

26 March 2018

Invitation to Tender – Framework Procurement for an Auditor to verify that each P4F Grant was expended in accordance with the terms of its Grant Agreement

Part 1 Tender Details and Invitation

| Tender Details | | |
|-------------------------|--|-----------------------------|
| Tender for: | An Auditor to verify that each P4F Grant was expended in accordance with the terms of its Grant Agreement | |
| Project: | Partnerships for Forests ('P4F') | |
| The Company: | Palladium International Ltd ('Palladium') | |
| Closing Date and Time: | 17:00 (GMT) on Friday 27 April 2018 | |
| Contact Person: | Matthew Dalton – matthew.dalton@partnershipsforforests.com | |
| Timetable: | ITT made available: | 26/03/2018 |
| | Deadline for receipt of Clarifications: | 20/04/2018 |
| | Deadline for receipt of Tenders: | 17:00 on 27/04/2018 |
| | Evaluation of Tenders: | 30/04/2018 to 04/05/2018 |
| | Notification of Award: | 07/05/2018 |
| | Confirm Contract Award and Contract Start Date: | 18/05/2018 |
| Tender Contents: | Part 1 – Tender Details and Invitation Part 2 – Terms of Reference Part 3 – Conditions of Tender Part 4 – Technical Assessment and Selection Criteria Part 5 – Financial Assessment and Selection Criteria Part 6 – Due Diligence Assessment Form Part 7 – Standard Contract Template Part 8 – Declaration by Tenderers | |
| Tender Validity Period: | 30 days from Closing Date | |

So as to verify that recipients of Partnerships for Forests (P4F) grant funds have expended those funds in accordance with the terms of their Grant Agreements Palladium seeks to procure an Auditor to conduct audits on a number of Grants between 2018 and 2020.

There will be an Auditor for each of the regions where P4F operates (East Africa, West & Central Africa, South East Asia, and Global – the P4F Regions). Each Auditor will be contracted through a Framework contract.

A single organisation or consortium may submit a bid covering all four P4F Regions, three of the four, two of the four, or only one of the P4F Regions. Tenderers should note, however, that a separate Technical and Financial Submission must be submitted for **EACH** P4F Region.

The following pages include the Terms of Reference (TOR), the technical and financial selection criteria and the conditions of tender along with the standard contract template which the successful tenderer will be required to sign once the agreed commercial terms have been included.

Palladium invites you to tender for this activity. Please forward your Tender in accordance with the Details for Submission above by the Closing Date and Time.

We look forward to your response, and if you have any queries, please don't hesitate to contact the procurement manager by e-mail matthew.dalton@partnershipsforforests.com

Part 2 Terms of Reference

1. Background

Partnerships for Forests (P4F) supports investment models in which the private sector, public sector and communities can achieve improved returns from sustainable forests and sustainable land use. By creating market-ready 'Forest Partnerships' that offer an attractive balance of risks and benefits for the private sector, public sector and communities, the programme aims to mobilise significant investment, principally from the private sector.

Through grants and technical assistance, the programme helps selected partners move through the stages required to get to market – from idea development and memorandum of understanding (MOU), to business planning, to deal negotiation and piloting, and finally to commercial scale-up. The programme also supports demand side measures that strengthen demand for sustainable commodities, and activities to create the right enabling conditions for sustainable investment

P4F operates according to a principle of additionality. This means that grants and TA must not substitute or replace organisation's core funding, or subsidise activities that private sector companies or other partners should undertake themselves.

The five-year programme is funded by the UK Department for International Development (DFID) as part of its commitment to help countries mitigate and adapt to climate change. DFID has contracted Palladium and McKinsey & Company to manage the £56 million P4F technical assistance and grant-making facility.

P4F currently operates in four 'P4F Regions':

East Africa - P4F Team in Addis Ababa with recipients of grant funds based in Ethiopia, Kenya, Tanzania, Mozambique and Rwanda.

West & Central Africa - P4F Team in Accra with recipients of grant funds based in Cameroon, Côte d'Ivoire, the Democratic Republic of Congo, Ghana, Gabon and Liberia.

South East Asia – P4F Team in Jakarta with recipients of grant funds based in Indonesia and Singapore.

Global – P4F Team in Bristol (UK) with recipients of grant funds based in the UK, EU and USA.

As managers of P4F Palladium and McKinsey & Company are responsible for ensuring that each recipient of grant funds expends those funds in accordance with the terms of their Grant Agreement and in accordance with P4F and DFID requirements. So as to verify that recipients of grant funds have expended those funds in appropriately Palladium seeks to procure an Auditor to conduct audits on a number of Grants expected to complete between 2018 and 2020.

2. Objectives of the Assignment

The objective of this assignment is for the Auditor to carry out the specific tasks listed in the **Scope of the assignment** (below) and upon completion to submit to Palladium a report of factual findings. The Auditor will be expected to provide an overall assessment of whether the Grant was expended in accordance with the terms of its Grant Agreement by the Grantee.

Palladium seeks to procure an Auditor for **four Lots** – each Lot represents one of the P4F Regions (East Africa, West & Central Africa, South East Asia, and Global).

