



HIRING OF AUDIT FIRM

Request For Proposal (RFP)

Dated: 30th April, 2021

SOCIAL HEALTH PROTECTION INITIATIVE
HEALTH DEPARTMENT, KHYBER PAKHTUNKHWA

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LETTER OF INVITATION

**DEPARTMENT OF HEALTH, GOVERNMENT OF KHYBER PAKHTUNKHWA
SOCIAL HEALTH PROTECTION INITIATIVE**

Subject: REQUEST FOR PROPOSAL FOR SELECTION OF AUDIT FIRM

Health Department, Government of Khyber Pakhtunkhwa, invites "Proposals" from registered, well-reputed firms to undertake a third-party financial audit of the flagship Social Health Protection Initiative (SHPI).

The firm shall be selected under the "Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014 based on "Single Stage Two Envelop" bidding procedure. Request for Proposal (RFP) document can be downloaded from the websites of Health Department, Government of Khyber Pakhtunkhwa www.healthKhyberPakhtunkhwa.gov.pk, Khyber Pakhtunkhwa Public Procurement Regulatory Authority (KHYBER PAKHTUNKHWAPRA) www.KhyberPakhtunkhwapra.gov.pk and the Social Health Protection Initiative (SHPI) www.sehatcardplus.gov.pk.

Interested Firms are required to provide explicit information of their capacity/qualification to perform this assignment considering the instructions detailed in the RFP. All the bidding firms must be registered with the Khyber Pakhtunkhwa Revenue Authority.

Sealed Technical Proposal in hard as well as in soft form (PDF format) whereas Financial Proposal in the hard form (in a separate sealed envelope), must be delivered to the address given below by or before **03:00 PM on June 03, 2021**. The Technical Proposals will be opened on the same day at **03:30 PM**.

The Department reserves the right to accept or reject any or all the bids under the KHYBER PAKHTUNKHWAPRA rules.

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INSTRUCTIONS
FOR
PREPARATION OF PROPOSAL

INSTRUCTIONS FOR PREPARATION OF PROPOSAL

BACKGROUND

Around 60% of the population of Pakistan lives below the poverty line, and this segment of the population is exposed to a number of risks. Of all the risks, health risks pose the greatest threat to their lives and livelihoods. A health shock adds health expenditures to the burden of the poor precisely at the time when they can least afford it. Such shocks impose major costs on both poor and non-poor, resulting in situations that lead these families deeper into poverty. The share of those who had not yet recovered increases with the estimated cost of the shock and is significantly higher for health shocks.

Pakistan spends 2.6% of its Gross Domestic Product (GDP) on healthcare. With per capita income of 1,627 US\$, total health expenditure on health per capita per annum is only 129 US\$. Public spending on healthcare is even lower. Around 57.6% of healthcare expenditure in Pakistan is out of pocket (OOP).

Keeping in view the widespread poverty and High out of pocket expenditure, the Government of Khyber Pakhtunkhwa launched its landmark Social Health Protection Initiative (SHPI) in 2015 with the brand name "Sehat Sahulat Programme" through the financial support from German Government through KfW Development Bank for 21% population of four districts (Mardan, Malakand, Kohat and Chitral) of Khyber Pakhtunkhwa. Formal launching of the programme was held on December 15, 2015. Annual cost of premium at that time was Rs. 170 million, 88% of which was through foreign funding.

Due to the tremendous success of the programme, the Government of Khyber Pakhtunkhwa expanded the population coverage to up to 64% in three interlinked phases in 2015, 2016 and 2017. The programme peaked at providing coverage to approximately 3.2 million families of the whole province. Annual premium cost was approximately Rs. 6.5 billion.

The success and impact of the earlier phases encouraged the government to extend the programme to all the families of Khyber Pakhtunkhwa irrespective of their financial status. The roll out of the scheme to the entire population of Khyber Pakhtunkhwa has completed on 1st February 2021 with the revised brand name "Sehat Card Plus".

