit Services
<b>Location:</b>	Remote or in-country as applicable and budgeted accordingly
<b>Date of issue:</b>	26/02/2024
<b>Closing Date:</b>	11/03/2024
<b>SPC Reference:</b>	RFQ24-6216

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## Part 1: INTRODUCTION

### 1.1 About the Pacific Community (SPC)

The Pacific Community (SPC) is the principal scientific and technical organisation of the Pacific region, established by treaty in 1947 with the signing of the *Agreement Establishing the South Pacific Commission* (the Canberra Agreement).

Our unique organisation covers more than 20 sectors and is renowned for knowledge and innovation in such areas as fisheries science, public health surveillance, geoscience and conservation of plant genetic resources for food security.

For more information about SPC and the work that we do, please visit our website: <https://www.spc.int/>.

### 1.2 SPC's procurement activities

SPC's procurement activities are guided by the principles of high ethical standards, value for money, open competition and social and environmental responsibility and are carried out under our Procurement Policy.

For further information or enquiries about SPC's procurement activities, please visit the procurement pages on our website: <https://www.spc.int/procurement> or email: [procurement@spc.int](mailto:procurement@spc.int)

### 1.3 SPC's Request for Quotation (RFQ) Process

At SPC, procurement valued at more than EUR 2,000 and less than or equal to EUR 45,000 requires an evaluation of at least three quotations to determine the offer that provides the best value for money through a Request for Quotation (RFQ) process.

This RFQ sets out SPC's requirements for a project and it asks you, as a bidder, to respond in writing in a prescribed format with pricing and other required information.

Your participation confirms your acceptance of SPC's conditions of participation in the RFQ process.

## Part 2: INSTRUCTIONS TO BIDDERS

### 2.1 Background

SPC invites you to submit a quotation to deliver the services as specified in [Part 3](#).

SPC has compiled these instructions to guide prospective bidders and to ensure that all bidders are given equal and fair consideration. Please read the instructions carefully before submitting your bid. For your quotation to be considered, it is important that you provide all the prescribed information by the closing date and in the format specified.

### 2.2 Submission Instructions

You must **submit your quotation and all supporting documents** in English and as an attachment to an email sent to [jackr@spc.int](mailto:jackr@spc.int) and [procurement@spc.int](mailto:procurement@spc.int) and with the subject line of your email as follows: **Submission RFQ24-6216**. The email should also be copied to [rfq@spc.int](mailto:rfq@spc.int).

The supporting documents expected in this RFQ are:

- [The Conflict-of-Interest Declaration form](#) completed
- A bid / proposal comprising: a cover letter; a description of service, approach and methodology; evidence of prior work, and a CV or professional profile.

- A financial quote in USD based on the schedule provided in Section F

Your submission must be clear, concise and complete and should only include a quotation and information that is necessary to respond effectively to this RFQ. Please note that you may be marked down or excluded from the procurement exercise if your submission contains any ambiguities or lacks clarity.

Bids will be evaluated on the basis of information received by **16h00 New Caledonia (UTC+11) on 11/03/2024**.

### 2.3 Evaluation & Contract Award

Each quotation validly received will be assessed against the evaluation criteria matrix set out in [Part 4](#). Any changes in the evaluation criteria will result in the RFQ process being re-issued.

SPC may award the contract once it has determined that a bidder has met the prescribed requirements and the bidder's proposal has been determined to be substantially responsive to the RFQ documents, provide the best value for money (highest cumulative score) and best serve the interests of SPC.

In the event of a bid being accepted, procurement will take place under SPC's [General Terms and Conditions of Contract](#) and depending on the value or nature of the procurement, the award will be made by issuing a purchase order or a signed and dated contract, or both.

### 2.4 Key Contacts

Please contact SPC should you have any doubt as to what is required or if we can help answer any questions that you may have.

Hinal Kumar will be your primary point of contact for this RFQ and can be contacted at [procurement@spc.int](mailto:procurement@spc.int) and [hinalk@spc.int](mailto:hinalk@spc.int). You should copy any communications into [rfq@spc.int](mailto:rfq@spc.int).