A single organisation or consortium may submit a bid covering (and win the contract for) all four P4F Regions, three of the four P4F Regions, two of the four P4F Regions, or only one of the P4F Regions. Tenderers should note that a separate Technical and Financial Submission must be submitted for **EACH** P4F Region that is been bid for (so for example – if a Tenderer is bidding for both the East Africa and West &

Central Africa P4F Regions, they would submit two Technical Submissions and two Financial Submissions = one for each P4F Region).

Although the intention is to contract only one Auditor for each P4F Region, Palladium retains the right to contract multiple Auditors for a single P4F Region if it decides that no single organisation or consortium would offer sufficient coverage across all the countries within that P4F Region.

Please see Part 3 and Part 4 for details relating to preparation and evaluation of the technical submission.

3. Scope of the Assignment

Preparatory:

- The Auditor will obtain a familiarity with P4F and a general understanding of the terms and conditions of the [P4F Grant Agreement template](#) prior to conducting any call down audit assignments. It is not expected that any time spent on this will be billable to Palladium.

Each Audit Assignment:

- The Auditor will obtain an understanding of the terms and conditions of the specific P4F Grant Agreement between Palladium and a Grantee, by reviewing the Grant Agreement template and all other relevant policies and report templates and by pre-engagement meetings with Palladium, as the first step after being engaged on a call down audit assignment.

Financial Report and Financial Systems

- The Auditor will reconcile a reasonable sample of expenditure line items in the [Financial Report](#) to the Grantee's accounting system and records.
- The Auditor will examine a reasonable sample of expenditure line items in the Financial Report to confirm:
 - Costs actually incurred: The Auditor will verify that the expenditure was actually incurred by and pertains to the Grantee (or relevant Downstream Associate) and that the monetary value noted in the Financial Report conforms to the related documentation. For this purpose the Auditor will substantiate that the expenditure is evidenced by supporting documents (e.g. invoices, contracts) and proof of payment (e.g. bank statements).
 - Necessary for Implementation: The Auditor will verify that the expenditure was incurred during the term of the Grant Agreement and whether it is plausible that the expenditure was necessary for the implementation of the relevant activities (e.g. through confirming with the Grantee that cost pertains to an activity detailed in the workplan set out in the Grant Agreement).
 - Compliance: The Auditor will examine whether the expenditure was incurred in accordance with any applicable requirements in the [P4F Guidelines for Using Grant Funds](#) and/or ancillary policies and procedures (including but not limited to: the [P4F Summary of Procurement Guidelines](#) and the [P4F Grantee Downstream Due Diligence Guidance](#)).
- The Auditor will examine whether the Grantee has complied with the rules relating to Taxes, Duties and Government Charges in Clause 4 of the Grant Agreement.
- The Auditor will examine whether the Grantee has complied with the rules relating to Record Keeping in Clause 7 of the Grant Agreement.

- The Auditor will examine whether the Grantee has complied with the rules relating to Additional Funding in Schedule C of the Grant Agreement.
- The Auditor will examine whether the Grantee has complied with the rules for the management of the Grant funds in Schedule D of the Grant Agreement.
- The Auditor will examine whether the Grantee has complied with the rules relating to accounting for the Grant funds in Schedule E of the Grant Agreement.

Project Budget

- The Auditor will reconcile the Financial Report against a copy of the Budget in Schedule I of the Grant Agreement and verify whether the expenditure incurred was as indicated in the Budget.
 - Where there has been an over/under spend the Auditor will verify that the Grantee has followed the procedures in Schedule D for transferring funds around the Budget.
- The Auditor will verify whether there have been amendments to the Budget of the Grant Agreement (where amendment is defined as relating to a change to the scope of the activities rather than an over/under spend).
 - Where this is the case the Auditor will verify that the Grantee has requested a Change Request from Palladium and obtained an amendment to the Grant Agreement.

Downstream Associates

- The Auditor will verify that during the term of the Grant Agreement the Grantee has complied with Clause 18 of the Grant Agreement and had in place such insurance(s) and legal or regularly approvals as is necessary for the normal conduct of its activities and to be in compliance with the laws of its country of registration and also the country of implementation.
- The Auditor will examine whether the Grantee has complied with Clause 3.3 of the Grant Agreement and sought Palladium's prior written consent before assigning, transferring or subcontracting any right, obligation or service to a Downstream Associate.
- The Auditor will examine whether the Grantee has complied with Clause 10 of the Grant Agreement and conducted due diligence on all Downstream Associates to a satisfactory standard (i.e. in accordance with the [P4F Grantee Downstream Due Diligence Guidance](#)).
- The Auditor will examine whether the Grantee has complied with Schedule G of the Grant Agreement and (where relevant) conducted a procurement of a satisfactory standard (i.e. in accordance with the [P4F Summary of Procurement Guidelines](#)) prior to contracting any Downstream Associates. This should include examining whether:
 - Transparent and open systems were in place to ensure that the procurement & negotiations were competitive and assured good value for money.
 - Appropriate procedures were in place to document and manage conflicts of interest.
- The Auditor will examine whether the Grantee has entered into a binding Agreement with all Downstream Associates in accordance with Clause 9 that passes on all the relevant requirements of the Grant Agreement. This includes, but is not limited to, Clause 5, Clause 7, Clause 9, Clause 10, Clause 12, Clause 14, Clause 15, Clause 17, Clause 21, Clause 22, Schedule G and Schedule H.

