



Convergence of Agricultural Interventions in Maharashtra (CAIM), Amravati

Programme Management Unit (PMU), First Floor, Sahakar Sankul, Kanta Nagar,
Camp, Amravati (M.S.) Pin Code - 444602
Phone - 0721-2552475 E-mail - caim.pmu@gmail.com

Corrigendum

Date: 31st May 2017 This is with reference to CAIM advertisement regarding the invitation for submission of technical and financial proposal by audit firms for the Project Financial Management and Internal Audit for FY 2017-18 and the last date for submission being 9th June 2017.

The bidders are advised to take into account the following Clarification/ Prebid Response/Corrigendum before submission of their bids against this tender. If any bidder has already submitted his/her bid, then he/she should resubmit his/her bid taking into account following amendments/ Prebid Response/ Corrigendum. For convenience and clarity, the details are being uploaded on the website : www.msamb.com.

Further the date for submitting the proposal is being extended to 19th June 2017 by 1:00pm Technical Proposal opening is scheduled on 19th June 2017 at 03:00p.m.

**Project Director
CAIM, Amravati**

Project Director

**Convergence Of Agricultural Interventions in Maharashtra
Amravati.**



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The Project would like to make the following clarification that –

The assignment is for 6 DPMT (Amravati, Akola, Buldhana, Wardha, Washim and Yavatmal) and PMU at Amravati.

For each unit of Audit, the project shall appoint only one consultant firm, so project will be engaging seven consultant firms for seven units.

The consultant firm may submit the proposal either for one unit or for all the units but for each unit a separate proposal should be submitted .

The unit for which the proposal is being submitted should be mentioned on the covering letter of the bidder, envelop and all related documents.

District covered in CAIM Project

Sr.No.	District	No. of Implementing Agency	No. of CMRC
1	Amravati	12	14
2	Akola	4	7
3	Buldhana	13	13
4	Wardha	8	6
5	Washim	6	7
6	Yavatmal	12	11
Total		55	58

Further the date for submitting the proposal is being extended to 19th June 2017 by 1:00pm ,Technical Proposal opening is scheduled on 19th June 2017 at 03:00p.m.

**Project Director
CAIM, Amravati**

**Project Director
Convergence Of Agricultural Interventions in Maharashtra
Amravati.**

**Convergence of Agricultural Interventions in Maharashtra's
Distressed District Programme (CAIM)**

**Request for Proposal
For**

**Financial Management Support and Internal Audit of Books of
Accounts of Convergence of Agricultural Interventions in
Maharashtra's (CAIM) for FY 2017-18**

RFP Number: CAIM 2017-18/ Audit/ 5416 /2017

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SECTION 1

LETTER OF INVITATION

FOR SELECTION BASED ON QUALITY

AND COST BASED SELECTION (QCBS)

Convergence of Agricultural Interventions in Maharashtra (CAIM)
Government of Maharashtra's, IFAD and SRTT assisted Programme

Ref. No. CAIM-PMU/Internal Audit/ 5416/2017-18.

Date: 9/5/2017

Section 1:- INVITATION FOR PROPOSAL

To,

The Partner ,

Dear Mr. / Ms.:

1. The Government of India (hereinafter called "Borrower") has applied for financing from the International Fund for agricultural Development (IFAD- UN specialized agency hereinafter called "loan") towards the cost of Convergence of Agricultural Interventions in Maharashtra (hereinafter called "CAIM") along with Sir Ratan Tata Trust (Grant) and Government of Maharashtra's contribution. The Borrower intends to apply a portion of the funds to eligible payments under the contract for which this Request for Proposal is issued.
2. The Programme Director, CAIM now invites proposals to provide the following services: Financial Management support and Internal Audit of Convergence of Agricultural Interventions in Maharashtra's (CAIM) for FY 2017-18. More details of services are provided in the Terms of Reference (ToR).
3. This Request for Proposal (RFP) has -----

-----been addressed to only those Auditor Firm which qualify the eligibility criteria.
4. A firm will be selected under Quality and Cost Based Selection Method and procedures described in this RFP, in accordance with the policies of the International Fund for Agricultural Development (IFAD) detailed in the Guidelines – The Procurement Process by IFAD which can be found at the following website:
<http://www.ifad.org/pub/basic/procure/e/proceng.pdf>
5. The RFP includes the following documents:

Section 1 - Letter of Invitation

Section 2 - Instructions to SPs (including Data Sheet)

Section 3 - Technical Proposal - Standard Forms

Section 4 - Financial Proposal - Standard Forms

Section 5 - Terms of Reference

Section 6 - Standard Forms of Contract

6. Please submit the proposal at the following address:

CAIM Programme Management Unit (PMU), 1st Floor Sahakar Sankul, Near Divisional Commissioner Office, Kanta Nagar, Camp, Amravati, Maharashtra, India. Pin. 444 602.

Email: finance.caim@gmail.com;

Your Sincerely

Programme Director,
CAIM- Amravati

Note:

- 1.The proposal will be opened in front of bidders authorized representative.
- 2.The Proposal should remain valid for acceptance up to 180 days.
- 3.The Programme Director, CAIM reserves the right to accept or reject or cancel any proposal or relax any part of the proposal offer without assigning any reason thereof.
4. The SP's are required to submit the hard copy of the proposal within date.
5. Electronic proposals (i.e. telephone, fax, e-mail, etc.) are not acceptable.

Section 2. Instructions to Service Provider

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<p>Definitions</p>	<p>(a) “IFAD” means the International Fund for Agricultural Development –UN Specialized agency</p> <p>(b) “Client” means the agency with which the selected service provider signs the Contract for the Services.</p> <p>(c) “Consultant” means any entity or person that may provide or provides the Services to the Client under the Contract.</p> <p>(d) “Contract” means the Contract signed by the Parties and all the attached documents listed in its Clause 1 that are the General Conditions (GC), the Special Conditions (SC), and the Appendices.</p> <p>(e) “Data Sheet” means such part of the Instructions to Service Provider used to reflect specific country and assignment conditions.</p> <p>(f) “Day” means calendar day.</p> <p>(g) “Government” means the government of the Client’s country.</p> <p>(h) “Instructions to Service Provider” (Section 2 of the RFP) means the document which provides shortlisted Service Provider with all information needed to prepare their Proposals.</p> <p>(i) “LOI” (Section 1 of the RFP) means the Letter of Invitation being sent by the Client to the shortlisted SPs.</p> <p>(j) “Personnel” means professionals and support staff provided by the Service Provider or by any Sub-service provider and assigned to perform the Services or any part thereof; “Foreign Personnel” means such professionals and support staff who at the time of being so provided had their domicile outside the Government’s country; “Local Personnel” means such professionals and support staff who at the time of being so provided had their domicile inside the Government’s country.</p> <p>(k) “Proposal” means the Technical Proposal and the Financial Proposal.</p> <p>(l) “RFP” means the Request For Proposal to be prepared by the Client for the selection of service Provider, based on the RFP.</p> <p>(m) “RFP” means the Request for Proposals, which must be used by</p>
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	<p>the Client as a guide for the preparation of the RFP.</p> <p>(n)“Services” means the work to be performed by the service provider pursuant to the Contract.</p> <p>(o)“Sub-service provider” means any person or entity with whom the service provider subcontracts any part of the Services.</p> <p>(p)“Terms of Reference” (TOR) means the document included in the RFP as Section 5 which explains the objectives, scope of work, activities, tasks to be performed, respective responsibilities of the Client and the service provider, and expected results and deliverables of the assignment.</p> <p>(Q) “SP” means the Service Provider</p>
1. Introduction	<p>1.1 The Client named in the Data Sheet will select a consulting firm/organization (the service provider) from those listed in the Letter of Invitation, in accordance with the method of selection specified in the Data Sheet.</p> <p>1.2 The shortlisted service providers are invited to submit a Technical Proposal and a Financial Proposal, or a Technical Proposal only, as specified in the Data Sheet, for services required for the assignment named in the Data Sheet. The Proposal will be the basis for contract negotiations and ultimately for a signed Contract with the selected service provider.</p>
	<p>1.3 service provider (SP) should familiarize themselves with local conditions and take them into account in preparing their Proposals. To obtain first-hand information on the assignment and local conditions, SPs are encouraged to visit the Client before submitting a proposal and to attend a pre-proposal conference if one is specified in the Data Sheet. Attending the pre-proposal conference is optional. SP should contact the Client’s representative named in the Data Sheet to arrange for their visit or to obtain additional information on the pre-proposal conference. SPs should ensure that these officials are advised of the visit in adequate time to allow them to make appropriate arrangements.</p>
	<p>1.4 The Client will timely provide at no cost to the SPs the inputs and facilities specified in the Data Sheet, assist the firm in obtaining licenses and permits needed to carry out the services, and make available relevant project data and reports, as</p>

	<p>applicable.</p> <p>1.5SP shall bear all costs associated with the preparation and submission of their proposals and contract negotiation. The Client is not bound to accept any proposal, and reserves the right to annul the selection process at any time prior to Contract award, without thereby incurring any liability to the SPs.</p>
Conflict of Interest	<p>1.6 IFAD policy requires that SP provides professional, objective, and impartial advice and at all times hold the Client's interests paramount, strictly avoid conflicts with other assignments or their own corporate interests and act without any consideration for future work.</p> <p>1.6.1 Without limitation on the generality of the foregoing, SPs, and any of their affiliates, shall be considered to have a conflict of interest and shall not be recruited, under any of the circumstances set forth below:</p>
Conflicting activities	<p>(i) A firm that has been engaged by the Client to provide goods, works or services other than this type services for a project, and any of its affiliates, shall be disqualified from providing services related to those goods, works or services. Conversely, a firm hired to provide services for the preparation or implementation of a project, and any of its affiliates, shall be disqualified from subsequently providing goods or works or services other than consulting services resulting from or directly related to the firm's consulting services for such preparation or implementation. For the purpose of this paragraph, services other than services are defined as those leading to a measurable physical output, for example surveys, exploratory drilling, aerial photography, and satellite imagery.</p>
Conflicting assignments	<p>(ii) A SP (including its Personnel) or any of its affiliates shall not be hired for any assignment that, by its nature, may be in conflict with another assignment of the SP to be executed for the same or for another Client. For example, a SP hired to prepare engineering design for an infrastructure project shall not be engaged to prepare an independent environmental assessment for the same project, and a SP assisting a Client in the privatization of public assets shall not purchase, nor advice purchasers of, such assets. Similarly, a SP hired to prepare Terms of Reference for an assignment should not be hired for the assignment in question.</p>
Conflicting	<p>(iii) A SP (including its Personnel) that has a business or family</p>

relationships	relationship with a member of the Client’s staff who is directly or indirectly involved in any part of (i) the preparation of the Terms of Reference of the assignment, (ii) the selection process for such assignment, or (iii) supervision of the Contract, may not be awarded a Contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the IFAD throughout the selection process and the execution of the Contract.
	<p>1.6.2 SP have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of their Client, or that may reasonably be perceived as having this effect. Failure to disclose said situations may lead to the disqualification of the -SP or the termination of its Contract.</p> <p>1.6.3 No agency or current employees of the Client shall work as SP under their own ministries, departments or agencies. Recruiting former government employees of the Client to work for their former ministries, departments or agencies is acceptable provided no conflict of interest exists. When the SP nominates any government employee as Personnel in their technical proposal, such Personnel must have written certification from their government or employer confirming that they are on leave without pay from their official position and allowed to work full-time outside of their previous official position. Such certification shall be provided to the Client by the SP as part of his technical proposal.</p>
Unfair Advantage	1.6.4 If a shortlisted SP could derive a competitive advantage from having provided consulting services related to the assignment in question, the Client shall make available to all shortlisted SPs together with this RFP all information that would in that respect give such SP any competitive advantage over competing SPs.
Fraud and Corruption	<p>1.7 IFAD requires that its own staff and the staff of Borrowers/Recipients (including beneficiaries of IFAD financing), and all bidders, suppliers, contractors and SPs under IFAD-financed contracts, observe the highest standard of ethics and integrity during the execution of and procurement under such contracts. This position is clearly stated in the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations (hereafter: the anticorruption policy),</p> <p>(a) Reject a proposal for award if it determines that the bidder,</p>

supplier, contractor or SP recommended for award has, directly or through an agent, engaged in coercive, collusive, corrupt or fraudulent practices in competing for the contract in question;