SALIENT FEATURES OF SEHAT CARD PLUS

- It is a Micro-health Insurance Programme implemented by State Life Insurance Corporation of Pakistan selected through national competitive bidding.

- Under the programme, more than 7 million families of Khyber Pakhtunkhwa are enrolled for free inpatient healthcare services.
- Data of beneficiary families is acquired from NADRA (the only data source in Pakistan).
- Services to the beneficiaries are offered upto a maximum limit of Rs. 1.0 million per family per year.
- Annual cost of the programme is around Rs. 21 billion.
- Services to the beneficiaries are provided through a panel of Public and Private Hospitals contracted across the province.
- All the secondary care healthcare diseases and tertiary care diseases like Accident and emergency, Diabetes, Kidney diseases including dialysis and kidney transplant, Hepatitis B and C, all type of cancers and Heart & Vascular diseases are covered under the programme.
- 24/7 services for information and complaints through a toll-free number 0900-89898.

CONTEXT

The Sehat Card Plus is one of the most important initiatives of the Government in the health sector and one which would have direct bearing and impact on the majority population of Khyber Pakhtunkhwa. Keeping this in view, it is imperative that the programme functions in a smooth manner adhering to the principles of effective and efficient programme management. In order to ensure this, services of an audit firm are required to carry out financial and performance audit of the programme in two phases:

- Phase 1 would consist of financial and performance audit of the programme from Nov 2020 up to 30th June 2021 (for 100% population coverage)
- Phase 2 would consist of continuous financial and performance audit of the programme on a quarterly basis as a regular feature for the next three years

ELIGIBLE BIDDERS

An applicant should be a legal firm/entity/JV and should not be disqualified/blacklisted by any of the private/public sector organization in Pakistan. The bidder shall have the following minimum qualifications:

- The audit firm should have a license from the Institute of Chartered Accountants of Pakistan (ICAP). Only the Auditing Firms (Chartered Accountants) in Category A, Category B, or Category C on the Panel of Auditors maintained by State Bank of Pakistan under Section 35 of Banking Companies Ordinance, 1962 should apply.
- Firm must have an office established in Pakistan and shall have all the requisite licenses/registrations to do business in Khyber Pakhtunkhwa.

- Firm must have conducted within the last ten (10) years, at least three (3) performance/financial audits or management reviews of government organizations, preferably those firms engaged in health related initiatives.
- Firm must provide copies (hard or electronic) of at least two (2) performance/financial audit reports or management reviews that the firm has performed within the past ten (10) years in accordance with international Auditing Standards. The firm must have had primary responsibility for performing the majority of the work on each audit.
- Firm must agree to retain working papers and other performance audit work products for seven (7) years. In retaining these records, the firm should give appropriate consideration to the sensitivity of the information contained in the documents to prevent the unauthorized release of confidential information.

JOINT VENTURE / CONSORTIUM

Joint venture / Consortium is eligible for this tender, as long as the joint venture is compliant with the following conditions:

- The bidders may form a joint venture of maximum two partners. An Agreement Deed to that effect, legally executed and signed by all the partners shall be submitted with the bid.
- One partner of formulated joint venture will be designated the lead partner and would enter into legal contract with the department and would be liable to incur liabilities, receive payments and receive instructions for and on behalf of any or all partners. A power of attorney to that effect, legally executed, signed by all the partners shall be submitted with the bid.
- There must be at least one locally registered company (Partner) of good repute, with relevant experience and proven track record, in the joint venture.
- In JV there can be a foreign bidder but, in such eventuality, the local firm/bidder shall be the lead partner and contractual obligations will accordingly be set if such a JV enters upon into a contract.
- All the partners shall be jointly and severally liable for the execution of the Contract in accordance with the terms and conditions of the Contract. The Bid, and in case of successfully qualifying both technical and financial evaluation, the Contract Deed, to that effect, shall be signed by the lead partner.
- Partners other than the lead would also be bound by the terms and conditions of the contract.