Significant Assets

- The Auditor will reconcile all Significant Assets listed on the Project Asset Register to the related expenditure in the Financial Report.
- The Auditor will examine a reasonable sample of Significant Assets listed on the Project Asset Register to confirm:
 - Existence: The Auditor will verify that the Significant Asset is at the (exact) current location listed on the Project Asset Register.
 - Condition: The Auditor will verify that the condition of the Significant Asset is accurate to the information on the Project Asset Register.
 - Identification: The Auditor will verify that the Significant Asset is tagged appropriately and in a way that matches the Project Asset Register (tags should be clearly visible).
 - Value: The Auditor will verify that the value of the Significant Asset has been correctly recorded and is been updated in accordance with the [P4F Asset Management & Reporting Guidance](#) and any local accounting, legal or regulatory requirements.
 - Maintenance: The Auditor will verify that the Significant Asset was procured and is been held, maintained and used in accordance with the [P4F Asset Management & Reporting Guidance](#), Schedule G of the Grant Agreement, and the Grantee's own Asset Management policies and procedures.
- The Auditor will examine whether the Grantee has all relevant documents of transfer and/or of use where a Significant Asset is been held, maintained and/or used by a Downstream Associate.
- The Auditor will examine whether the Grantee has all relevant insurances and warranties (as is legally required and is deemed prudent) for all Significant Assets.
- The Auditor will verify whether any Significant Assets that have been lost, stolen, or broken since the start of the Grant have been correctly reported to Palladium and that the process in the [P4F Asset Management & Reporting Guidance](#) has been followed.

Post-Audit:

- The Auditor will compile and submit to Palladium a report of their factual findings, that contains sufficient detail to enable Palladium to understand the nature and extent of the tasks performed by the Auditor and their finding in relation to each task. The Auditor's report will also conclude whether the Grant was expended in accordance with the terms of its Grant Agreement by the Grantee.

4. Duration and Phasing

The engagement is to commence by 18 May 2018 and end on 30 October 2020.

The engagement will be on a Framework contract – consisting of an overarching or 'umbrella' agreement that sets out the terms and conditions (including amount payable for each audit assignment) under which multiple audit assignments ('call downs') can then be made from the Auditor throughout the term of the agreement. There will be a separate Framework contract for each P4F Region.

Though there will be no guarantee as to the amount of call down audit assignments, there are expected to be at least 5 per P4F Region.

Please refer to Part 7 for the standard contract template.

5. Specification of the Advisory Support

The Auditor is required to meet the following minimum specifications:

- The Auditor will have a physical presence (a functioning commercial office) in one or more of the countries in the P4F Region(s) that they are bidding for.
- The Auditor will be sufficiently experienced, qualified and familiar with local laws, practises and regulations to be able to conduct audit assignments to the auditing standards of each country in the P4F Region(s) that they are bidding for.
- The Auditor will have sufficient staff capacity to be able to conduct an audit assignment within 30 days of the call down.

In addition, the Auditor is required to meet one of the following minimum specifications:

- The Auditor is a member of a national accounting or auditing body or institution which in turn is member of the International Federation of Accountants (IFAC).
- The Auditor is a member of a national accounting or auditing body or institution. Although this organisation is not member of the IFAC, the Auditor commits him/herself to undertake this engagement in accordance with the IFAC standards and ethics.
- The Auditor is registered as a statutory auditor in the public register of a public oversight body in an EU member state in accordance with the principles of public oversight set out in Directive 2006/43/EC of the European Parliament and of the Council (this applies to auditors and audit firms based in an EU member state).
- The Auditor is registered as a statutory auditor in the public register of a public oversight body in a third country and this register is subject to principles of public oversight as set out in the legislation of the country concerned (this applies to auditors and audit firms based in a third country).

The Auditor is expected to provide details and CVs for the Nominated Personnel. The Nominated Personnel will be the partner(s) or other senior person(s) within the Auditor's organisation who is accountable for the engagement and for the report that is issued to Palladium upon completion of each audit assignment. Each Nominated Personnel is expected to have:

- Experience in carrying out audits of DFID and/or other Donor Government (e.g. USAID, European Union, AFD etc.) or Multilateral funded international aid projects that include a grant component.
- The necessary qualifications, certifications and registrations to oversee the conducting of audit assignments in each of the countries within the P4F Region(s) the Auditor is bidding for.

6. Financial component

The Financial Submission will be a comparative assessment of an average of each Tenderer's expected costs for an audit assignment in each of the countries within the P4F Region.