(b) Suspend or cancel all or part of the financing in accordance with the General Conditions if it determines at any time that representatives of the Borrower/Recipient or of a beneficiary of the financing engaged in coercive, collusive, corrupt or fraudulent practices during the procurement or the execution of that contract, without the Borrower/Recipient having taken timely and appropriate action satisfactory to IFAD to remedy the situation;

(c) Sanction an individual or firm – which may include declaring the individual or firm ineligible to be awarded an IFAD-financed contract indefinitely or for a stated period of time – if at any time it determines that the individual or firm has, directly or through an agent, engaged in coercive, collusive, corrupt or fraudulent practices in competing for, or in executing, an IFAD-financed contract;

(d) Require that bidding documents and the contracts that it finances include a provision requiring suppliers, contractors and SPs to permit IFAD to inspect their accounts, records and other documents relating to the bid submission and contract performance, and to have them audited by IFAD-appointed auditors;

(e) Refer any cases of irregular practices that include, but are not limited to, fraud and corruption to the relevant national authorities for further investigation; and

(f) Apply, in the event of cases in which irregular practices have been determined, the sanctions it deems necessary and appropriate

(g) “corrupt practice” is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

(h) “fraudulent practice” is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;

(I) “collusive practices” is an arrangement between two or more parties designed to achieve an improper purpose, including to

	<p>influence improperly the actions of another party;</p> <p>(J) “coercive practices” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;</p>
Eligibility	1.8A firm declared ineligible by the IFAD in accordance with the IFAD Guidelines On Fraud and Corruption in Projects Financed by IFAD Loans and Grants shall be ineligible to be awarded a IFAD-financed contract during such period of time as the IFAD shall determine.
Eligibility of Sub-SPs	1.9 In case a shortlisted SP intends to associate with SPs who have not been shortlisted and/or individual expert(s), such other SPs and/or individual expert(s) such associates shall not be allowed in any case.
Origin of Goods and Consulting Services	<p>1.10 Goods supplied and Consulting Services provided under the Contract may originate from any country except if:</p> <p>(i) as a matter of law or official regulation, the Borrower’s country prohibits commercial relations with that country; or</p> <p>(ii) by an act of compliance with a decision of the United nations Security Council taken under Chapter VII of the Charter of the United Nations, the Borrower’s Country prohibits any imports of goods from that country or any payments to persons or entities in that country.</p>
Only one Proposal	1.11 Shortlisted SPs submit only one proposal. If a SP submits or participates in more than one proposal, such proposals shall be disqualified. However, this does not limit the participation of the same Sub-SPs, including individual experts, to more than one proposal.
Proposal Validity	1.12 The Data Sheet indicates how long SPs’ Proposals must remain valid after the submission date. During this period, SP shall maintain the availability of Professional staff nominated in the Proposal. The Client will make its best effort to complete negotiations within this period. Should the need arise; however, the Client may request SP to extend the validity period of their proposals. SP who agree to such extension shall confirm that they maintain the availability of the Professional staff nominated in the Proposal, or in their confirmation of extension of validity of the Proposal, SP could submit new staff in

	<p>replacement, which would be considered in the final evaluation for contract award. SP who do not agree have the right to refuse to extend the validity of their Proposals.</p>
<p>2. Clarification and Amendment of RFP Documents</p>	<p>2.1 SP may request a clarification of any of the RFP documents up to the number of days indicated in the Data Sheet before the proposal submission date. Any request for clarification must be sent in writing, or by standard electronic means to the Client's address indicated in the Data Sheet. The Client will respond in writing, or by standard electronic means and will send written copies of the response (including an explanation of the query but without identifying the source of inquiry) to all SPs. Should the Client deem it necessary to amend the RFP as a result of a clarification, it shall do so following the procedure under Para. 2.2.</p> <p>2.2 At any time before the submission of Proposals, the Client may amend the RFP by issuing an addendum in writing or by standard electronic means. The addendum shall be sent to all SPs and will be binding on them. SPs shall acknowledge receipt of all amendments. To give SPs reasonable time in which to take an amendment into account in their Proposals the Client may, if the amendment is substantial, extend the deadline for the submission of Proposals.</p>
<p>3. Preparation of Proposals</p>	<p>3.1 The Proposal (see Para. 1.2), as well as all related correspondence exchanged by the SPs and the Client, shall be written in the language (s) specified in the Data Sheet.</p>
	<p>3.2 In preparing their Proposal, SPs are expected to examine in detail the documents comprising the RFP. Material deficiencies in providing the information requested may result in rejection of a Proposal.</p>
	<p>3.3 While preparing the Technical Proposal, SPs must give particular attention to the following:</p> <p>(a) A shortlisted SP is not allowed to enter into a joint venture with non-shortlisted or shortlisted SP(s). In case of association with non-shortlisted SP(s), the shortlisted SP shall lead to rejection of the proposal.</p>
	<p>(b) The estimated number of Professional staff-months or the budget for executing the assignment shall be shown in the Data Sheet, but not both. However, the Proposal shall be based on the number of Professional staff-months or budget estimated by</p>

	<p>the SPs.</p> <p>(c) Alternative professional staff shall not be proposed, and only one curriculum vitae (CV) may be submitted for each position.</p>
Language	<p>(d) Documents to be issued by the SPs as part of this assignment must be in the language(s) specified in the Reference Paragraph 3.1 of the Data Sheet. If Reference Paragraph 3.1 indicates two languages, the language in which the proposal of the successful SP will be submitted shall govern for the purpose of interpretation. It is desirable that the firm's Personnel have a working knowledge of the Client's national language.</p>
Technical Proposal Format and Content	<p>3.4 Depending on the nature of the assignment, SPs are required to submit a Full Technical Proposal (FTP), or a Simplified Technical Proposal (STP). The Data Sheet indicates the format of the Technical Proposal to be submitted. Submission of the wrong type of Technical Proposal will result in the Proposal being deemed non-responsive. The Technical Proposal shall provide the information indicated in the following paras from (a) to (g) using the attached Standard Forms (Section 3). Paragraph (c) (ii) indicates the recommended number of pages for the description of the approach, methodology and work plan of the STP. A page is considered to be one printed side of A4 or letter size paper.</p>
	<p>(a) (i) For the FTP only: a brief description of the SPs' organization and an outline of recent experience of the SPs Professional staff who participated, duration of the assignment, contract amount, and SP's involvement. Information should be provided only for those assignments for which the SP was legally contracted by the client. Assignments completed by individual Professional staff working privately or through other consulting firms cannot be claimed as the experience of the SP, but can be claimed by the Professional staff themselves in their CVs. SPs should be prepared to substantiate the claimed experience if so requested by the Client.</p> <p>(b) (i) For the FTP only: comments and suggestions on the Terms of Reference including workable suggestions that could improve the quality/ effectiveness of the assignment; and on requirements for counterpart staff and facilities including: administrative support, office space, local transportation, equipment, data, etc. to be provided by the Client (Form TECH-3 of Section 3).</p>

	<p>(c) (i) For the FTP: a description of the approach, methodology and work plan for performing the assignment covering the following subjects: technical approach and methodology, work plan, and organization and staffing schedule. Guidance on the content of this section of the Technical Proposals is provided under Form TECH-4 of Section 3. The work plan should be consistent with the Work Schedule (Form TECH-8 of Section 3) which will show in the form of a bar chart the timing proposed for each activity.</p> <p>(d) The list of the proposed Professional staff team by area of expertise, the position that would be assigned to each staff team member, and their tasks (Form TECH-5 of Section 3).</p> <p>(e) Estimates of the staff input (staff-months of professionals) needed to carry out the assignment (Form TECH-7 of Section 3). The staff-months input should be indicated separately for home office and field activities, and for local Professional staff.</p> <p>(f) CVs of the Professional staff signed by the staff themselves or by the authorized representative of the Professional Staff (Form TECH-6 of Section 3).</p> <p>(g) For the FTP only: a detailed description of the proposed methodology and staffing for training, if the Data Sheet specifies training as a specific component of the assignment.</p>
	<p>3.5 The Technical Proposal shall not include any financial information. A Technical Proposal containing financial information may be declared non responsive.</p>
<p>Financial Proposals</p>	<p>3.6 The Financial Proposal shall be prepared using the attached Standard Forms (Section 4). It shall list all costs associated with the assignment, including (a) remuneration for staff (local, in the field and at the SPs' home office), and (b) reimbursable expenses indicated in the Data Sheet. If appropriate, these costs should be broken down by activity and, if appropriate, into local expenditures. All activities and items described in the Technical Proposal must be priced separately; activities and items described in the Technical Proposal but not priced, shall be assumed to be included in the prices of other activities or items.</p>
<p>Taxes</p>	<p>3.7 The SP may be subject to local taxes (such as: value added or sales tax, social charges or income taxes, duties, fees, levies) on amounts payable by the Client under the Contract. The Client will state in the Data Sheet if the SP is subject to payment of any</p>

	<p>local taxes. Any such amounts shall not be included in the Financial Proposal as they will not be evaluated, but they will be discussed at contract negotiations, and applicable amounts will be included in the Contract.</p>
	<p>3.8 SP may express the price of their services in a maximum of three freely convertible currencies, singly or in combination (but preferably in INR). The Client may require SPs to state the portion of their price representing local cost in the national currency if so indicated in the Data Sheet.</p> <p>3.9 Commissions and gratuities, if any, paid or to be paid by SPs and related to the assignment will be listed in the Financial Proposal Form FIN-1 of Section 4.</p>
<p>4. Submission, Receipt, and Opening of Proposals</p>	<p>4.1 The original proposal (Technical Proposal and, if required, Financial Proposal; see para. 1.2) shall contain no interlineations or overwriting, except as necessary to correct errors made by the SPs themselves. The person who signed the proposal must initial such corrections. Submission letters for both Technical and Financial Proposals should respectively be in the format of TECH-1 of Section 3, and FIN-1 of Section 4.</p> <p>4.2 An authorized representative of the SPs shall initial all pages of the original Technical and Financial Proposals. The authorization shall be in the form of a written power of attorney accompanying the Proposal or in any other form demonstrating that the representative has been dully authorized to sign. The signed Technical and Financial Proposals shall be marked "Original".</p> <p>4.3 The Technical Proposal shall be marked "Original" or "Copy" as appropriate. The Technical Proposals shall be sent to the addresses referred to in para. 4.5 and in the number of copies indicated in the Data Sheet. All required copies of the Technical Proposal are to be made from the original. If there are discrepancies between the original and the copies of the Technical Proposal, the original governs.</p> <p>4.4 The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked "Technical Proposal" Similarly, the original Financial Proposal (if required under the selection method indicated in the Data Sheet) shall be placed in a sealed envelope clearly marked "Financial Proposal" and the name of the assignment, and with a warning "Do Not Open With The Technical Proposal." The envelopes</p>