BIDDING PROCEDURE

Single Stage Two Envelope bidding procedure shall be followed as per the KPPRA

rules:

- The bid shall be a single sealed packet/envelope containing two separate sealed envelopes in it, comprising separately the financial and the technical proposals;
- Each respective envelope shall be marked as “Technical Proposal” and Financial Proposal” as the case may be;
- In the first instance, the “Technical Proposal” shall be opened and the envelope marked as “Financial Proposal” shall be retained unopened in the custody of the Client;
- Technical proposals shall be evaluated in the manner prescribed in **Section 5** of this document, without reference to the price and shall reject any proposal which does not conform to the specified requirements;
- During the technical evaluation process, negotiation may be carried out which may include but not limited to offering an opportunity to bidders for clarification or explanation on technical proposal, the proposed technical approach and methodology, work plan, organization and staffing, logistics and reporting;
- After the evaluation and approval of the technical proposals, the financial proposals of the firms who are qualified on the basis of Technical Proposals, shall be opened;
- The financial bids of the bidders who are disqualified on the basis of the Technical Proposal, shall be returned un-opened to the respective bidders.
- Details of the Evaluation process may be perused in **Section 5**.

OBLIGATIONS OF BIDDERS

- It will be the responsibility of the Bidder that all factors have been investigated and considered while submitting the Bid and no claim whatsoever including those of financial adjustments to the contract awarded under this Bid Process will be entertained by the Purchaser. Neither any time schedule, nor financial adjustments arising thereof shall be permitted on account of failure by the Bidder.
- The Bidder shall be deemed to have satisfied itself fully before Bid as to the correctness and sufficiency of its Bids for the contract and price/cost quoted in the Bid to cover all obligations under this Bid Process.
- It must be clearly understood that the Terms of Reference are intended to be strictly enforced. No escalation of unit cost will be permitted throughout the remaining period of completion of the contract.
- The Bidder shall be fully and completely responsible for all the deliveries and deliverables to the Purchaser.

METHOD OF SELECTION

The Firm shall be selected on **QCBS** (Quality Cost Based Selection) method amongst the technically qualified bidders.

The department reserves the right of entering into more than one contracts.

TERM OF THE AGREEMENT

3 Years and 8 months (From 1st November 2020 – 30th June 2024)

NOTIFICATION OF AWARD

After evaluation and selection of the vendor, all the bidders will be notified in writing of the selection or non-selection of their proposals. The name of the successful bidder(s) may also be disclosed.

BID VALIDITY

The Bid shall have a minimum validity period of **90 days** from the last date for submission of the Bid. The Health Department may solicit the bidder's consent to an extension of the validity period of the bid. The request and the response thereto shall be made in writing.

PERFORMANCE SECURITY

- The successful Bidder(s) shall furnish Performance Security within 2 days positively of the receipt of the Acceptance Letter from the Purchaser;
- It should be in the form of a Bank Guarantee, issued by a scheduled bank operating in Pakistan, as per the format provided in the Tender Document;
- Its value shall be equivalent to 5% of the contract value;
- The Performance Security shall be denominated in Pak Rupees;
- It should have a minimum validity period until the date of expiry of contract period, support period or termination of services, or fulfillment of all obligations under the contract, whichever is later.
- No other shape or form of performance security shall be acceptable with any validity less than the prescribed time period.
- The Performance Security shall be payable on occurrence of any / all of the following conditions:

- 1) If the Bidder commits a default under the Contract;

- 2) If the Bidder fails to fulfill the obligations under the Contract;
- 3) If the Bidder violates any of the terms and conditions of the Contract.
- 4) The Bidder shall cause the validity period of the performance security to be extended for such period(s) as the contract performance may be extended. The Performance Security shall be returned to the bidder within thirty working days after the expiry of its validity on written request from the Bidder.
- 5) In case the Bidder fails to furnish Performance security in the shape of bank guarantee within the stipulated period given under Letter of Acceptance and subsequent formal contract, or till end of the currency of the said contract, the amount of bank guarantee, as required, shall be deducted from the amount payable to the Bidder.