This will require each Tenderer to set out each of the staff roles expected to undertake work on an audit assignment, each of their daily fee rates, and the number of days that each is expected to spend on an audit assignment. Each Tenderer should set this information out for each of the countries within the P4F Region. These will be the staff roles, the daily fee rates, and the number of days that will be entered into the Framework contract of the successful Tenderer(s) and which will be used to form the basis of the amount payable for each call down audit assignment.

An average of the information set out by the Tenderers for all the countries within the P4F Region will be taken by Palladium and used as the basis for the comparative assessment.

Please refer to Part 3 and Part 5 for details relating to preparation of the financial submission.

7. Responsibilities of the Company

Be available to a reasonable extent to the Auditor during the preparatory phase of the engagement.

Make all available templates, policies and procedures available to the Auditor.

Confirm that the Auditor is aware and compliant with all terms and conditions of the contract and briefing documents.

Introduce the Grantee to the Auditor following the commencement of a call down audit assignment and ensure the Grantee is aware of their responsibility to maintain and provide all documents, papers, records etc. that are pertinent to the Grant, to allow the Auditor unhindered access to their premises, and for being available to the Auditor during the call down audit assignment.

8. Contractor responsibilities

To be prepared to complete the Due Diligence Assessment Form – and be assessed to the satisfaction of the Company - and to sign the Standard Contract Terms (for reference included at Part 6 and Part 7 respectively).

To have in place insurance policies covering Professional Indemnity and Public Liability (if contracting as an appropriately registered entity rather than in an individual capacity).

To be registered in a Jurisdiction that is acceptable to the Company.

To hold any regulatory permits or approvals required to provide the services, either as an individual or through a registered entity.

Part 3 Conditions of Tender

1. Tender content

1.1. The Tender must contain the following:

- 1.1.1. a cover letter from the Tenderer for the activity (specify the Activity Number set out in Part 1), including the declaration contained in Part 8;
- 1.1.2. a technical submission (see Part 4) (NB: a separate Technical Submission must be submitted for EACH P4F Region);
- 1.1.3. a financial submission (see Part 5) (NB: a separate Financial Submission must be submitted for EACH P4F Region).

1.2. Every Tender shall state in the cover letter:

- 1.2.1. the Tenderer's nominated contact person;
- 1.2.2. in the case of an individual, full or given names, surname, date of birth and permanent address;
- 1.2.3. in the case of a company, NGO or other registered entity, the full name of the entity, the address of the registered office of the entity, the names of all proprietors or directors, the relevant registration number and a copy of the certificate of registration; and
- 1.2.4. in the case of a trust, the full names and addresses of each trustee of the trust;
- 1.2.5. a list of all the Nominated Personnel expected to be accountable for the performance of the Terms of Reference (TOR), including their names, surnames and title of their position.

1.3. Tenders are to be in English.

1.4. 'The Tenderer' (where capitalised) means the person or organisation to whom this invitation has been sent. Depending on the context, an uncapitalised version of 'tenderer' may also refer to the Tenderer.

2. Tender Assessment Process

2.1. Tenders must comply with the requirements of the TOR. Failure to submit a Tender including the information required by the TOR generally will factor into The Company's assessment of the level of compliance of the Tender and may result in rejection of the Tender.

2.2. The Company will evaluate Tenders on the following basis:

- 2.2.1. a technical assessment (see Part 4);
- 2.2.2. a financial assessment (see Part 5);
- 2.2.3. other factors, which may impact on the Tenderer's performance.

2.3. The Company will assess Tenders based on the Technical Assessment Selection Criteria specified in Part 4 and will provide a list of ranked technically suitable tenders.

2.4. The Company will undertake a financial assessment in accordance with Part 5.

- 2.5. The Company will undertake technical and financial assessments for each P4F Region separately. This means (for example) a Tenderer may submit a Tender for multiple P4F Regions, but only be selected as the preferred Tenderer for one P4F Region.
- 2.6. This procurement will follow a structured and transparent process to ensure that a fair and level playing field is maintained at all times, and that all Tenderers are treated equally. The indicative key dates for this procurement as they are currently anticipated to be are set out in the Timetable in the Tender Particulars.
- 2.7. The Company reserves the right:
 - 2.7.1. to accept or reject any tender, and to annul the tendering process thereby rejecting all tenders, at any time prior to the award of contract at its sole discretion;
 - 2.7.2. to cancel or vary the Invitation to Tender process at any time whether before or after the closing date;
 - 2.7.3. to reject any tender that does not adhere to the structure and content requirements as outlined in these Terms and Conditions;
 - 2.7.4. to recall tenders from any source including those tenderers who have already submitted tenders, without thereby incurring any liability to the affected tenderer or tenderers or any obligation to inform the affected tenderer or tenderers of the grounds for this action;
 - 2.7.5. to accept Tenders for the whole or any part of the requirement;
 - 2.7.6. make whatever changes it sees fit to the Timetable, structure or content of the procurement process, depending on approvals processes or for any other reason;
 - 2.7.7. to require that tenderers submit to the Company's Due Diligence process prior to or after the submission of Tenders; and
 - 2.7.8. to negotiate with the most favourable tenderer should it be deemed that the offered prices are unreasonable or greater than the targets set in the planning process, as per Part 6.
- 2.8. The Company shall not be bound by any advice given or information furnished by it.
- 2.9. The conduct of this Invitation to Tender is not intended to give rise to any legal or equitable relationship.
- 2.10. A Tender will not be considered if the Tenderer or a representative of the Tenderer gives or offers anything to an employee or agent or subcontractor of the Company as an inducement or reward, which could in any way tend to influence the actions of that employee or agent.
- 2.11. Your Tender will be valid for the Tender Validity Period.