	<p>containing the Technical and Financial Proposals shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address, reference number and be clearly marked “Do Not Open, Except In Presence Of The Official Appointed, Before [date of submission]”. The Client shall not be responsible for misplacement, losing or premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may be case for Proposal rejection. If the Financial Proposal is not submitted in a separate sealed envelope duly marked as indicated above, this will constitute grounds for declaring the Proposal non-responsive.</p>
	<p>4.5 The Proposals must be sent to the address/addresses indicated in the Data Sheet and received by the Client no later than the time and the date indicated in the Data Sheet, or any extension to this date in accordance with para. 2.2. Any proposal received by the Client after the deadline for submission shall be returned unopened.</p> <p>4.6 The Client shall open the Technical Proposal immediately after the deadline for their submission. The envelopes with the Financial Proposal shall remain sealed and securely stored.</p>
5. Proposal Evaluation	<p>5.1 From the time the Proposals are opened to the time the Contract is awarded, the SPs should not contact the Client on any matter related to its Technical and/or Financial Proposal. Any effort by SPs to influence the Client in the examination, evaluation, ranking of Proposals, and recommendation for award of Contract may result in the rejection of the SPs’ Proposal.</p>
Evaluation of Technical Proposals	<p>5.2 The evaluation committee shall evaluate the Technical Proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria, sub criteria, and point system specified in the Data Sheet. Each responsive Proposal will be given a technical score (St). A Proposal shall be rejected at this stage if it does not respond to important aspects of the RFP, and particularly the Terms of Reference or if it fails to achieve the minimum technical score indicated in the Data Sheet.</p>
Public Opening and Evaluation of	<p>5.4 After the technical evaluation is completed and the IFAD has issued its no objection (if applicable), the Client shall inform the SPs who have submitted proposals the technical scores obtained</p>

<p>Financial Proposals (only for QCBS,</p>	<p>by their Technical Proposals, and shall notify those SPs whose Proposals did not meet the minimum qualifying mark or were considered non responsive to the RFP and TOR, that their Financial Proposals will be returned unopened after completing the selection process. The Client shall simultaneously notify in writing SPs that have secured the minimum qualifying mark, the date, time and location for opening the Financial Proposals. The opening date should allow SPs sufficient time to make arrangements for attending the opening. SPs attendance at the opening of Financial Proposals is optional.</p> <p>5.5 Financial Proposals shall be opened publicly in the presence of the SPs’ representatives who choose to attend. The name of the SPs and the technical scores of the SPs shall be read aloud. The Financial Proposal of the SPs who met the minimum qualifying mark will then be inspected to confirm that they have remained sealed and unopened. These Financial Proposals shall be then opened, and the total prices read aloud and recorded. Copy of the record shall be sent to all SPs and the IFAD.</p> <p>5.6 The Evaluation Committee will correct any computational errors. When correcting computational errors, in case of discrepancy between a partial amount and the total amount, or between word and figures the formers will prevail. In addition to the above corrections, as indicated under Para. 3.6, activities and items described in the Technical Proposal but not priced, shall be assumed to be included in the prices of other activities or items. In case an activity or line item is quantified in the Financial Proposal differently from the Technical Proposal, (i) if the Time-Based form of contract has been included in the RFP, the Evaluation Committee shall correct the quantification indicated in the Financial Proposal so as to make it consistent with that indicated in the Technical Proposal, apply the relevant unit price included in the Financial Proposal to the corrected quantity and correct the total Proposal cost, (ii) if the Lump-Sum form of contract has been included in the RFP, no corrections are applied to the Financial Proposal in this respect. Prices shall be converted to a single currency using the selling rates of exchange, source and date indicated in the Data Sheet.</p> <p>5.7 In case of QCBS, the lowest evaluated Financial Proposal (Fm) will be given the maximum financial score (Sf) of 100 points. The financial scores (Sf) of the other Financial Proposals will be computed as indicated in the Data Sheet. Proposals will be ranked according to their combined technical (St) and financial</p>
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	<p>(Sf) scores using the weights (T = the weight given to the Technical Proposal; P = the weight given to the Financial Proposal; T + P = 1) indicated in the Data Sheet: $S = S_t \times T\% + S_f \times P\%$. The firm achieving the highest combined technical and financial score will be invited for negotiations.</p>
<p>6. Negotiations</p>	<p>6.1 Negotiations will be held at the date and address indicated in the Data Sheet. The invited SP will, as a pre-requisite for attendance at the negotiations, confirm availability of all Professional staff. Failure in satisfying such requirements may result in the Client proceeding to negotiate with the next-ranked SP. Representatives conducting negotiations on behalf of the SP must have written authority to negotiate and conclude a Contract.</p>
<p>Technical negotiations</p>	<p>6.2 Negotiations will include a discussion of the Technical Proposal, the proposed technical approach and methodology, work plan, and organization and staffing, and any suggestions made by the SP to improve the Terms of Reference. The Client and the SPs will finalize the Terms of Reference, staffing schedule, work schedule, logistics, and reporting. These documents will then be incorporated in the Contract as "Description of Services". Special attention will be paid to clearly defining the inputs and facilities required from the Client to ensure satisfactory implementation of the assignment. The Client shall prepare minutes of negotiations which will be signed by the Client and the SP.</p>
<p>Financial negotiations</p>	<p>6.3 If applicable, it is the responsibility of the SP, before starting financial negotiations, to contact the local tax authorities to determine the local tax amount to be paid by the SPs under the Contract. The financial negotiations will include a clarification (if any) of the firm's tax liability in the Client's country, and the manner in which it will be reflected in the Contract; and will reflect the agreed technical modifications in the cost of the services. In the cases of QCBS, Fixed-Budget Selection, and the Least-Cost Selection methods, unless there are exceptional reasons, the financial negotiations will involve neither the remuneration rates for staff nor other proposed unit rates. For other methods, SPs will provide the Client with the information on remuneration rates described in the Appendix attached to Section 4 - Financial Proposal - Standard Forms of this RFP.</p>

<p>Availability of Professional staff/experts</p>	<p>6.4 Having selected the SP on the basis of, among other things, an evaluation of proposed Professional staff, the Client expects to negotiate a Contract on the basis of the Professional staff named in the Proposal. Before contract negotiations, the Client will require assurances that the Professional staff will be actually available. The Client will not consider substitutions during contract negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable or for reasons such as death or medical incapacity. If this is not the case and if it is established that Professional staff were offered in the proposal without confirming their availability, the SP may be disqualified. Any proposed substitute shall have equivalent or better qualifications and experience than the original candidate and be submitted by the SP within the period of time specified in the letter of invitation to negotiate.</p>
<p>Conclusion of the negotiations</p>	<p>6.5 Negotiations will conclude with a review of the draft Contract. To complete negotiations the Client and the SP will initial the agreed Contract. If negotiations fail, the Client will invite the SP whose Proposal received the second highest score to negotiate a Contract.</p>
<p>7. Award of Contract</p>	<p>7.1 After completing negotiations the Client shall award the Contract to the selected SP. After Contract signature, the Client shall return the unopened Financial Proposals to the unsuccessful SP.</p> <p>7.2 The SP is expected to commence the assignment on the date and at the location specified in the Data Sheet.</p>
<p>8. Confidentiality</p>	<p>8.1 Information relating to evaluation of Proposals and recommendations concerning awards shall not be disclosed to the SPs who submitted the Proposals or to other persons not officially concerned with the process, until the publication of the award of Contract. The undue use by any SPs of confidential information related to the process may result in the rejection of its Proposal and may be subject to the provisions of the IFAD's antifraud and corruption policy.</p>

Instructions to Service Provider

Data Sheet

Paragraph Reference	
1.1	<p>Name of the Client: <u>Programme Director, Convergence of Agricultural Interventions in Maharashtra (CAIM)</u></p> <p>Method of selection: <u>Quality and Cost Based Selection Method(QCBS)</u></p>
1.2	<p>Financial Proposal to be submitted together with Technical Proposal: Yes</p> <p>Name of the assignment is: Financial Management Support and Internal Audit of Convergence of Agricultural Interventions in Maharashtra's (CAIM) for FY 2017-18</p>
1.3	<p>A pre-proposal conference will be held: No</p> <p>Venue: Address as given below</p> <p>The Client's representative is: Programme Director (CAIM),</p> <p>Address: Programme Management Unit (PMU), 1st Floor Sahakar Sankul, Near Divisional Commissioner office, Kanta Nagar, Camp, Amravati, Maharashtra, India. Pin. 444 602</p> <p>Telephone: 0721-2552475 E-mail: finance.caim@gmail.com</p>
1.4	<p>The Client will provide the following inputs and facilities: A Project Implementation Manual, all accounts related records and other relevant project related documents like implementation guidelines etc.</p>
1.6.1 (a)	<p>The Client envisages the need for continuity for downstream work: Yes</p>
1.14	<p>Proposals must remain valid 90 days after the submission date</p>
2.1	<p>Clarifications may be requested not later than 5 days before the submission date.</p> <p>The address for requesting clarifications is: Programme</p>

	<p>Management Unit (PMU), 1st Floor Sahakar Sankul, Near Divisional Commissioner office, Kanta Nagar, Camp, Amravati, Maharashtra, India. Pin. 444 602</p> <p>Telephone: 0721-2552475 E-mail: finance.caim@gmail.com</p>				
3.1	Proposals shall be submitted in the following language: English				
3.3 (a)	Shortlisted SPs may associate with other shortlisted SP or other non shortlisted SP/associate : No				
3.3 (b)	The estimated number of professional staff-months required for the assignment is: Minimum estimated days per quarter 10 staff day & for four quarter 40 staff days as staff required from point 5.2.				
3.4	The format of the Technical Proposal to be submitted is: FTP _				
3.4 (g)	Training is a specific component of this assignment: No				
3.5	<p>Amounts payable by the Client to the SP under the contract to be subject to local taxation: No</p> <p>The client will</p> <p>(a) reimburse the SP for indirect local taxes (including service tax) and duties as per SCC Clause 1.8 : Yes</p> <p>(b) reimburse the SP the income tax paid in India on the remuneration for services provided by the non-resident staff of the SP : No</p>				
3.6	SP to state local cost in the national currency: Yes				
4.1	SP must submit the original copies of the Technical Proposal, and the original of the Financial Proposal.				
4.2	<p>The Proposal submission address is Programme Director,</p> <p>Programme Management Unit (PMU), 1st Floor Sahakar Sankul, Near Divisional Commissioner office, Kanta Nagar, Camp, Amravati, Maharashtra, India. Pin. 444 602</p> <p>Telephone: 0721-2552475 E-mail:finance.caim@gamil.com</p> <p>Proposals must be submitted no later than the following date and time: Dt. 09/06/2017 Time - 1.00 pm</p> <p>The submitted proposals will be publicly opened at the proposal submission address on 09th June 2017 at 3.00 pm.</p>				
5.2 (a)	<p>Criteria, sub-criteria, and point system for the evaluation of Full Technical Proposals are:</p> <p>(i) Specific experience of SPs related to Assignment</p> <table border="1"> <thead> <tr> <th></th> <th>Points</th> </tr> </thead> <tbody> <tr> <td>Specific experience of the SP relevant to the</td> <td>35</td> </tr> </tbody> </table>		Points	Specific experience of the SP relevant to the	35
	Points				
Specific experience of the SP relevant to the	35				

	assignment (IFAD, World Bank, ADB, externally aided project)	
	Total	35
	(iii) Key professional staff Qualification and competence for the Assignment	
		Points
(a)	Fellow Chartered Accountant (FCA)	30
(b)	Semi Qualified CA	20
(c)	Associates/Articled clerks	15
	Total Points of Criteria (iii)	65
	The number of points to be assigned to each of the above positions or disciplines shall be determined considering the following three sub criteria and relevant percentage weights:	
1)	General qualifications	[25%]
2)	Adequacy for the assignment as seen in similar assignments	[60%]
3)	Experience in region language (Marathi)	[15%]
	Total weight:	100%
	(iv) Experience in organizing similar programme in region and language	
	Knowledge of Local language (Marathi)	0
	Grand Total = 100 Points	
	The minimum technical score St required to pass is: 75 Points	
5.2 (b)	Criteria, sub-criteria, and point system for the evaluation of Simplified Technical Proposals are: No	
5.6	(i)The single currency for price conversions is: Indian National Rupees	
	(ii)The source of official selling rates is: NA	
	(iii) The date of exchange rates is: NA	
5.7	The formula for determining the financial scores is the following: $S_f = 100 \times F_m / F$, in which S_f is the financial score, F_m is the lowest price and F the price of the proposal under consideration. The weights given to the Technical and Financial Proposals are: T = 0.80	

	P = <u>0.20</u>
6.1	Expected date for contract negotiations: 23/06/2017
7.2	Expected date for commencement of consulting services: 1/07/2017 at: Amravati, Maharashtra.