TERMS OF REFERENCE

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OBJECTIVES OF THE ASSIGNMENT

The objective of the RFP is to hire the services of an audit firm which would provide continuous third party financial and performance audit of the programme in relation to its agreement with SLIC and the objectives and contours of the programme.

- First phase of the Audit would involve financial and performance audit of the period from 1st November 2020 to 30th June 2021.
- The second phase of the Audit would involve continuous financial and performance audit on a quarterly basis for three years.

Details are as follows:

Name of the country	Pakistan
Name of the provinces	Khyber Pakhtunkhwa
Project Executing Agency	Departments of Health, Khyber Pakhtunkhwa, represented by Project Management Unit (PMU) Social Health Protection Initiative, 9A, Rahman Baba Road University Town Peshawar
Implementing Partner	State Life Insurance Corporation of Pakistan
Period for Audit	<ul style="list-style-type: none">• Phase 1 :1st Nov 2020- 30th June 2021 (one time Audit)• Phase 2: Continuous Audit of the programme for three years i.e. from July 2021 to June 2024.
Total transaction of funds for the Audit period	<ul style="list-style-type: none">• Rs. 11 Billion (Approximately) for Phase 1• Rs. 21 Billion (Approximately) Annually for Phase 2

SCOPE OF THE AUDIT

The Audit Firm shall be responsible to audit the implementation, operations, management and compliance with contractual terms. To have better understanding of the scope of work the Audit Firm would need to:

- Study the RFP and agreement signed with SLIC, Agreements/ MoUs signed with service providers and the study of the implementation process.
- Study the policy guidelines, design and the services envisaged, processes

- Understand the roles and responsibilities of various stakeholders (federal, provincial and district based)

The audit will be conducted following the International Standards on Auditing as published by the International auditing assurance standards board of the International Federation of Accountants, with special reference to ISA 800 (Auditor's report on the special purpose of audit engagements). It will include such tests and controls as the audit firm considers necessary as well as site visits. The audit firm must bear in mind that, for the establishment of the audit opinion, it has to carry out a compliance audit & not a normal statutory audit.

The preparation of the financial reports and the statements of the expenditure on the receipts and disbursement basis of accounting is the responsibility of the Client. The financial information has to be established following consistently applied accounting standards and underlying contract between the Government of Khyber Pakhtunkhwa and SLIC and the subsequent contracts to meet the objectives of this main contract.

The audit report to be submitted by the audit firm shall cover the following:

- Audit framework design: To ensure the consistency and comparability of the audit on a regular basis, the AUDIT FIRM must establish an audit methodology in discussion with Client and would need to study all the relevant documentation. After its study, the AUDIT FIRM would:
 - a. Create a framework and procedure for carrying out the audit. In cases of significant non-compliance, establish a mechanism to resolve audit observations.
 - b. Prepare various templates required to be filled in by the various stakeholders involved in the audit process.
 - c. Prepare quarterly audit plan including stated audit areas and controls
- The auditor shall express whether payments to the service providers have been affected by the Insurance Company. Where ineligible expenditures are identified, those should be noted separately.
- The accounting documents have been maintained per the provisions of the relevant contracts executed between the parties.
- Expenditures are supported by relevant and reliable evidence.
- A clear linkage should exist between the statement of expenditure, the funds withdrawal/transfers and the accounting records
- Goods and services have been procured per the relevant contract(s)