3. Technical Assessment

- 3.1. The Technical Assessment will be undertaken by an internal Procurement Committee.
- 3.2. The Technical Assessment of the Tender will account for 80% of the overall score using the following formula:

$$\text{Technical Score} = \frac{\text{Tender's Weighted Technical Score (out of 100)}}{\text{Highest Weighted Technical Score (out of 100)}} \times 80\%$$

- 3.3. The Procurement Committee, in assessing the technical part of the Tender, will consider the Selection Criteria specified in Part 4.

3.4. Tenderers should note that technical submissions that do not meet the any of the Minimum Score Requirements set out in the Form of Technical Submission in Part 4 may be assessed by the Procurement Committee as not technically acceptable.

3.5. The Technical Submission must:

3.5.1. be in a type font of no less than 12 points;

3.5.2. be in a single column format;

3.5.3. be seven pages or less in length;

3.5.4. have attached up-to-date CVs of the preferred consultant/s (which do not count toward the page limit noted in 4.1.3) relevant to the activity (no longer than 4 pages each);

3.5.5. a separate Technical Submission must be submitted for EACH P4F Region been bid for.

4. Financial Assessment

4.1. Following consideration of the technical merit of Tenders, a like-for-like price assessment will be undertaken by the Company of the Tenders assessed as technically suitable. The like-for-like price assessment will represent 20% of the overall score.

4.2. The following formula for the scoring and ranking of Tenders on the basis of price will be used:

$$\text{Price Score} = \frac{\text{Tender Price of Lowest Priced Technically Acceptable Tender}}{\text{Tenderer's Tender Price}} \times 20\%$$

4.3. Tenderers should note that financial submissions for those Tenders assessed by the Procurement Committee as not technically acceptable will not be subject to financial assessment.

4.4. The financial component of the Tender must be submitted as set out in Part 5 and must be an unconditional offer and fixed for the duration of the Project.

4.5. The Tenderer may include per diem rates as an estimate, however the Company shall only reimburse actual expenditure upon presentation of receipts.

4.6. A separate Financial Submission must be submitted for EACH P4F Region been bid for.

5. Acceptance of Tenders

5.1. The Company is not bound or required to accept the lowest priced Tender or any Tender.

5.2. A Tender will not be deemed to be accepted unless and until a Contract in the form listed in Part 7 is signed by The Company (with the agreed commercial terms included).

5.3. An Agreement to Provide Services will be used if the preferred Tenderer is a registered entity, and a Consultant Agreement will be used if the preferred Tenderer has no such registration and is contracting as an individual.

5.4. The Company reserves the right to enter into negotiation with any other tenderer if by the 'Confirm Contract Award and Contract Start Date' stated in the Timetable either contract negotiations have not been concluded with the preferred tenderer or if the preferred tenderer has not completed the Due Diligence Assessment Form in a manner acceptable to the Company.

6. Alternative Tenders

6.1. The Company reserves the right to accept and consider alternative Tenders providing they:

6.1.1. are submitted with a compliant Tender;

6.1.2. clearly identify the differences and improvements offered in the Alternative Tender.

7. Non-Compliant Tenders

7.1. Tenders will be regarded as non-compliant if they do not comply with any part of the requirements of this Invitation to Tender.

7.2. The Company may however, in its absolute discretion evaluate any non-compliant Tender.

8. Lodgement of Tenders

8.1. It is the responsibility of the Tenderer to ensure that the Tender is received by the Company by the closing date and time prescribed in this Invitation to Tender. A Tender lodged after the closing date is a late Tender.

8.2. A late Tender will normally not be considered unless it can be demonstrated by the Tenderer that the Tender would have arrived at the tender point by the required date and time as prescribed in this Invitation to Tender. The Company may allow a late Tender to be assessed at its absolute discretion.

8.3. The Company will not consider or entertain any queries about a decision to assess or reject a late Tender.

8.4. Tenders are to be in English and all pricing and costs are to be in Pound Sterling (GBP).

9. Tenderer Costs

9.1. Tenderers are responsible at their own cost for:

9.1.1. making all arrangements and obtaining and considering all information relating to the TOR;

9.1.2. the preparation, delivery and lodgement of their tender;

9.1.3. dealing with any issues, including disputes, that may arise out of the tendering process.

10. Basis of Payment

10.1. Payments will be made in Pound Sterling (GBP), within 30 days of receipt of an acceptable invoice and subject to performance as identified by milestones or deliverables specified in the Contract.