Details will be kept of any communications between SPC and bidders. This assists SPC to ensure transparency of the procurement process. While SPC prefers written communication in the RFQ process, at any point where there is phone call or other conversation, SPC expects to keep a file note of the exchange, with all forms of communication with prospective bidders to be retained as source documents for the procurement of the services.

### 2.5 Key Dates

Please see the proposed procurement timetable in the table below. This timetable is intended as a guide only and while SPC does not intend to depart from the timetable, it reserves the right to do so at any stage.

STAGE	DATE
<b>RFQ sent to potential vendors</b>	26/02/2024
<b>RFQ Closing Date</b>	11/03/2024
<b>Award of Contract</b>	25/03/2024
<b>Commencement of Contract</b>	1/04/2024
<b>Conclusion of Contract</b>	30/06/2024

### 2.6 Legal and compliance

**Confidentiality:** Unless otherwise agreed by SPC in advance or where the contents of the RFQ are already in the public domain when shared with the bidder, bidders shall at all times treat the contents of the RFQ and

any related documents as confidential. SPC will also treat the information it receives from the bidders as confidential.

**Conflict of interest:** Bidders must take all necessary measures to prevent any situation of conflict of interest. You must notify SPC in writing as soon as possible of any situation that could constitute a conflict of interest during the RFQ process. If you have any familial connection with SPC staff, this must be declared, and approval will then be sought for you to engage in the RFQ process. **In support of your response to this RFQ, you must submit to SPC [the Conflict-of-Interest Declaration form](https://spc.int/procurement) available on our procurement page website: <https://spc.int/procurement>.**

Breach of this requirement can result in SPC terminating any contract with a successful bidder.

**Currency, validity, duties, taxes:** Unless specifically otherwise requested, all proposals should be in USD and must be net of any direct or indirect taxes and duties, and shall remain valid for 120 days from the closing date. The successful bidder is bound by their proposal for a further 60 days following notification they are the preferred bidder so that the contract may be awarded. No price variation due to escalation, inflation, fluctuation in exchange rates, or any other market factors shall be accepted at any time during this period.

**No offer of contract or invitation to contract:** This RFQ is not an offer to contract or an invitation by SPC to enter into a contract with you.

**Privacy:** The bidder is to comply with the requirements of applicable legislation and regulatory requirements in force for the use of personal data that is disclosed for the purposes of this RFQ. SPC will handle any personal information it receives under the RFQ in line with its [Privacy Policy](#), and the [Guidelines for handling personal information of bidders and grantees](#).

**Warranty, representation, assurance, undertaking:** The bidder acknowledges and agrees that no person has any authority to give any warranty, representation, assurance or undertaking on behalf of SPC in connection with any contract which may (or may not) follow on from this RFQ process.

## 2.7 Complaints process

Bidders that consider they were not treated fairly during any SPC procurement process may lodge a protest. The protest should be addressed to [complaints@spc.int](mailto:complaints@spc.int). The bidder must provide the following information: (1) full contact details; (2) details of the relevant procurement; (3) reasons for the protest, including how the alleged behaviour negatively impacted the bidder; (4) copies of any documents supporting grounds for protest; (5) the relief that is sought.

## Part 3: TERMS OF REFERENCE

### A. Background/context

SPC entered into a Funded Activity Agreement (FAA) with the Green Climate Fund (GCF) on the 8<sup>th</sup> of October 2021 for the execution of the project “Climate change adaptation solutions for Local Authorities in the Federated States of Micronesia (FSM)”. The project is executed by SPC’s Micronesian Regional Office, housed in Pohnpei FSM and provides capacity building and hard investments in the climate adaptation sector in the country. A budget of USD 19.7 million is allocated to the project of which USD 16.6 million is provided by GCF under the FAA. Under the requirements of the GCF’s Accreditation Master Agreement (AMA) SPC must provide “within four (4) months after the end of the GCF Fiscal Year, an audited annual financial statement for each of the Funded Activities”. The project was Incepted in 2023 and has been under implementation for one year and requires its first annual audit.