- Process audit of the entire journey from the point where a patient arrives at the hospital to the point where final payments have been made to the concerned hospital. This would include on site observation of the process, linking the on site with agreed upon mechanisms in the contract etc. The process audit will identify specific deficiencies and areas of weakness in internal systems and controls of the Implementing Organisation. Where deficiencies are identified, these should be noted separately. Based on the identified deficiencies the audit firm shall also recommend remedial measures to improve the processes
- Audit of the procurement process undertaken in relation to the execution of the programme. This would include the following:
 - a) Procurement of services of SLIC for implementing the programme
 - b) Procurement of goods and services related to the advertisement and awareness campaign of the programme
 - c) Procurement of any other goods and services
- Audit of the Agreement between the Client and SLIC to ensure that all agreed upon clauses are adhered to. This would include a forensic audit of the adherence to the clauses of the contract since inception of the programme.
- Audit of the empanelment process of the hospitals. This would include forensic audit of the processes, random analysis of district wise actual empanelment cases of both accepted and rejected applications
- Audit of the claims payment procedure including:
 - a) Analysis of 100% of medical claims paid to hospitals. This should include, but not be limited to verifying accurate plan design, exclusions, and limitations such as maximum visits per month, prior authorization, package limits and others.
 - b) Check for areas of fraud, waste, or abuse, adherence to best practices/standards, and investigations of other party liability.
 - c) Verify that sufficient documentation was provided to support the sampled claim payment and an adequate review was performed, taking into consideration the claim amount.
 - d) Identify potential duplicate payments, including claims for the same services with different procedure codes. Where applicable, verify medical necessity, appropriate discounts and correct reimbursement procedures were followed
 - e) Identify common errors and determine the causes and effects and provide recommendations to correct the errors.

- The Audit Firm would monitor the performance of SLIC with reference to the Agreement signed between the Health Department and SLIC. Subsequently, The Audit Firm would carry out the following tasks:
 - a) Audit Firm shall tabulate, in a template, all possible measurable parameters as defined in the Agreement. These parameters shall be checked with random performance indicator against each parameter to monitor the services. Audit Firm shall collate the results in a report and submit to the Client.
 - b) Audit Firm shall review the performance on a quarterly basis and report non compliance with any clause of the Agreement.
 - c) Audit Firm would also verify the parameters of the Agreement, which cannot be monitored. Audit Firm shall review the helpdesk procedures established by SLIC and submit a Quarterly Report with recommendations to Client.

AUDIT REPORTS

The audit report(s), covering both financial and performance shall be issued in English language and shall cover all aspects specified in the following paragraph ("scope"):

- Provide a schedule showing receipts and disbursements during the audit period
- Include the balance of special accounts at the beginning and the end of the audit period
- Comprise the auditor's statement of appraisal and quantify the consequences of the specific deficiencies, if any.
- Performance audit of Programme's functions, operations, management systems, and policies and procedures. The performance audit will assess: 1) whether the programme is achieving economy, efficiency, and effectiveness in the employment of available resources; and 2) whether programme is complying with all relevant policies and procedures.
- Give comments and observations on the accounting records, systems and controls examined during the audit (as far as necessary for the understanding of the financial reports and the statements of expenditure),
- Identify specific deficiencies and areas of weakness in systems and controls that have come to the auditor's attention, especially with regard to withdrawal, purchase, storage and payment transactions, and make recommendations for their improvement,
- Report on actions taken by the parties to make improvements concerning deficiencies and areas of weakness reported in the past,
- Bring to the attention of the Project Executing Agency any other matters that the auditor considers pertinent.

DELIVERABLES

The Audit Firm shall deliver the following All the below mentioned deleiverables will be separate for both Phase 1 and Phase 2 of the assigned work.

1. Audit Plan

The auditor will develop a financial and performance audit plan based on a comprehensive risk assessment model, developed by the auditor, which identifies in priority order the functions or operational areas to audit. The detailed audit plan will adhere to international Auditing Standards and provide the methodology the auditor will use to address the audit objectives. The audit plan will describe both the nature and extent of audit procedures to be used for gathering and analyzing evidence, including the specific steps and tests the auditors will perform. The auditor will design the audit methodology to obtain sufficient, appropriate evidence to address the audit objectives, reduce audit risk to an acceptable level, and provide reasonable assurance that the evidence is sufficient and appropriate to support the findings and conclusions. The plan will include the expected dates for completing field work for each audit objective.

2. Draft Report

The auditor will provide a written draft performance audit report that contains observations, conclusions, and actionable recommendations for the Procuring entity. The draft audit report must be fully supported with sufficient and appropriate evidence. The auditor must communicate its findings, conclusions, and recommendations to the Procuring Entity, who will review it and comment accordingly.