Section 3. Technical Proposal - Standard Forms

Refer to Reference Paragraph 3.4 of the Data Sheet for format of Technical Proposal to be submitted, and paragraph 3.4 of Section 2 of the RFP for Standard Forms required and number of pages recommended.

- a) Form TECH-1: Technical Proposal Submission Form 27
- b) Form TECH-2: SP's Organization and Experience 28
- c) A - SP's Organization 28
- d) B - SP's Experience 28
- e) Form TECH-5: Team Composition and Task Assignments 32
- f) Form TECH-6: Curriculum Vitae (CV) for Proposed Professional Staff 33
- g) Form TECH-7: Staffing Schedule¹ 35
- h) Form TECH-8 Work Schedule 36

Form TECH-1: Technical Proposal Submission Form

[Location, Date]

To:

The Programme Director,
CAIM -Programme Management Unit (PMU), 1st Floor Sahakar Sankul, Near
Divisional Commissioner office, Kanta Nagar, Camp, Amravati, Maharashtra, India.
Pin. 444 602

Dear Sir,

We, the undersigned, offer to provide the services for [*Insert title of assignment*] in accordance with your Request for Proposal dated [*Insert Date*] and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope¹.

We are submitting our Proposal.

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

If negotiations are during the period of validity of the Proposal, i.e., before the date indicated in Paragraph Reference 6.1 of the Data Sheet, we undertake to negotiate on the basis of the proposed staff. Our Proposal is binding upon us and subject to the modifications resulting from Contract negotiations.

We undertake, if our Proposal is accepted, to initiate the consulting services related to the assignment not later than the date indicated in Paragraph Reference 7.2 of the Data Sheet.

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature [*In full and initials*]: _

Name and Title of Signatory: _

Name of Firm: _

Address: _

1 [*In case Paragraph Reference 1.2 of the Data Sheet requires to submit a Technical Proposal only, replace this sentence with: "We are hereby submitting our Proposal, which includes this Technical Proposal only."*]

Form TECH-2: SP's Organization and Experience

A – SP's Organization

[Provide here a brief (two pages) description of the background and organization of your firm/entity and each associate for this assignment.]

Brief Data Sheet of CA Firm for External Audit		
Sl. No.	Particulars	To be filled up by CA firms
1	Name of Firm	
2	CAG Empanelment Number (Please attach Empanelment Certificate as per instructions)	
3	CAG Empanelment Year	
4	Registration No. & Date: (Please attach Registration Certificate)	
5	Year of incorporation	
6	Total number of years of Experience from the incorporation of the Firm.	

2. **Financial:** Provide previous three financial years turn over and net worth of the firm on the basis of the audited accounts of the previous three financial years as follows.

Particulars	Amount in Lakh (INR)
Turnover2013-14	
Turnover2014-15	
Turnover2015-16	
Average Turnover	

B - Consultant's Experience

External Audit consultancy Assignments of Central/state Government/externally aided projects
Information of at least last 5 years

Sl. No.	Name of Assignment	Type of Assignment	Fees Received

Key Staff Profile

a) Total number of full time chartered accountants (partners with the firm)

Sl. No.	Name of Chartered Accountant (Partner)	Education	Total years of experience

b) Total number of paid chartered accountants with the firm

Sl. No.	Name and position	Education	Total years of experience

c) Total number of Senior Audit Assistant with the firm

Sl. No.	Name and position	Education	Total years of experience

d) Total number of Junior Audit Assistant with the firm

Sl. No.	Name and position	Education	Total years of experience

B – SP’s Experience

[Using the format below, provide information on each assignment for which your firm, and each associate for this assignment, was legally contracted either individually as a corporate entity or as one of the major companies within an association, for carrying out consulting services similar to the ones requested under this assignment. Use 20 pages.]

Assignment name:	Approx. value of the contract (INR):
Country: Location within country:	Duration of assignment (months):
Name of Client:	Total No of staff-days/months of the assignment:
Address:	Approx. value of the services provided by your firm under the contract (INR):
Start date (month/year): Completion date (month/year):	No of professional staff-months provided by associated SPs:
Name of associated SPs, if any:	Name of senior professional staff of your firm involved and functions performed (indicate most significant profiles such as FCA/ACA):
Narrative description of Project:	
Description of actual services provided by your staff within the assignment:	

Firm’s Name: _____

Form TECH-6: Curriculum Vitae (CV) for Proposed Professional Staff

1. **Proposed Position** [*only one candidate shall be nominated for each position*]: _

2. **Name of Firm** [*Insert name of firm proposing the staff*]: _____

3. **Name of Staff** [*Insert full name*]: _____

4. **Date of Birth:** _ **Nationality:** _____

5. **Education** [*Indicate college/university and other specialized education of staff member, giving names of institutions, degrees obtained, and Years of obtainment*]: _____

6. **Membership of Professional Associations:** _____

7. **Other Training** [*Indicate significant training since degrees under 5 - Education were obtained*]: _____

8. **Countries of Work Experience:** [*List countries where staff has worked in the last ten years*]: _____

9. **Languages** [*For each language (English, Hindi & Marathi) indicate proficiency: good, fair, or poor in speaking, reading, and writing*]:

10. **Employment Record** [*Starting with present position, list in reverse order every employment held by staff member since graduation, giving for each employment (see format here below): dates of employment, name of employing organization, positions held.*]:

From [Year]: . To [Year]: _

Employer: _

Positions held: _

<p>11. Detailed Tasks Assigned</p> <p><i>[List all tasks to be performed under this assignment]</i></p>	<p>12. Work Undertaken that Best Illustrates Capability to Handle the Tasks Assigned</p> <p><i>[Among the assignments in which the staff has been involved, indicate the following information for those assignments that best illustrate staff capability to handle the tasks listed under point 11.]</i></p> <p>Name of assignment or project: _</p> <p>Year: _</p> <p>Location: _</p> <p>Client: _</p> <p>Main project features: _</p> <p>Positions held: _</p> <p>Activities performed: _</p>
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13. Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications, and my experience. I understand that any wilful misstatement described herein may lead to my disqualification or dismissal, if engaged.

Date: _

[Signature of staff member or authorized representative of the staff]

Day/Month/Year

Full name of authorized representative:

Form TECH-7: Staffing Schedule¹

	Name of Staff	Staff input (in the form of a bar chart) ²													Total staff-Day input		
		1	2	3	4	5	6	7	8	9	10	11	12	n	Home	Field	Total
Foreign : NA																	
		Subtotal															
Local																	
		Subtotal															
		Total															

1 For Professional Staff the input should be indicated individually; for Support Staff it should be indicated by category (e.g.: draftsmen, clerical staff, etc.).

2 Days are counted from the start of the assignment. For each staff indicate separately staff input for home and field work.

3 Field work means work carried out at a place other than the SP's home office



Full time input



Part time input

Form TECH-8 Work Schedule

N°	Activity ¹	Days ₂													
		1	2	3	4	5	6	7	8	9	10	11	12	N	
1															
2															
3															
4															
5															
N															

1 Indicate all main activities of the assignment, including delivery of reports (e.g.: Draft, and final reports), and other benchmarks such as Client approvals. For phased assignments indicate activities, delivery of reports, and benchmarks separately for each phase.

2 Duration of activities shall be indicated in the form of a bar chart.

Section 4. Financial Proposal - Standard Forms

[Comments in brackets [] provide guidance to the shortlisted SPs for the preparation of their Financial Proposals; they should not appear on the Financial Proposals to be submitted.]

Financial Proposal Standard Forms shall be used for the preparation of the Financial Proposal according to the instructions provided under Para. 3.6 Of Section 2. Such Forms are to be used whichever is the selection method indicated in Para. 4 of the Letter of Invitation.

Form FIN-1: Financial Proposal Submission Form

Form FIN-2: Summary of Costs

Form FIN-3: Breakdown of Costs by Activity

Form FIN-4: Breakdown of Remuneration (Lump-Sum)

Form FIN-5: Breakdown of Reimbursable Expenses (Lump-Sum) _

Form FIN-1: Financial Proposal Submission Form

[Location, Date]

To:[Name and address of Client]

Dear Sirs:

We, the undersigned, offer to provide the consulting services for [Insert title of assignment] in accordance with your Request for Proposal dated [Insert Date] and our Technical Proposal. Our attached Financial Proposal is for the sum of [Insert amount(s) in words and figures¹]. This amount is exclusive of the local taxes, which shall be identified during negotiations and shall be added to the above amount.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal, i.e. before the date indicated in Paragraph Reference 1.14 of the Data Sheet.

Commissions and gratuities paid or to be paid by us to agents relating to this Proposal and Contract execution, if we are awarded the Contract, are listed below²:

Name and Address of Agents	Amount and Currency	Purpose of Commission or Gratuity
_____	_____	_____
_____	_____	_____
_____	_____	_____

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature [In full and initials]: .

Name and Title of Signatory: _

Name of Firm: .

Address: _

1 Amounts must coincide with the ones indicated under Total Cost of Financial proposal in Form FIN-2.

2 If applicable, replace this paragraph with: "No commissions or gratuities have been or are to be paid by us to agents relating to this Proposal and Contract execution."

Form FIN-2: Summary of Costs

Item		Costs
		<i>[Indicate Local Currency]</i>
Total Costs of Financial Proposal ²		
	Local Indirect Taxes and Duties as defined in clause 1.8 of SCC [excluding service tax]	
	Service Tax payable in India as defined in Clause 1.8 of SCC	
TOTAL COSTS (Including Taxes and Duties)		

1 Indicate between brackets the name of the currency. Maximum of three currencies; use as many columns as needed, and add, delete the others.

2 Indicate the total costs, net of local taxes, to be paid by the Client in each currency. Such total costs must coincide with the sum of the relevant Subtotals indicated in all Forms FIN-3 provided with the Proposal.