Further to this, SPC has also entered into a Grant Support Agreement (GSA) on the 13<sup>th</sup> of October 2022 for a GCF readiness project “Institutional capacity and coordination for pipeline strengthening”. A budget of USD 1.7 million is provided by GCF for this project. The project is executed by SPC’s Climate Finance Unit (CFU), as the Delivery Partner. Under the GSA the project must submit an “annual audited financial statements (Audit reports) as of 31 December every year, no later than 30 June of the following calendar year”. The project has been under implementation for a year and a half.

## **B. Purpose, objectives, scope of services**

The primary objectives of the financial audits **for each of the two projects** are as follows:

- To assess the financial management systems and controls in place for the project.
- To verify the accuracy and reliability of financial records and transactions related to GCF funding.
- To evaluate the compliance of project expenditures with the approved budget and GCF guidelines.
- To identify any financial irregularities, fraud, or misappropriation of GCF funds.
- To provide recommendations for improving financial management practices and controls.

### **The scope of work for each of the two projects assessed:**

- a. Review of Financial Systems and Controls
  - Assess the adequacy and effectiveness of financial management systems, policies, and procedures.
  - Evaluate the internal controls in place to ensure the accuracy, completeness, and timeliness of financial transactions.
- b. Examination of Financial Records
  - Conduct a detailed examination of financial records, including ledgers, journals, bank statements, and supporting documentation.
  - Verify the accuracy and validity of financial transactions, ensuring proper recording and classification.
- c. Compliance Assessment
  - Review the project's compliance with GCF financial guidelines, including eligibility criteria, procurement regulations, and reporting requirements.
  - Assess the adherence to relevant national and international financial regulations and standards.
- d. Expenditure Verification
  - Verify project expenditures against the approved budget and work plan.
- e. Risk Assessment
  - Identify and assess any financial risks associated with the project's financial management and utilization of GCF funds.
  - Evaluate the adequacy of risk mitigation measures in place.
- f. Fraud and Corruption Detection
  - Conduct tests and procedures to detect any instances of fraud, corruption, or misappropriation of GCF funds.
  - Provide recommendations for strengthening anti-fraud measures and reporting mechanisms.

### **Deliverables for each of the two projects assessed:**

- i. Provision of work schedule and action plan, **for each of the two projects assessed**, discussed and validated by the respective project leads.
- ii. Auditor's Opinion on The Financial Statements

An auditor's opinion providing reasonable assurance over the audited project financial statements, including the notes thereto and supplementary statements.

iii. Auditor’s opinion on compliance with legal agreement

An auditor’s opinion made in accordance with, ISSAI 4200 ‘Compliance Audit Related to the Audit of Financial Statements’, or equivalent national standards, providing reasonable assurance that the (i) proceeds of the grant were used only for the purpose of the project, and (ii) the project was in compliance with the covenants in the FAA and GSA of the respective projects.

iv. Audited project financial statements

- Consolidated (all sources of funds) financial statements with comparative presentation:
- Statement of Cash Receipts and Payments
- Statement of Comparison of Budget and Actual Amounts
- Supplementary Schedules
  - o Statement of Bank Account Reconciliation / Certificate of Cash Position
  - o Summary Statement of Expenditures
- Notes to the Financial Statements

v. Management Letter

- A separate management letter highlighting specific issues, concerns, or areas requiring immediate attention.
- The management letter may include recommendations for corrective actions and measures to address identified weaknesses.

vi. Debriefing meeting

- A debriefing meeting will be held on provision of the final documents to present findings and discuss with the project team.

### C. Timelines

The indicative start date for the audit in April 1<sup>st</sup> Start-up must occur within 10 working days after official notification.

The period between the audit closing meeting and submission of the final audit report to the Contracting Authority must not exceed 10 working days.

Total working days for the project should not exceed 30 days

<b>Deliverable / Activity</b>	<b>Due Date</b>
Draft Scoping Report	12 April 2024
Final Scoping Report	26 April 2024
Attendance at Country Consultation	6–10 May 2024
Completion Report	13 May 2024



#### D. Reporting and contracting arrangements

The implementation of all activities in a coherent manner is the responsibility of the consultant(s), under the supervision and coordination of SPC.

The consultant(s) will work under the direct supervision of SPC's Climate Finance Unit with the support of the Project Management Unit in FSM under the Micronesian Regional Office, for technical inputs.