3. Draft Final Report

The auditor will provide a written draft final financial and performance audit report that contains observations, conclusions, and actionable recommendations. The draft final audit report must be fully supported with sufficient and appropriate and contain the following:

- a) Executive summary;
- b) The objectives, scope, and methodology of the audit;
- c) the audit results, including findings, conclusions, and recommendations, as appropriate;
- d) A statement about the auditors' compliance with generally accepted international auditing standards;
- e) A summary of the views of the client and

- f) If applicable, the nature of any confidential or sensitive information omitted. In addition, the auditor will create a presentation (i.e., PowerPoint) to convey the results of the audit and make the presentation to the Procuring entity.

4. Final Report

The auditor will submit a final audit report to CLIENT management, including an executive summary and CLIENT management's response to the recommendations. The auditor will provide a minimum of five hard copies and one electronic copy (on CD) of the final report.

PROPOSAL REQUIREMENTS

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GENERAL SUBMISSION REQUIREMENTS

- Technical and financial proposal must be submitted in response to this RFP.
- The requirements established by this RFP for proposal content and format will be used to evaluate proposals.
- The bidder's compliance to the format prescribed herein, as well as the bidder's response to each specific requirement and question stated in the RFP, will be considered during the evaluation process.
- Proposals should provide a concise but complete description of the bidder's ability to meet the requirements of the RFP.

- The Technical and Financial Proposals must be submitted in separate sealed envelopes/packages and placed in a third package.

- The two sections should be marked as follows:
 - a) "Technical Proposal-Continuous Financial and Performance Audit of Sehat Card Plus Programme of Khyber Pakhtunkhwa" and
 - b) "Financial Proposal- Continuous Financial and Performance Audit of Sehat Sahulat programme of Khyber Pakhtunkhwa".

- Each section should be identified with the name of the bidder and RFP
- All evidence and documentation requested under this RFP must be provided at the time the proposal is submitted.
- Sealed Technical Proposal in hard as well as in soft form (PDF format) whereas Financial Proposal in the hard form (in a separate sealed envelope), must be delivered to the address given in the advertisement by or before **03:00 PM on June 03, 2021**. The Technical Proposals will be opened on the same day at **03:30 PM**.

TECHNICAL PROPOSAL

All proposals should be type written on standard A4 size paper (larger size paper is permissible for charts, spreadsheets, etc.) and placed within a binder with tabs delineating each section. Bidders should utilize both sides of the paper where practical. The Technical Proposal should include the following:

- 1) LETTER OF TRANSMITTAL
- 2) EXPERIENCE AND QUALIFICATIONS OF THE FIRM
- 3) EXPERIENCE AND QUALIFICATIONS OF PROPOSED PERSONNEL

4) WORK APPROACH

The bidder must provide a Letter of Transmittal that contains the following elements:

1. A summary of the firm's pertinent expertise, skills, client base and services provided.
2. A primary contact for the proposal, including the name, address, telephone numbers and email address.
3. Statement that if awarded the contract as the primary contractor, the bidder will accept full responsibility for successful performance of the entire scope of work.
4. Statement that the firm acknowledges and will comply with the terms, including all of the insurance requirements

1. Experience and Qualifications of the Bidding Firm

This section of the proposal should demonstrate the bidder's qualifications, experience and capacity to conduct this audit. Bidders must provide references and work samples to substantiate this experience.