10.2. All Tenderers should be aware that agreed pricing shall be Withholding Tax (WHT) and Value Added Tax (VAT) inclusive, as per the Company's standard contract templates.

10.3. Reimbursement shall be on the basis of actual expenditure evidenced by receipts.

11. Confidentiality

11.1. The Tenderer acknowledges that in the course of this Tender, it may become acquainted with or have access to the Company's Confidential Information (including the existence and terms of this Tender and the TOR). It agrees to maintain the confidence of the Confidential Information and to prevent its unauthorised disclosure to any other person.

- 11.2. The Tenderer will not disclose or use any Confidential Information except to the extent that such disclosure or use:
- 11.2.1. is strictly necessary for submitting the Tender;
 - 11.2.2. is required by relevant laws;
 - 11.2.3. is authorised by prior written approval from the Company; or
 - 11.2.4. occurs after the Confidential Information already is or comes into the Tenderer's possession (or in the public domain) otherwise than pursuant to this Tender, pursuant to a separate confidentiality undertaking by the Tenderer or a third parties' (or that parties') unauthorised disclosure.
 - 11.2.5. If the Tenderer 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.
 - 11.2.6. The parties agree that this obligation applies during the Tender and after the completion of the process.

12. Request for Information

- 12.1. Any prospective Tenderer may until Deadline for receipt of Clarifications set out in Part 1 request information on any point of clarification in this Tender. The information requested shall be given in writing by The Company as soon as practicable, and where in the opinion of The Company the information could have an effect on other tenderers, that information may at the Company's sole discretion be given in writing to all known prospective tenderers.

13. Business Partner Code of Conduct

- 13.1. Tenderers shall comply with the Company's Business Partner Code of Conduct in the submission of any tenders.

14. Unsuccessful Tenders

- 14.1. Unsuccessful Tenders will be notified in writing and shall be entitled to a feedback session regarding their tender.

15. Tenderer Acceptance of Conditions

- 15.1. A Tender lodged in response to this Invitation to Tender does so with agreement to these Conditions of Tender unless any departures from these Conditions are detailed in the tender submission. The Company reserves the right to reject any departure from these Conditions of Tender, and thereby determine that the tender submission is non-conforming for that reason.

16. Publicity

- 16.1. No publicity regarding the procurement or the award of any Contract will be permitted unless and until the Company has given express written consent to the relevant communication. For example, no statements may be made to the media regarding the Invitation to Tender, its contents or any proposals relating to it without the prior written consent of the Company.

17. Jurisdiction

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

17.2. 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.

17.3. 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.

17.4. 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.

17.5. Should the claim involve a State, a State-controlled entity, or an intergovernmental organization, the case shall be administered by the International Bureau of the Permanent Court of Arbitration.

18. Client Specific Provisions

18.1. Contractors and Consultants will be required to comply with the terms of the Head Contract for the Project, including the DFID Standard Terms and Conditions and any additional terms advised by the Company.

Part 4 Technical Assessment and Selection Criteria

1. Technical Submission.

- 1.1 The Technical Assessment places emphasis on the degree of confidence the Procurement Committee has in the Tender content and the Tenderer's ability to deliver the services effectively. A high degree of confidence is gained where:
- 1.1.1 A deep understanding of key issues is clearly demonstrated. Merely providing general statements of information and a can-do attitude will not generate high scores.
 - 1.1.2 A convincing methodology is provided to achieve results, whilst ensuring optimal value for money over the lifetime of the contract. The methodology should include clear links between performance outputs and pricing mechanisms (such as milestones for payment linked to clear deliverables).
 - 1.1.3 The methodology includes monitoring & performance management tools where appropriate, such as: critical path analysis, risk strategies/mitigation plans, communications plans etc.
 - 1.1.4 A detailed Work Plan is provided that breaks down activities and outputs, which are clearly cross referenced (where appropriate) to the level of effort of Nominated Personnel, payment mechanisms and governance/quality assurance mechanisms to ensure effective delivery on time and within budget.
 - 1.1.5 Strong examples demonstrate the proposed methodology has been applied successfully in environments relevant to this ITT.
 - 1.1.6 A well balanced team of Nominated Personnel is proposed that provides the right mix and level of skills, with assured availability at the right time and with the right number of days.
 - 1.1.7 Greater effort has been made to provide certainty in the Tender detail so that it can be relied on from a contractual perspective (for example, poor management processes, lack of performance measures and vague terminology represent a potential performance risk).