#### E. Skills and qualifications

- An internationally recognised firm, with minimum Tier 2 ranking.
- The firm is registered as a statutory auditor in the public register of a public oversight body and this register is subject to principles of public oversight as set out in the legislation of the country concerned.
- The firm should have relevant experience in accounting and auditing of development projects in the Pacific, especially donor-funded operations.
- Relevant experience in auditing clients comparable to the Pacific Community in organisation status and size.

#### F. Scope of Bid Price and Schedule of Payments

The contract will be carried out as a lumpsum price broken down into payments over two milestones as laid out in the table below. The bidder should include all costs associated with the proposed work package including professional fees, management and operating costs, travel, per diems and any other administrative costs as deemed appropriate. The terms of payment will be in accordance with the provisions of Article 10 of the SPC General Conditions.

Milestone/deliverables	Deadline	% payment
Provision of work schedule and action plan, <b>for each of the two projects assessed</b>	April 5 <sup>th</sup>	10% project 1 10% project 2
Provision on final documents for the following <b>for each of the two projects assessed and a debriefing meeting held:</b> i. Auditor's Opinion on The Financial Statements ii. Auditor's opinion on compliance with legal agreement iii. Audited project financial statements iv. Management Letter	May 13 <sup>th</sup>	40% project 1 40% project 2

#### G. Annexes to the Terms of Reference

GCF has a template for readiness projects, this can be found [here](#) and will apply to the FSM readiness project, "Institutional capacity and coordination for pipeline strengthening".

## Part 4: PROPOSAL EVALUATION MATRIX

### 4.1 Competency Requirements & Score Weight

The evaluation matrix below reflects the obtainable score specified for each evaluation criterion (technical requirement) which indicates the relative significance or weight of the items in the overall evaluation process.

Evaluation criteria	Score Weight (%)	Points obtainable
<b>Mandatory requirements</b>		
<ul style="list-style-type: none"> <li>• An internationally recognised firm, with minimum Tier 2 ranking.</li> <li>• The firm is registered as a statutory auditor in the public register of a public oversight body and this register is subject to principles of public oversight as set out in the legislation of the country concerned.</li> <li>• The firm should have relevant experience in accounting and auditing of development projects, especially donor-funded operations.</li> <li>• Relevant experience in auditing clients comparable to the Pacific Community in organisation status and size.</li> <li>• The auditor and/or the firm shall employ staff with appropriate professional qualifications and suitable experience with IFAC standards, in particular International Standards on Auditing and with experience in auditing financial information of entities comparable in size and complexity to the entity.</li> </ul> <p>The key audit team will comprise, at least an audit manager with at least 10 years' experience in auditing and with a sound knowledge of donor-financed projects. In addition, he/she should be a member of a recognized accountancy professional body.</p> <p>1) Declaration of Conflict of Interest</p> <p>2) A bid / proposal comprising:</p> <ul style="list-style-type: none"> <li>• A cover letter</li> <li>• A description of the proposed service, approach and methodology</li> <li>• Evidence of prior work of a similar nature</li> <li>• A CV or professional profile</li> </ul> <p>3) Financial quote in USD based on the schedule provided in Section F</p>		<p><b>Mandatory requirements.</b> Bidders will be disqualified if any of the requirements are not met</p>
<b>Technical requirements</b>		
<b>Quality of the offer:</b> Overall presentation and quality of the technical proposal and supporting documentation.	10%	70
<b>Skills and qualifications:</b> A relevant qualification in the field of Audit, Accounting or related work and with a sound knowledge of finance donor-financed projects. Fluency in written English.	10%	70
<b>Work experience:</b> At least 10 years of experience in the field of professional Auditing or related work. Relevant experience in auditing clients comparable to the Pacific Community in organisation status and size. Experience with similar assignments in the past.	30%	210

<b>Proposed approach and methodology:</b> Appropriateness of the actions proposed including the means of implementation and how the methodology will result in the expected deliverables.	20%	140
<b>Financial proposal:</b> Value for money demonstrated in the financial proposal.	30%	210
<b>Total Score</b>	<b>100%</b>	<b>700</b>