This section of the bidders' proposals should include the following information:

1. Legal status of the firm (sole proprietorship, partnership, corporation, etc.) and the year the entity was organized to do business as the entity now exists.
2. Main business location, office location from which bidders' staff will work on this performance audit, names of principals, number of employees, client base, areas of specialization and expertise, and any other information that will assist the RFP Evaluation Committee in formulating an opinion about the stability and strength of the firm and corporate status.
3. Describe how the bidder meets the minimum qualifications specified in **Section 2**.
4. The firm must have relevant experience in:
 - a) Accounting and auditing of development projects;
 - b) The financial audit of insurance company(ies);
 - c) Auditing large-volume and complex programmes;
 - d) Track record of auditing Government funds and eTrack record of audit large corporate funds, especially, insurance
5. Describe recent and relevant experience (past ten (10) years) that the bidder and all subcontractors have in conducting performance audits or management reviews of government organizations, programs or activities, or other audit experience that will assist in the performance of this audit.
6. Utilizing the References Form (Attachment 2), provide a minimum of three (3) references that can be checked by the RFP Evaluation Committee.
7. Provide one (1) copy each (hard-copy or electronic) of at least two (2) performance audit reports or management reviews and that the firm has performed

within the past ten (10) years. firm must have had primary responsibility for performing the majority of the work on each audit.

8. Details about the subcontractors (if any)

2. *Experience and Qualifications of the Proposed personnel*

It is essential that assigned team members are committed for the duration of the audit and that reporting lines are clear. This section of bidders' proposals should include the following elements:

1. Provide an organizational chart indicating lines of authority for all key personnel, including subcontractors, who will be involved in the performance audit. On the organizational chart, bidders should clearly identify the lead individual assigned to work directly with Client management who has the authority to resolve any problems, issues, or concerns.
2. Provide a description of the proposed audit team structure and internal quality control system to be used during the course of the project, including any subcontractors. The bidder should indicate who within the firm's organization will have prime responsibility and final authority for all work products. The bidder must demonstrate that its internal quality control system meets the requirements of general
3. Provide appropriate leadership, management skills, authority, and resources to guide this project. The assignment of a skilled project manager will play a large role in fulfilling the requirement. The bidder must provide a résumé for the project manager and include information on the individual's specific skills related to this project, education, experience, significant accomplishments and responsibilities assumed on other similar projects.
4. Identify responsibilities and roles of the key staff, including any subcontractors, who will be assigned to the project. Include any anticipated involvement of CLIENT staff and describe their level of participation.
5. Demonstrate that all staff proposed meet the following:
 - a) Possess the knowledge of international standards applicable to this audit and the education, skills and experience to apply such knowledge to the audit being performed;
 - b) Possess general knowledge of the type of environment in which Client operates and the subject matter under review;
 - c) Possess the skills to communicate clearly and effectively both orally and in writing; and
 - d) Are free both in fact and appearance from personal, external and organizational impairments to independence in all matters relating to this performance audit.
6. Provide résumés for the named key team, which must include information on the individual's specific skills related to this project, education, experience, significant accomplishments, and responsibilities assumed on other projects,

20 and any other pertinent information.

3. Methodology and Work Approach

The bidder's proposal must provide Methodology of work in detail, outlining the implementation of this project. The following details should be provide:

1. Accessibility and Staffing
2. Database and Reporting
 - a) Describe the bidder's ability to design and maintain a standardized database to record data and information as mentioned earlier and export the raw data into a delimited flat file, spreadsheet software, such as Microsoft Excel. Attest that the bidder will collect all required information.
 - b) Describe the bidder's ability to produce reports at required intervals.
 - c) Describe the bidder's ability to collate and update data and information from various sources.
3. Management Reports
 - a) Describe the bidder's capability to submit detailed management reports on each test, as well as summary reports.
 - b) Describe the quality control measures in place to assure accuracy and timeliness of all reports.
4. Quality Assurance and Improvement

Describe how the bidder will ensure quality paradigms of the submitted reports and processes.

FINANCIAL PROPOSAL

The Financial Proposal should include the following:

1. TRANSMITTAL LETTER
2. FINANCIAL PROPOSAL COST
3. PROPOSAL WORKSHEET
4. EVIDENCE OF FINANCIAL CAPACITY/STABILITY

1. Transmittal Letter

The transmittal letter must be signed in ink by an official authorized to bind the bidder to the provisions contained therein. The letter should include:

- a) An affirmation that the offer is to remain in effect for the duration of the assignment.
- b) A statement indicating that the bidder will provide the services at the prices contained in the cost proposal.
- c) A statement indicating that the bidder prepared its Cost Proposal without collusion or other communication with any other prospective bidder.