Form FIN-3: Breakdown of Costs by Activity¹

Group of Activities (Phase): ²		Description: ³			
Cost component		Costs			
		[Indicate Foreign Currency # 1] ⁴	[Indicate Foreign Currency # 2] ⁴	[Indicate Foreign Currency # 3] ⁴	[Indicate Local Currency]
Remuneration ⁵					
Reimbursable Expenses ⁵					
Subtotals					
Local Taxes and Duties	Local Indirect Taxes and Duties as defined in clause 1.8 of SCC [excluding service tax]				
	Service Tax payable in India as defined in Clause 1.8 of SCC				
TOTAL COSTS (Including Taxes and Duties)					

1 Form FIN-3 shall be filled at least for the whole assignment. In case some of the activities require different modes of billing and payment (e.g.: the assignment is phased, and each phase has a different payment schedule), the SP shall fill a separate Form FIN-3 for each group of activities. For each currency, the sum of the relevant Subtotals of all Forms FIN-3 provided must coincide with the Total Costs of Financial Proposal indicated in Form FIN-2.

2 Names of activities (phase) should be the same as, or correspond to the ones indicated in the second column of Form TECH-8.

3 Short description of the activities whose cost breakdown is provided in this Form.

4 Indicate between brackets the name of the foreign currency. Use the same columns and currencies of Form FIN-2.

5 For each currency, Remuneration and Reimbursable Expenses must respectively coincide with relevant Total Costs indicated in Forms FIN-4, and FIN-5.

Form FIN-4: Breakdown of Remuneration¹ (Lump-Sum)

(This Form FIN-4 shall only be used when the Lump-Sum Form of Contract has been included in the RFP. Information to be provided in this Form shall only be used to establish payments to the SP for possible additional services requested by the Client)

Name ²	Position ³	Staff-Days Rate ⁴
Staff		
		[Home]
		[Field]

1 Form FIN-4 shall be filled in for the same Professional and Support Staff listed in Form TECH-7.
 2 Professional Staff should be indicated individually; Support Staff should be indicated per category (e.g.: draftsmen, clerical staff).
 3 Positions of the Professional Staff shall coincide with the ones indicated in Form TECH-5.
 4 Indicate separately staff-days rate and currency for home and field work..

Form FIN-5: Breakdown of Reimbursable Expenses (Lump-Sum)

(This Form FIN-5 shall only be used when the Lump-Sum Form of Contract has been included in the RFP. Information to be provided in this Form shall only be used to establish payments to the SP for possible additional services requested by the Client): ____

N°	Description ¹	Unit	Unit Cost ²
	Per diem allowances ⁴	Day	
	Train ³	Trip	
	Miscellaneous travel expenses	Trip	
	Drafting, reproduction of reports		
	Local transportation costs		

- 1 Delete items that are not applicable or add other items according to Paragraph Reference 3.6 of the Data Sheet.
- 2 Indicate unit cost and currency.
- 3 Indicate route of each Train, and if the trip is one- or two-ways.
- 4. TA DA shall be payable on actual basis for district/IA visits as per the directives and policy decided by CAIM

ToR for Financial Management Support and Internal Audit

Project Introduction

The Government of India and the Government of Maharashtra state have approached to International Fund for Agricultural Development (IFAD) to intervene in the Vidarbha region of Maharashtra, where agricultural distress and farmers' suicides are pressing issues. Farmers' productivity and incomes are low, and they face food insecurity, partly as a result of inefficient water use, depleted soil fertility and indiscriminate use of fertilizers and hybrid seeds. The aim of the project is to achieve increased productivity through water conservation and organic farming and sustainable, low external input agriculture. Combined with a reduction in production costs, this is expected to result in increased household incomes and improved food security. Diversification into fruit, vegetable and livestock products will contribute to better nutrition. The project's innovative features include provisions for fostering pro-poor partnerships with the private sector, using the instrument of contract farming for production of organic cotton and other crops, introducing an end-to-end subproject approach with major focus on market linkages.

The implementation of Convergence of Agricultural Interventions in Maharashtra Project for the Vidarbha region of Maharashtra is being done in 1619 villages of six districts of Akola, Amravati, Buldhana, Wardha, Washim and Yavatmal. For the implementation of the programme offices have been set up namely Programme Management Unit (PMU) under MSAMB in Amravati, and six District Programme Management Teams (DPMTs) in each of the six Programme districts.

The programme is being implemented mainly on the basis of following three major components

COMPONENT 1: Institutional Capacity Building & Partnerships

Sub-component (i): Partnerships Building

1.1 The objectives of the Partnerships sub-component are to (i) assess the market opportunities and potential for establishing market linkages; (ii) improve the capacity of the staff and provide facilities for improving the capacity of the rural poor and the farmers and (iii) prepare end-to-end subprojects to capture market opportunities. These objectives will be realized through the following activities: (i) assessing market opportunities and potential through publicity campaigns, advertisements and establishing contacts with the promising private sector players; (ii) inviting proposals from the private sector, NGOs and other institutions, corporate sector agencies; (iii) building awareness of the producers and capacity development and organization of producers company and providing with seed capital assistance of INR 200,000 each; and (iii) preparation of commodity profiles and end-to-end model subprojects and also area specific sub-projects based on convergence approach.

Sub-component (ii): SHG & CMRC Development

1.2 The SHGs and CMRC Development sub-component will converge and support, the livelihoods and enterprise development approach of the project. The first objective of the component is to organize women for their empowerment and building resilience in the households. These objectives will be achieved by: (i) forming/strengthening 9,000 SHGs of poor and ultra poor women and, when they have matured, enabling them to form 64 CMRCs: (ii) undertaking financial literacy, planning and counseling for the households covering some 158,400 households: (iii) initiating pilots on debt swapping, mutual crop insurance and mutual health insurance through CMRCs; and (iv) initiating pilots for graduation of ultra poor into regular micro-finance clients. The entire component will be facilitated by MAVIM and other resource agencies appointed under CAIM with the support of NGOs.

COMPONENT 2: Marketing Linkages & Sustainable Agriculture (US\$ 97.65 million)

Component 2 will have three sub-components: (i) pro-poor market linkages and value chains; (ii) sustainable agriculture development including in situ water conservation, farming system development and cattle breed improvement; and (iii) micro-enterprises and SME.

Sub-component (i): Market Linkages

The objective of this subcomponent is ‘equitable and non-exploitative marketing facilitated and value chain established for selected commodities’. The objective is sought to be realised by the following activities: (i) facilitation of agri-business cluster formation, (ii) facilitating PPP advocacy, (iii) facilitating direct, explicit market linkages on both inputs and output and contract farming for cotton, soy bean, vegetables, fruits, flowers etc, (iv) strengthening market information, (v) creating institutions and infrastructure that will maximize the returns to farmers, (vi) enabling farmers to undertake value-addition on their produce and market them, (vii) finding alternate sources of incomes from the available resources base, (viii) forming strong producer level collectives, institutions like Producer Company, (ix) grading and standardization of farm produce and (x) skill upgrading of rural youth through vocational training.

The programme will strengthen the capabilities of producer groups to participate in the marketplace. A major problem of smallholders is their lack of bargaining power and market orientation. When producers sell their products, their need for cash is usually immediate and they are rarely able to store their produce to obtain a more favourable market price. Also, the urgency with which smallholder farmers sell their commodities is often a reflection of their lack of market information, limited market access, and insignificant opportunities for value addition. The project will promote a more commercial perspective to smallholder production to assist producers to identify the most profitable market opportunities for their commodities. Through activities to achieve this output, the project will identify and support producer-market alliances, and increasing access to and effective use of market information hubs.

Sub-component (ii): Sustainable Agriculture

In situ water conservation: The objective of this sub-component is to promote sustainable agriculture and provide the framework for farmers to be able to increase cropping intensities and productivity under rainfed conditions. Under the project, some 1,619 villages will be targeted and the activities will include in situ water conservation with construction of contour and graded bunds at INR 4,500/ha, construction of 3 water harvesting ponds or structures (WHS) per village and provision of water lifting pumps. Average investment per village is estimated at INR1.51 million. In addition, the project will also provide the cost of NGO services at INR 292,000 per village and wages for one watershed volunteer for a three year period. In-situ water harvesting and rainwater collection will be

promoted through investments in bunding, micro-irrigation, farm wells and ponds and wells, the latter also for drinking water. Also SRTT would promote the suitable WHS like farm-ponds, group wells, etc as well as use of micro-irrigation systems with around 3,000 farmers from around 75 villages.

Sustainable Agriculture: While the objective of this sub-component is to promote low-cost sustainable agricultural practices through the adoption LEISA methods, essentially the component will be demand driven, responding to the technological options demanded by the farmers. The focus will be on practices that will reduce the cost of production in a sustainable manner through LEISA and reduce the risks through diversification of the farming system.

Major activities to be undertaken under the sub-component are: (i) formation of 4,800 farmer/producer groups or joint liability groups linking them with banks, (ii) technology demonstrations and dissemination covering 1,200 villages under guidance of qualified Agriculture Field Officers, each responsible for a group of 20 villages, (iii) extension support through farmer field schools (FFS) and dissemination of integrated pest management techniques in cotton, soybean, red gram, wheat, green gram etc by deploying village level workers (Krishi doots) and setting up village information centres (VIC) in collaboration with Agricultural Institutions in Vidarbha region, (iv) development of model farms and plots providing necessary impetus for farmers to adopt similar agricultural practices, consequently reducing production costs, (v) validation of various recommendations and agronomical practices followed in the region for the farmers' adaption; and (iv) support to the formation of 64 producer companies and capital support to them. There is also a provision for introduction of innovative and new technologies or interventions in response to beneficiaries' need.

Breed Improvement of local cattle: The overall objective of this sub-component is (i) to create gainful employment to the rural poor through dairy and livestock development; (ii) creation of awareness regarding socio-economic benefits of improving the local cattle and buffaloes; and (iii) income generation through enhanced production of milk. These objectives are to be realised through (i) setting up of some 40 well-equipped and self-sufficient cattle breeding centres operated by local youth with regular supply of LN2 and other inputs; (ii) setting up of 6 area centres with adequate staff and equipment and inputs; and (iii) ensuring fodder and feed availability for the improved breed of cattle. Each centre will cater to some 10 or 15 villages in clusters and cover some 2,000 breed able cows and buffaloes. Services like vaccination, de-worming etc will be provided at door-step at cost to the user.

Sub-component (iii): Micro-enterprises and SMEs

Micro-enterprises and SMEs: The micro enterprise sub component will dovetail with the value chain approach of the programme but at the same time encourage individual localised enterprises as well. The objective of the sub component is to improve the income of the households by graduating them from subsistence/income generation activity to micro enterprise by improving their access to improved inputs, technology, credit and marketing. Indicative activities under this subcomponent will be (i) farmer training; (ii) support to agri-enterprises and livestock enterprises; (iii) SME units and (iv) facilities for implementation supervision. The principles for micro enterprise development will include (i) producing for the markets, (ii) diversification of activities to reduce risks, (iii) cluster approach to ensure quality and specifications, and (iv) women and youth in poor and distressed farmers. Five major types of micro enterprises are likely to emerge and these are: (i) Input suppliers to agri-business cluster, (ii) agribusinesses and livestock enterprises in clusters (iii) harvest and post harvest improvement through cleaning, grading, packing of specific commodities, (iv) processing and value addition; and (v) logistics management including transportation.