1.2 The following selection criteria and weighting will be used in the assessment process to assess the technical capacity of the Tenders.

| Scoring Methodology for the technical submission | |
|--|--|
| 5 | Excellent, addresses the requirements of the TOR and all ITT issues, and where relevant demonstrates fine tuning, to make a match with Client expectations, and is of a quality and level of detail and understanding that provides confidence in certainty of delivery and permits full contractual reliance (where applicable). |
| 4 | High degree of confidence that they can meet the requirements of the TOR (and where relevant strong evidence they have tailored their response to meet these). Demonstrates they have a thorough understanding of what is being asked for and that they can do what they say they will; translates well into contractual terms (where applicable). |
| 3 | An understanding of all issues relating to delivery of the TOR and tailoring the response to demonstrate that proposals are feasible so that there is a good level of confidence that they will deliver; can be transposed into contractual terms (where applicable). |
| 2 | Understands most of the issues relating to delivery of the TOR and addresses them appropriately with sufficient information, but only some relevant tailoring and so only some confidence that they will be able deliver in line with expectations. |
| 1 | Some misunderstandings of the issues relating to delivery of the TOR and a generally low level of quality information and detail. Poor appetite to tailor when asked and so fails to meet expectations in many ways and provides insufficient confidence. |
| 0 | TOR issues are scantily understood and flimsy on quality information, with minimal tailoring if anywhere relevant. Provides no confidence that the issues will be addressed and managed at all in line with expectations. |

1.3 Technical Submissions **MUST** follow the question structure below, addressing each question separately and distinctly.

NB: Please note that one Technical Submission **MUST** be submitted for **EACH** P4F Region that is been bid for. For example: if a Tenderer is bidding for both the East Africa and West & Central Africa P4F Regions, they would submit 2 Technical Submissions (one for East Africa and one for West & Central Africa).

| Form of Technical Submission | | Page Limit | Weight X Score | | Max Weighted Score | Minimum Score Requirement |
|------------------------------|--|------------|----------------|----------|--------------------|---------------------------|
| 1a | <p><u>Quality of Nominated Personnel</u></p> <p>Tenderers should describe, referring to the CVs submitted to evidence any statements, how the Nominated Personnel fulfil each of the relevant criteria set out in the Specification of the Advisory Support in the TOR and are sufficiently skilled staff to oversee all aspects of the Scope of the Assignment.</p> | 1 page | 3 | [0 to 5] | 15 | 3 out of 5 |
| Response: | | | | | | |
| 1b | <p><u>Quality of Auditor</u></p> <p>Tenderers should describe how they (the Auditor) and any consortium partners fulfil each of the relevant criteria set out in the Specification of the Advisory Support in the TOR.</p> | 1 page | 3 | [0 to 5] | 15 | 3 out of 5 |
| Response: | | | | | | |
| 2 | <p><u>Methodology and Approach to Delivery of TOR</u></p> <p>2.1 Tenderers should describe from their own understanding of the Objectives of the Assignment and the Scope of the Assignment in the TOR, as well as the context of the project, how they and any consortium partners will facilitate delivery of the tasks set out in the Scope of the Assignment. (6/10).</p> <p>2.2 Tenderers should describe their approach to ensuring optimal value for money. This includes, but is not limited to, how Tenderers will limit the amount of reimbursable expenses charged during a call down audit assignment. (2/10)</p> | 3 pages | 10 | [0 to 5] | 50 | 3 out of 5 |

| | | | | | | |
|-----------|---|------------|---|----------|----|------------|
| | <p>2.3 A half (0.5) page anticipated Workplan for an audit assignment based on the Tenderers understanding of tasks listed in the Scope of the Assignment in the TOR, plotting the delivery of the tasks using the methodology mentioned above. The Workplan must identify the number of days to be worked by each individual staff role, and should directly relate to the information provided in the Financial Submission. (2/10)</p> | | | | | |
| Response: | | | | | | |
| 3 | <p><u>Relevant Experience</u></p> <p>Tenderers should identify 3 assignments undertaken within the last 3 years similar to and relevant to the TOR and the Partnerships for Forests context. A brief summary of each of the assignments should be provided, as should the name and contact details for referees who can verify the Tenderers performance on the assignment.</p> | 2 pages | 4 | [0 to 5] | 20 | 3 out of 5 |
| Response: | | | | | | |

2. The Tenderer must provide a CV (including the names and contact details of two referees must be attached) for each Nominated Personnel expected to contribute to the performance of the TOR (no longer than four pages in length).
3. The Technical Submission format **must** follow the above question structure and clearly address the criteria above as this will impact on the assessment process.
4. One Technical Submission **must** be submitted for **each** P4F Region that is been bid for.

For example: if an organisation is bidding for both the East Africa and the West & Central Africa P4F Regions, they would submit 2 Technical Submissions (one for East Africa and one for West & Central Africa).
5. The Technical Submission **must** not exceed **seven pages** (excluding CVs).

Part 5 Financial Assessment and Selection Criteria

1. The Financial Submission must:

- 1.1. Using the below format state the daily fee rates (based on an 8 hour working day for one person) for the Nominated Personnel and any other staff roles expected to be deployed on an audit assignment conducted in accordance with the tasks listed in the **Scope of the Assignment** in the TOR.

Using the below format state the number of days each of those staff roles will contribute while deployed on an audit assignment conducted in accordance with the tasks listed in the **Scope of the Assignment** in the TOR.

Fee rates should include all costs that are not reimbursable. Fee rates must be in Pound Sterling (GBP) and **must be inclusive of all relevant taxes**.

The staff roles and number of days stated here should **correspond directly** to those listed in the Workplan provided as part of the Technical Submission.