2. Financial Proposal Cost

The bidding firm should quote cost for performing the assignment as per requirement of the Client.

3. Evidence of Financial Capacity/Stability

Bidders must be able to provide evidence of their financial ability to perform the terms and conditions of the contract. Each bidder must include independently audited financial statements (not annual reports) for the last three years of operations.

EVALUATION OF PROPOSALS

EVALUATION OF PROPOSALS

The Client will conduct a comprehensive and impartial evaluation of all proposals through a Procurement Committee notified for the purpose.

At the discretion of the Client, all or any of the bids may be rejected with a cogent reason. The technical and financial proposals will be evaluated separately. The results of the technical and financial evaluations will be weighted and combined for the purpose of awarding contracts. Evaluation of the bids will include, but not be limited to the following considerations:

- Meeting the RFP requirements;
- An assessment of the bidder's experience and qualifications;
- The technical merit of the proposal;
- The clarity of the proposal; and
- The total cost.

MANDATORY REQUIREMENTS

Any firm who do not qualify any of the following conditions, shall be disqualified at the initial screening:

1. Timely submission;
2. Separate financial and technical proposals;
3. The bidder fulfills all the technical requirements for carrying out the audits
4. Legal and valid Registration of firm/Join Venture (JV)
5. A Certificate that the provision of services will be conducted in conformity with the system requirements and Terms of References (TORs) by following the professional approach under supervision of nominated Key Expert(s).
6. Valid NTN
7. Valid GST Registration
8. Registration with KPPRA
9. The vendor must be a public/private limited company registered in Pakistan under SECP and should have been in operation for at least 2 years;
10. Income tax return for the last two years.
11. Has not been blacklisted by any of Provincial or Federal Government Department, Agency, Organization or autonomous body or Private Sector Organization anywhere in Pakistan. (Submission of undertaking on legal stamp paper is mandatory).

EVALUATION OF TECHNICAL PROPOSAL (80 POINTS)

A. Experience and Qualification of the firm	Scoring indicators	Total score (50 points)
i. Category of the Auditing Firms (Chartered Accountants) on Panel of Auditors maintained by State Bank of Pakistan. ii. Experience of auditing large scale health insurance programs/ companies in specific in the last 05 years. iii. Experience of auditing health service providers, including hospitals of national and international reputation in the last 05 years	➤ 30 marks for cat of firm <ul style="list-style-type: none"> • Category A = 30 points • Category B = 20 points • Category C = 10 points ➤ 20 marks for relevant experience based on number of assignments performed for both A (ii) and A (iii)	
B. Relevant qualification of the personnel	Scoring indicators	Total score (15 points)
Expereice and qualification of proposed staff	Relevant marking for each category of proposed staff	
C. Methodology	Scoring indicators	Total score (15 points)
Complete methodology as indicated in the scope of the RFP	<ul style="list-style-type: none"> • Key deliverables • Deliverables-by-date list 	

The Procurement Committee will evaluate and score each proposal that meets the initial pass/fail requirements by assessing each bidder's ability to provide the services based on the Evaluation Criteia system below:

EVALTION OF FINANCIAL PROPOSAL (20 POINTS)

The bidder's financial score will be determined based on the following formula:

(a/b)*c where:

a = Total Cost quoted in the lowest cost proposal,

b = Total Cost quoted in the proposal being scored

c = Total Points available for Financial Proposal (20).

TOTAL COMBINED SCORE

To arrive at the Total Combined Score, the Technical and Financial Scores shall be combined. The maximum score any bidder can receive is 100.

FINAL SELECTION AND AWARD OF CONTRACT

At the conclusion of the evaluation of the technical and financial proposals, the Client will identify the bidder(s) that best meet the Client's needs based on the the evaluation of both the proposals.