COMPONENT 3: Programme Management

The objective of the Programme Management component is to strengthen the capacity and staff expertise to provide better services to stakeholders and the beneficiaries. Accordingly, the PMU component has the following major activities: (i) the State Programme Support Unit (PSU) within the MSAMB in Pune; (ii) a Programme Management Unit (PMU) under MSAMB in Amravati, and six District Programme Management Teams (DPMTs) under the respective District Collectors; (iii) building the capacity of the executing and the implementing agencies; (iv) establishing a Monitoring and Evaluation system including the facilities for Results Impact Management System (RIMS); and (v) carrying out baseline surveys, RIMS surveys, surveys for Main Reviews, special studies, sensitization workshops on gender and poverty issues and special workshops for all districts and Block level staff and Programme Completion surveys; (vi) providing office facilities, computers and other support and also adequate provisions for vehicle hiring and office operating costs including facilities for compliance audits. Facilities will also be provided for hosting an exclusive, dynamic website for the Programme and installation and O&M of software for monitoring.

Objectives of the Audit:

The essence of the IFAD audit policy is to ensure that the Fund receives adequate, independent, professional, audit assurance that the proceeds of IFAD loan Financing were used for the purposes intended, that the audit reports are free from material mismanagement and that terms of the loan agreement are complied with in all material respects.

The objectives of the internal audit are to enable the auditor to express a professional opinion on the effectiveness of the overall financial management and procurement arrangements. In line with Project guideline. It is expected that the process of audit shall be in position to provide to project management with timely information on financial management aspects of the Project, including internal controls and compliance with financing agreements, to enable follow-up action.

In addition, it is expected that internal audit should play a role in assisting management with misutilization of fund, including the prevention, detection and investigation of fraud as part of **“Bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”**.

Coverage and Standards for the Internal Audit:

The Audit will cover 6 districts including IAs of CAIM. Internal Auditor will also cover project funded VDC for SWC work in the quarterly audit from CAIM Districts. VDC will be selected mutually. The audit will also cover all consultancies and other contract that may be entered in to by the implementation agency. Internal audit should be carried out in accordance with the Auditing & Assurance Standards prescribed by the Institute of Chartered Accountants of India and will include such tests and controls, as the auditor considers necessary under the circumstances.

Scope

Specific areas of coverage of the audit will include the following:

Programme Management Unit (PMU) and District Programme Management Units (DPMT) and Implementing Agencies.

In conducting the audit, special attention should be paid to assessing whether adequate controls have been established and complied with to ensure that:

a) All funds have been used in accordance with the conditions of the relevant legal agreements and only for the purposes for which the financing was provided. Relevant legal agreement includes the Financing Agreement, General Condition for Agricultural Development Financing the Project Agreement and the Minutes of Negotiation

b) The quarterly expenditure Statement submitted by the districts indicating the approved budget provision and expenditure during the quarter, cumulative expenditure against the activity / sub-activity during the year should be reviewed in the internal audit.

c) The procurement procedure adopted for civil works, goods and consultancy services should be reviewed by the internal auditors and it should be ensured that correct procedures as per the IFAD procurement guidelines have been followed, for each procurement.

d) It should be ensured that the records of all procurement, agreements, work/purchase orders, invoices, receipts, stock registers etc are properly maintained and retained including expenditures. The auditor should also review contract management and whether business standards for payment to contractors are being adhered to.

e) The Project account have been prepared in accordance with consistently applied approved accounting standards.

f) The auditor should verify the efficiency and timeliness of the funds flow mechanism at the PMU and District level and whether there are delays and which could impact the timely implementation of project. The auditor should also identify and report the reasons for such delays and possible remedial measures.

g) The auditor should ensure all funds received under the CAIM have been used with due attention to economy, efficiency and effectiveness, and only for the purposes for which the financing was provided;

h) The auditor should ensure that all necessary supporting documents, records, have been separately filed in respect of all project activities and that clear linkages exist between the supporting documents, accounting books and records and the periodic financial reports from the respective spending units

j) The internal auditor should ensure that the adequate records are maintained regarding the assets created and assets acquired by the project, including description, details of cost, identification and location of assets. The internal auditor should carry out physical verification of a sample of assets created out of the project and comment on its utilization.

k) Whether the accounting for the advances to IAs and concern units are properly recorded in the accounting books; whether systems are in place for monitoring the receipt of periodic financial reports & follow up on overdue reports are adequate. Exceptions should be identified and reported.

l) Whether the Self Utilization Certificate and CA Utilization Certificate are submitted in a timely manner, whether release of funds are conditional to receipt of same and report exceptions, if any

m) Bank reconciliations have been carried out on a monthly basis.

n) While conducting internal audit in a subsequent phase the auditor will ensure that the compliance report on previous audit observations pointed out in the reports relating to earlier audit is made and corrective actions taken on those points are furnished in the Audit Report of the subsequent phase.

o) Routine errors of omission or commission noted during the course of internal audit may be rectified on the spot.

p) The auditor should ensure that Project assets exist; adequate records are maintained and assets are adequately safeguarded and are actually used for their intended purposes.

q) The auditor should verify records of IAs of CAIM and Partnership Agreement with IAs.

Coverage of audit extends to

An assessment of the adequacy of the Project financial management systems, including internal controls. This would include aspects such as adequacy and effectiveness of accounting, financial and operational controls and any needs for revision; level of compliance with established policies, plan and procedures; reliability of accounting systems, data and financial reports; creating controls mechanism in areas where they are lacking; verification of assets and liabilities, security and effectiveness of the operation of the computerized system and,

- Efficiency and timeliness of the funds flow mechanism at the PMU and DPMT and to the IAs and Community Institutions. (Through compilation and consolidation of report.)
- Whether the accounts of the Project are compiled in a timely manner and the expenditures consolidated on a Half Yearly basis at the PMU level.
- Whether the computerized accounting system is in place, regular entries are being made in the system and reports are generated through the computerized accounting system.
- Verify payment to the consultants/partners as per agreement.
- All necessary supporting documents, records, and accounts have been kept in respect of all project activities and that clear synchronizations exist between accounting records, accounts books and the periodic financial reports
- The auditor is expected to obtain and satisfactorily document sufficient audit evidence to support audit conclusions.
- Internal auditors to summarize key issues and risks from a review of PMU/DPMT & IAs audit report.
- Auditor will also provide variance report as per approved annual action plan and budget.
- In conducting the audit of PMU/DPMTS, special attention should be paid to assessing whether adequate controls have been established and complied in respect to following.**

- ✓ Risk assessment report is to be prepared by the auditor in the first Half Yearly report: Identifying what are the risks in the Project. Assessment of risk (High, Medium, Low). Ensure that there is an appropriate response to all risks.
- ✓ Informing the PMU about the risks which are outside acceptable limits, usually those which are to be tolerated or taken for the potential risk.
- ✓ Efficiency and timeliness of the funds flow mechanism at the DPMTs and IAs to the Community Institutions
- ✓ Whether the fund/ tranche released to the Community Institutions are properly recommended by the IAs and approved by the DPMT having the necessary authority, and the conditions for tranche release have been complied and are in line with the Project Guideline, with the CAIM milestones have been reached before release of fund to CBOs.
- ✓ Whether the DPMT is accounting for the tranche release properly in the subsidiary records and is monitoring the receipt of periodic reports and utilization certificates from the IAs & systems to follow up on overdue reports are adequate. Quantify (number and amount) of the funds transferred to the Community Institutions for which the reports and/or UCs are overdue.
- ✓ The reports and other documents submitted by IAs to the DPMT, form the basis of providing funds by the Project, provide clear linkages with the books/records and reflect the correct position.
- ✓ The auditor or his representative shall be required to put the certificate with date on all records and books of accounts of being verified. Any record not found to have the stamp shall be considered as not verified and deficiency in audit on the part of auditor.
- ✓ Auditor will verify the no. of IAs, VDCs and third party to whom fund transferred during the quarter.

Data, services and facilities to be provided by Project:

- All the Project documents, copy of agreement and relevant papers needed for Audit will be provided by the CAIM. The auditor would be given access to all documents, correspondence, and any other information relating to the Project and deemed necessary by the auditor for carrying out audit.
- The auditor would be provided copies of the Project Implementation Manual (PIM), Project Guidelines, IFAD Procurement Guideline, Activities Guidelines, Government Resolutions, minutes of SPSC, PSC, DPCC meeting, policies and procedures issued by CAIM.
- One day workshop will be organized by CAIM for giving details of Project. It should be attended by all the members of audit team.

Final Output & Reporting

- **Quarterly Reporting & Annual reporting at PMU:** The Auditor will provide **separate** report of DPMT. The reports will be provided **Quarterly** and a summary of the key findings, implications and recommendations to enable the Project Management to take timely action. IAs, DPMT and PMU audit observations/reports should be discussed and agreed with the Project Management of CAIM and should be structured in a manner giving the observations, the implications of the observations, the suggested recommendation and the management comments/ agreed actions. The audit observations should be supported by instances and quantified, as far as practicable. Quarterly audit reports and annual audit report to be submitted. Discussion notes duly signed by the both parties will be part of audit Report.
- **The audit reports should be submitted within 30 days after completion of Quarterly audit. Any delay beyond 30 days for any Quarterly report attracts the termination of the contract without any financial liability of the client.**
- **Quarterly Reporting & Annual reporting at DPMT:** The Auditors will also submit a copy of Quarterly audit report for the units audited to District Project Manager, CAIM to enable the District Project Management to take timely action. Besides Quarterly audit report, annual report will also submitted by the auditor.
- **The audit reports should be submitted within 30 days of the completion of Quarterly audit to PMU Any delay beyond 30 days for any Quarterly report attracts the termination of the contract without any financial liability of the client.** The reports will be directed as under –
- The individual Quarterly audit reports to each of the auditable unit reports must be addressed to Project Director, CAIM.

Annexure - A

Annexure to Main Audit Report

Part A: Serious Observations

In this part, give details of serious audit observations such as ineligible expenses, major lapses in internal controls, systemic weaknesses, procurement procedures not followed etc.

Part B: Other Observations

Observations that are not serious in nature, but nonetheless require the attention of the Project should be detailed in this part.

The Observation should also mention the best practices and how the error can be minimized at every level.

Part C: Executive Summary to the project and Suggestions/Recommendations

Provide an Executive Summary of the observations in Part A and B along with suggestions/recommendations. Only those observations that are dealt with in either Part A or Part B should be included in this section Provide specific recommendations on internal control and systemic weaknesses.

Part D: Matters Requiring Immediate Attention

1. Matter requiring Immediate Attention

Auditor should point out the serious issue like cash defalcation, payment made without any approval and beyond the limit of devolution of powers, blank cheque signed, and any other matter which auditor deemed serious in nature.

2.Persisting Irregularities

Under this Para, Auditor should report the persisting irregularities which have been raised earlier but not complied.

3.Books of Account

Under this, Auditor should verify all the books of account maintained by the unit, identify the discrepancies in the books of accounts and also suggest their improvement.

4.Internal Control System

Under this Para, auditor should report on discrepancies of current internal control system and suggest remedial measures.

5. Compliance with Finance Agreement, Project agreement, PIM, and FM Manual / delegation of power

Under this Para, auditor should comment on deviation from Finance Agreement, Project agreement, PIM, and FM Manual.

6. Procurement Procedures

Under this paragraph auditor should report on procurement process which deviate from procurement guidelines.

7. Computerized financial Management system (Tally)

- ✓ Data entries in tally are up to date or not
- ✓ Payroll accounting in tally or not
- ✓ Verification of group, sub – group, head, sub head and ledger in tally and make suggestions on proper classification of accounts, if any.
- ✓ Cost Centre
- ✓ Chart of accounts and upload of approved annual budget in tally
- ✓ Verify the computerized balance with Manual Books of accounts (cash Books, Cheque register etc.)