The staff roles, the fee rates and number of days should be set out for **each of the countries within the P4F Region**. For example, if bidding for the East Africa P4F Region the above information should be set out in separate tables for each of Ethiopia, Kenya, Tanzania, Mozambique and Rwanda.

These will be the staff roles, the fee rates and the number of days that are entered into the Framework Agreement and which will be used, unless the terms of reference for a specific call down audit assignment differs significantly from the TOR, to form the basis of the amount payable for each call down audit assignment.

The average of the '**Total Price**' for each of the countries within the P4F Region will form the '**Tender Price**' and will be basis of the comparative tender assessment. For example, if bidding for the East Africa P4F Region and the Total Prices are Ethiopia (£100), Kenya (£200), Tanzania (£100), Mozambique (£100) and Rwanda (£100), the Tender Price will be £120 (£600/5).

| Audit Assignment in Country 1 | | | |
|--|-----------------------|-----------------------|--------------------|
| (Add more tables so that there is one for each country within the P4F Region) | | | |
| Staff Role | Daily Fee Rate | Number of Days | Daily Cost |
| E.g. Staff Role A | e.g. £100 | e.g. 1 | e.g. £200 (2x£100) |
| E.g. Staff Role B | e.g. £50 | e.g. 10 | e.g. £500 (10x£50) |
| Total Price | | | e.g. £700 |

- 1.2. One Financial Submission **MUST** be submitted for each P4F Region that is been bid for. For example: if an organisation is bidding for both the East Africa and West & Central Africa P4F Regions, they would submit 2 Financial Submissions (one for East Africa and one for West & Central Africa).
- 1.3. Prior to each call down audit assignment the Auditor and the Company will agree a budget for any expected reimbursable expenses (see 3 below for eligible expenses). These should not form part of the Total Price and will not be considered in the comparative price assessment.

2. The following financial aspects need to be taken into consideration:

- 2.1. the daily fee rates should be based on the number of days set out in the Workplan in the Technical Submission for an audit assignment based on the tasks listed in the **Scope of the Assignment** in the TOR;
- 2.2. the daily fee rates are to be inclusive of all relevant taxes but exclusive of any reimbursable costs;
- 2.3. all activity preparation costs (including those listed as Preparatory **Scope of the Assignment** in the TOR) are the responsibility of the Auditor;
- 2.4. one Financial Submission must be submitted for each P4F Region that is been bid for.

3. Standard reimbursable expenses (**for reference only**):

- 3.1. To be eligible for reimbursement all expenses must be incurred in accordance with the P4F Guidelines for Using Grant Funds.

| Category and Allowance (per Call Down Audit Assignment) | |
|--|--|
| Flights (Economy Class Only) | Return airfare can be reimbursed when flying is the most effective transportation option. |
| In-country travel | In-country ground transportation (taxis, trains, buses, car rental etc.) costs can be reimbursed as long as the costs are not part of normal 'business as usual' travel. |
| Accommodation, meals and other living / travel expenses | Hotel accommodation, meals and other living/travel expenses can be reimbursed as long as staff are travelling away from their normal place of business and/or area of residence. |

4. Insurance cover:

- 4.1. Preferred Tenderers contracted by the Company as individuals shall be added to the Company's corporate travel insurance policy and/or expatriate travel insurance policy as required. Policy details available upon request.
- 4.2. Preferred Tenderers contracted by the Company as a registered entity shall be required to evidence Professional Indemnity and Professional Liability insurance, and provide their consultants with the appropriate level of cover regarding work-related travel.

Part 6 Due Diligence Assessment Form

The Due Diligence Assessment Form that will need to be completed by the preferred Tenderer prior to contracting is **Attached Separately** for reference.

Part 7 – Palladium Standard Contract Template

Agreement to Provide Services – used when contracting a registered entity.
Attached Separately for reference.

Part 8 – Declaration by Tenderers

Tenderers shall submit their tender with the following declaration on their organisation's letterhead:

I declare that to the best of my knowledge the answers submitted and information contained in this document are correct and accurate.

Where requested by the Company, I/We will promptly provide the certificates or other documents referenced in this ITT.

I/We understand that any information given by us will be relied on and used by the Company to assess my/our suitability to participate further in this potential procurement.

I understand that the Company may reject my/our Tender if it is non-compliant, or false/misleading in any way.

Where this statement is being provided by an individual on behalf of the Company, that individual has the necessary corporate authorisation to provide the declaration on behalf of the Company.

I / We have not communicated to any person other than the Company the amount of any tender, adjusted the amount of any tender by arrangement with any other person, made any arrangement with any other person about whether or not I / we or that other person should tender, or otherwise colluded with any other person in any manner whatsoever, and undertake that at any time thereafter in the tendering process for the above

I/We have not engaged in any behaviour which has or could contravene Bribery Act 2010 (UK), the Foreign Corrupt Practices Act (US) or any similar legislation.

I/We 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 tender) which could give rise to a perception of bribery or corruption in relation to the Tender or any other dealings between the parties.