8. Advance to staff and others and its periodicity

- ✓ Age of advance
- ✓ Settlement of advance within stipulated period with proper voucher
- ✓ Pending bill for settlement of advance
- ✓ Action on bills submitted for settlement against advance after one month.
- ✓ Statutory deduction/ payments like TDS, VAT, EPF, Professional Tax and its compliance
- ✓ Deduction and date of deposit with any irregularities
- ✓ Employee benefit in the light of HR and approval from competent authorities
- ✓ Verify and certify the IUFRR from available books of records

9. Check the accuracy of Quarterly IUFRR from tally data / BRS etc.

10. Tracking of financial variance – Variance showing physical and financial achievement in the light of approved action plan and budget.

11. Any other matter:

Any other matter which auditor deemed fit for notice to the management.

12. Suggestion with specific case for improvement

13. TA & DA

- a) TA & DA submission by the Staff within stipulated time
- b) Settlement of TA & DA within stipulated time (within one month) with proper voucher
- c) Settlement of TA & DA Advance.

14. Fund Transfer to DPMUs

- a) Observation on the Time taken by the PMU in transfer of funds.
- b) Whether a system has been developed for the fund transfer.
- c) Whether the DPMUs are clear about the Fund Mechanism

SUGGESTIVE QUESTIONNAIRE FOR PMU/DPMT (GIVE SHORT DETAILS OF DIVERGENCE):

1. Whether Office has maintained proper records showing full particulars including quantitative details and situation of fixed assets?
2. Whether all assets including current assets like inventory have been physically verified during the quarter?
3. Whether the cash book is properly maintained and whether it conforms to computerized system of accounting?
4. Cash balance as on the date of audit
5. Whether expenditure has been made as per the devolution of power? Details of any divergence should be mentioned.
6. Whether bank book is properly prepared and whether the balance as per the pass book conforms to the balance as per the bank book?
7. Whether proper training programs are being conducted?
8. Whether the training expenditure is as per the Budget and whether the training report is submitted with each residential training or not?
9. Whether the books of accounts reconciled between DPMUs and PMU? If not, then reason and amount of such difference.
10. Whether any advance is given to the staff? If yes, whether advance register is maintained and updated till the date of audit and whether it is properly sanctioned and settled within specified days?

11. Whether there is proper internal control system followed?
12. Whether the office is paying TDS, VAT, Professional Tax and EPF regularly and on time?
13. Whether any fraud on or by any office or person has been noticed or reported during the year? If yes, the nature and amount involved.
14. Whether log book of Vehicle hiring has been properly maintained or not?
15. Whether stock register is maintained? If yes, last entry of goods number/voucher page number of stock register and particulars of goods.
16. Whether 100% vouching is done? If yes, then give the total number of vouchers, component wise total expenditure during the reporting period and its variance from budget.
17. Whether all expenditure is made as per the budget? If not, amount of variance.

Reporting Procedure

Procedure of conducting audit at PMU

The auditor shall inform the PMU before the start of Audit.

The auditor should give detailed work plan for conducting audit at PMU.

The auditor should make audit programme and plan for PMU in coordination with the accounts & finance team.

Feedback as necessary can be given to the management on the outcome of the Audit from time to time. Information about any discrepancies can be shared with the management for rectification/clarification.

During the audit the internal Audit team shall interact with management staff for any clarification.

For the clarification, the audit team will present their findings in the common platform.

The auditor shall interact with the management before furnishing of any report.

The plan shall be finalized in consultation with management at PMU level.

The detail approach and methodology should be provided by the auditor themselves in the RFP.

Procedure of conducting audit at DPMT and IAs Audit

- ❖ The auditor should give detailed work plan for conducting audit at DPMT to PMU and concerned Office. The audit manual is to be shared with and finance team.
- ❖ The audit questionnaire and audit work sheet shall be signed by the audit team member and officials of DPMT.

- ❖ Feedback as necessary can be given to the management on the outcome of the Audit from time to time. Information about any discrepancies can be shared with the management for rectification/clarification.
- ❖ During the audit the internal Audit team shall interact with management staff for any clarification.
- ❖ The auditor shall interact with the PMU management before furnishing any report.
- ❖ The auditor should inform PMU and concerned office before start of audit at DPMT/IAs. The plan shall be finalized in consultation with management at concerned at PMU level.
- ❖ The detail approach and methodology should be provided by the auditor themselves in the RFP.

Period of Internal Audit:

Initially contract with the firm will be for one year which may be extended further one year based on the performance. The selected firm will submit audit plan in consultation with PMU in advance and agree with PMU a Schedule of Audit. The contract will be renewed after assessing the pace of implementation, the Project needs and performance of the consultant for next one year on same terms.

Selection process based on QCBS

The Audit firm will be selected based on Quality and Cost Based Selection (QCBS) method of IFAD procurement guidelines.

KEY PERSONNEL

The list of key personnel’s required for this assignments;

Sr. No	Key Professionals	Description of Services to be provided	Experience	No. of persons
1	Audit Manager	Overall coordination, & planning, team leadership, reporting, liaison with client	Qualified Chartered Accountant with at least 7 years experience as a partner with expertise in the area of internal	1
2	Audit Team Leader	Responsibility to lead the audit teams in the field, planning and execution of the audits, discussion with heads of offices, consolidation/compilation	Qualified Chartered Accountants with at least 5 years experience in internal audit with ability to lead and team and interact with senior level govt officials	2
3	Senior Audit Asst. (Minimum Two Persons Required)	Vouching and verification of PMU and DPMT, IAs books of accounts	CA (Inter) with 3 years of experience in Accounting, audit and report writing.	3
4	Junior Audit Asst. (Minimum two Persons Required)	Vouching and verification of PMU and DPMT, IAs books of accounts	Graduate/ CA (Inter) with 1 years of experience in Accounting, audit and report writing.	3

Time lines for deliverables

Time lines of conducting the audit will be as follows:

For 2017-18

Quarter	Period of Audit	Time line for submission of Reports
1 st Quarter	April to June	15 th August
2 nd Quarter	July to September	15 th November
3 rd Quarter	October to Dec	15 th February
4 th Quarter	January to March	15 th May

Final report of the audit will be submitted as per the timelines indicated above. The written acceptance of the report by CAIM will be considered as submission of the Report.

Qualification & Experiences Criteria for CA Firm for Financial Management and Internal Audit.

- a) The firm shall have a standing of at least ten years in the profession (continuous existence) and should be empanelled with CAG for “Major Audits”. C.A. firm should be an Indian firm having independent legal existence, registered under the applicable Act. [Submit proof of CAG Empanelment, Registration Certificate, Articles and Memorandum of Association].
- b) The Auditor should be a member of the Institute of Chartered Accountants of India (ICAI). The firm shall have a standing of at least ten years in the profession and should be empanelled with CAG for “Major Audits”. C.A. firm should be an Indian firm having independent legal existence, registered under the applicable Act. [Submit proof of CAG Empanelment, Registration Certificate, Articles and Memorandum of Association].
- c) C.A. firm expressing interest should have an annual turnover of Rs 25 **Lakhs** or more in each of the last three financial years. [Relevant documents viz, Audited financial statements and a certificate from Chartered Accountant in support of satisfying the criteria should be submitted]
- d) Experience of having undertaken at least 5 similar assignments (Internal Audit Assignments) with Central/state Government/externally aided projects **in India**, in last 10 years.
- e) Experience of having undertaken at least 3 similar assignments (Internal Audit Assignments) with Central/state Government/externally aided projects **in Maharashtra**, in last 10 years.
- f) The Chartered Accountancy firm shall have at least 3 Chartered Accountants as active Partners with either its Head Office or Branch office in Maharashtra. The break up details are (i) Partners of Firm i.e. number of full time chartered accountant partners (ii) paid chartered accounts of firm must be given.
- g) The Auditor should give a declaration that the neither the firm nor the staff have any conflict of interest in accepting the assignment.
- i) The Project will not consider any subletting/outsourcing/joint venture proposal for Audit.

j) The Chartered Accountant firm shall have sufficient number of employees to handle the audit of the project.

k) The RFP MUST be accompanied by all the relevant documents in support of the statements or claims made in the application including:-

- 1-Brief description of the background and organization of your entity/firm
- 2-Brief description of ownership details, date and place of incorporation of the firm, objectives of the firm, total manpower strength- availability of appropriate professional staff , infrastructure etc.
- 3-Evidence of registration/incorporation of the firm.
- 4-Annual Audit Report of firm for last 3 years (2013-14, 2014-15, 2015-16)
- 5-A Self attested copy of the latest empanelment intimation letter issued by the CAG containing the Unique Identification Number and the score.
- 6-A self declaration form from the firm to the effect that the firm including the partners of the firm has not been found guilty of professional/other misconduct by the Institute of Chartered Accountants of India under First and Second Schedule of the Chartered Accountants Act 1949 or is one against whom no disciplinary sanction order have been passed by the Public Companies Accounting Oversight Board. In case the firm has such partners, the firm provides details of such partners and certifies that they will not be associated with the audit in any manner.
- 7-Any response received after the due date or not found to be in accordance with the above procedure, may be liable to be rejected outright and the decision of the CAIM in this regard shall be final.

Payments:

Lump sum payments will be made

CAIM will pay audit fees in following percentage of the agreed amount, within 30 days of receipt of pre receipted bills duly verified by the designated officer of CAIM in duplicate for respective stages as follows

Stage	Rate percentage of agreed amount	Event
1st	20%	Upon receipt of 1st Quarterly Internal Audit Report of CAIM PMU/District including IAs And upon receipt and acceptance of Quarterly
2nd	25%	Upon receipt of 2 nd Quarterly Internal Audit Report of CAIM PMU/District including IAs And upon receipt and acceptance of Quarterly
3 rd	25%	Upon receipt of 3 rd Quarterly Internal Audit Report of CAIM PMU/District including IAs And upon receipt and acceptance of Quarterly
4 th	30%	Upon receipt of 4 th Quarterly Internal Audit Report of CAIM PMU/District including IAs And upon receipt and acceptance of Quarterly

Section 6.

STANDARD FORM OF CONTRACT

SP's Services

Lump-Sum

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CONTRACT FOR SP'S SERVICES

Lump-Sum

between

Programme Director, CAIM-PMU

and

[Name of the SP]

Dated: _____

I. Form of Contract

LUMP-SUM

(Text in brackets [] is optional; all notes should be deleted in final text)

This CONTRACT (hereinafter called the "Contract") is made the *[day]* day of the month of *[month]*, *[year]*, between, on the one hand, *[name of client]* (hereinafter called the "Client") and, on the other hand, *[name of Service Provider]* (hereinafter called the "SP").

WHEREAS

- (a) the Client has requested the SP to provide certain consulting services as defined in this Contract (hereinafter called the "Services");
- (b) the SP, having represented to the Client that it has the required professional skills, and personnel and technical resources, has agreed to provide the Services on the terms and conditions set forth in this Contract;
- (c) the Client has received *[or has applied for]* a loan from the International Fund for Agricultural Development (hereinafter called the "IFAD") towards the cost of the Services and intends to apply a portion of the proceeds of this loan to eligible payments under this Contract, it being understood (i) that payments by the IFAD will be made only at the request of the Client and upon approval by the IFAD, (ii) that such payments will be subject, in all respects, to the terms and conditions of the agreement providing for the loan, and (iii) that no party other than the Client shall derive any rights from the agreement providing for the loan or have any claim to the loan proceeds;

NOW THEREFORE the parties hereto hereby agree as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:
 - (a) The General Conditions of Contract;
 - (b) The Special Conditions of Contract;

2. The mutual rights and obligations of the Client and the SP shall be as set forth in the Contract, in particular:

(a) the SP shall carry out the Services in accordance with the provisions of the Contract; and

(b) the Client shall make payments to the SP in accordance with the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

For and on behalf of *[name of Client]*

[Authorized Representative]

For and on behalf of *[name of SP]*

[Authorized Representative]

II. General Conditions of Contract

1. GENERAL PROVISIONS

1.1 Definitions

Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

- (a) “Applicable Law” means the laws and any other instruments having the force of law in the Government’s country, or in such other country as may be specified in the Special Conditions of Contract (SC), as they may be issued and in force from time to time.
- (b) “IFAD” means the International Fund for Agricultural Development (IFAD), Rome, Italy
- (c) “Servicer Provider” means any private or public entity that will provide the Services to the Client under the Contract.
- (d) “Contract” means the Contract signed by the Parties and all the attached documents listed in its Clause 1, that is these General Conditions (GC), the Special Conditions (SC), and the Appendices.
- (e) “Contract Price” means the price to be paid for the performance of the Services, in accordance with Clause 6;
- (f) “Effective Date” means the date on which this Contract comes into force and effect pursuant to Clause GC 2.1.
- (g) “Foreign Currency” means any currency other than the currency of the Client’s country.
- (h) “GC” means these General Conditions of Contract.
- (i) “Government” means the Government of the Client’s country.
- (j) “Local Currency” means the currency of the Client’s country.
- (k) “Member” means any of the entities that make up the joint venture/consortium/association, and “Members” means all these entities.
- (l) “Party” means the Client or the SP, as the case may be, and “Parties” means both of them.
- (m) “Personnel” means persons hired by the SP and assigned to the

performance of the Services or any part thereof.

(n) "SC" means the Special Conditions of Contract by which the GC may be amended or supplemented.

(o) "Services" means the work to be performed by the SP pursuant to this Contract, as described in Appendix A hereto.

(p) "In writing" means communicated in written form with proof of receipt.

**1.2 Law
Governing
Contract**

This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law.

1.3 Language

This Contract has been executed in the language specified in the SC, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.

1.4 Notices

1.4.1

Any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent to such Party at the address specified in the SC.

1.4.2

A Party may change its address for notice hereunder by giving the other Party notice in writing of such change to the address specified in the SC.

1.5 Location

The Services shall be performed at such locations as are specified in Appendix A hereto and, where the location of a particular task is not so specified, at such locations, whether in the Government's country or elsewhere, as the Client may approve.

**1.6 Authority of
Member in
Charge**

In case the Consultant consists of a joint venture/ consortium/ association of more than one entity, the Members hereby authorize the entity specified in the SC to act on their behalf in exercising all the Consultant's rights and obligations towards the Client under this Contract, including without limitation the receiving of instructions and payments from the Client.

**1.7 Authorized
Representatives**

Any action required or permitted to be taken, and any document required or permitted to be executed under this Contract by the Client or the SP may be taken or executed by the officials specified in the SC.

1.8 Taxes and Duties

The SP, and their Personnel shall pay such indirect taxes, duties, fees, and other impositions levied under the Applicable Law as specified in the SC, the amount of which is deemed to have been included in the Contract Price.

1.9 Fraud and Corruption

1.9.1 Definitions

For the purposes of this Sub-Clause, the terms set-forth below are defined as follows:

- (i) “corrupt practice”¹ is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
- (ii) “fraudulent practice”² is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
- (iii) “collusive practice”³ is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
- (iv) “coercive practice”⁴ is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
- (v) “obstructive practice” is
 - (aa) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or
 - (bb) acts intended to materially impede the exercise of the IFAD’s inspection and audit rights provided

¹ “Another party” refers to a public official acting in relation to the selection process or contract execution. In this context, “public official” includes IFAD staff and employees of other organizations taking or reviewing procurement decisions.

² A “party” refers to a public official; the terms “benefit” and “obligation” relate to the selection process or contract execution; and the “act or omission” is intended to influence the selection process or contract execution.

³ “Parties” refers to participants in the selection process (including public officials) attempting to establish bid prices at artificial, non competitive levels.

⁴ A “party” refers to a participant in the selection process or contract execution.

- 1.9.2 Measures to be Taken**
- (vi) will cancel the portion of the loan allocated to a contract if it determines at any time that representatives of the Borrower or of a beneficiary of the loan were engaged in corrupt, fraudulent, collusive or coercive practices during the selection process or the execution of that contract, without the Borrower having taken timely and appropriate action satisfactory to the IFAD to remedy the situation;
 - (vii) will sanction a SP, including declaring the SP ineligible, either indefinitely or for a stated period of time, to be awarded a IFAD-financed contract if it at any time determines that the Consultant has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, a IFAD-financed contract;

1.9.3 Commissions and Fees The Client will require the successful SPs to disclose any commissions or fees that may have been paid or are to be paid to agents, representatives, or commission agents with respect to the selection process or execution of the contract. The information disclosed must include at least the name and address of the agent, representative, or commission agent, the amount and currency, and the purpose of the commission or fee.

2. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT

- 2.1 Effectiveness of Contract** This Contract shall come into effect on the date the Contract is signed by both Parties or such other later date as may be stated in the SC. The date the Contract comes into effect is defined as the Effective Date.
- 2.2 Commencement of Services** The SP shall begin carrying out the Services not later than the number of days after the Effective Date specified in the SC.
- 2.3 Expiration of Contract** Unless terminated earlier pursuant to Clause GC 2.6 hereof, this Contract shall expire at the end of such time period after the Effective Date as specified in the SC.
- 2.4 Modifications or Variations** Any modification or variation of the terms and conditions of this Contract, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties. However, each Party shall give due consideration to any

proposals for modification or variation made by the other Party.

2.5 Force Majeure

2.5.1 Definition

For the purposes of this Contract, "Force Majeure" means an event which is beyond the reasonable control of a Party and which makes a Party's performance of its obligations under the Contract impossible or so impractical as to be considered impossible under the circumstances.

2.5.2 No Breach of Contract

The failure of a Party to fulfill any of its obligations under the contract shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event (a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this Contract, and (b) has informed the other Party as soon as possible about the occurrence of such an event.

2.5.3 Extension of Time

Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

2.5.4 Payments

During the period of their inability to perform the Services as a result of an event of Force Majeure, the SP shall be entitled to continue to be paid under the terms of this Contract, as well as to be reimbursed for additional costs reasonably and necessarily incurred by them during such period for the purposes of the Services and in reactivating the Service after the end of such period.

2.6 Termination

2.6.1 By the Client

The Client may terminate this Contract in case of the occurrence of any of the events specified in paragraphs (a) through (f) of this Clause GC 2.6.1. In such an occurrence the Client shall give a not less than fifteen (15) days' written notice of termination to the Consultant, and thirty (30) days' in the case of the event referred to in (e).

- (a) If the SP does not remedy a failure in the performance of their obligations under the Contract, within fifteen (15) days after being notified or within any further period as the Client may have subsequently approved in writing.

- (b) If the SP becomes insolvent or bankrupt.
- (c) If the SP, in the judgment of the Client has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.
- (d) If, as the result of Force Majeure, the SP are unable to perform a material portion of the Services for a period of not less than thirty (30) days.
- (e) If the Client, in its sole discretion and for any reason whatsoever, decides to terminate this Contract.
- (f) If the SP fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause GC 8 hereof.

2.6.2 By the Consultant

The SP may terminate this Contract, by not less than fifteen (15) days' written notice to the Client, such notice to be given after the occurrence of any of the events specified in paragraphs (a) through (c) of this Clause GC 2.6.2:

- (a) If the Client fails to pay any money due to the SP pursuant to this Contract and not subject to dispute pursuant to Clause GC 7 hereof within thirty (30) days after receiving written notice from the SP that such payment is overdue.
- (b) If, as the result of Force Majeure, the SP is unable to perform a material portion of the Services for a period of not less than thirty (30) days.
- (c) If the Client fails to comply with any final decision reached as a result of arbitration pursuant to Clause GC 8 hereof.

2.6.3 Payment upon Termination

Upon termination of this Contract pursuant to Clauses GC 2.6.1 or GC 2.6.2, the Client shall make the following payments to the SP:

- (a) payment pursuant to Clause GC 6 for Services satisfactorily performed prior to the effective date of termination;
- (b) except in the case of termination pursuant to paragraphs (a) through (c), and (f) of Clause GC 2.6.1, reimbursement of any reasonable cost incident to the prompt and orderly termination of the Contract, including the cost of the return travel of the Personnel and their eligible dependents.

3. OBLIGATIONS OF THE SERVICE PROVIDER (SP)

3.1 General

3.1.1 Standard of Performance

The SP shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and shall observe sound management practices, and employ appropriate technology and safe and effective equipment, machinery, materials and methods. The Consultant shall always act, in respect of any matter relating to this Contract or to the Services, as faithful advisers to the Client, and shall at all times support and safeguard the Client's legitimate interests.

3.2 Conflict of Interests

The SP shall hold the Client's interests paramount, without any consideration for future work, and strictly avoid conflict with other assignments or their own corporate interests.

3.2.1 SP not to Benefit from Commissions, Discounts, etc.

The payment of the SP pursuant to Clause GC 6 shall constitute the SP's only payment in connection with this Contract or the Services, and the SP shall not accept for their own benefit any trade commission, discount, or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations under the Contract, and the SP shall use their best efforts to ensure that the Personnel, shall not receive any additional payment.

3.2.2 SP not to be otherwise interested in Project

The SP agrees that, during the term of this Contract and after its termination, the SP, shall be disqualified from providing goods, works or services (other than consulting services) resulting from or directly related to the Consultant's Services for the preparation or implementation of the project.

3.2.3 Prohibition of Conflicting Activities

The SP shall not engage, and shall cause their Personnel as well as their Personnel not to engage, either directly or indirectly, in any business or professional activities which would conflict with the activities assigned to them under this Contract.

- 3.3 Confidentiality** Except with the prior written consent of the Client, the SP and the Personnel shall not at any time communicate to any person or entity any confidential information acquired in the course of the Services, nor shall the SP and the Personnel make public the recommendations formulated in the course of, or as a result of, the Services.
- 3.4 Insurance to be Taken Out by the Consultant** The SP (a) shall take out and maintain, at their own cost but on terms and conditions approved by the Client, insurance against the risks, and for the coverage, as shall be specified in the SC; and (b) at the Client's request, shall provide evidence to the Client showing that such insurance has been taken out and maintained and that the current premiums have been paid.
- 3.5 SP's Actions Requiring Client's Prior Approval** The SP shall obtain the Client's prior approval in writing before taking any of the following actions:
- (a) entering into a subcontract for the performance of any part of the Services,
 - (b) appointing such members of the Personnel not listed by name in Appendix C, and
 - (c) any other action that may be specified in the SC.
- 3.6 Reporting Obligations**
- (a) The SP shall submit to the Client the reports and documents specified in Appendix B hereto, in the form, in the numbers and within the time periods set forth in the said Appendix.
 - (b) Final reports shall be delivered in CD ROM in addition to the hard copies specified in said Appendix.
- 3.7 Documents Prepared by the SP to be the Property of the Client**
- (a) All plans, drawings, specifications, designs, reports, other documents and software submitted by the Consultant under this Contract shall become and remain the property of the Client, and the SP shall, not later than upon termination or expiration of this Contract, deliver all such documents to the Client, together with a detailed inventory thereof.
 - (b) The SP may retain a copy of such documents and software. Restrictions about the future use of these documents, if any, shall be specified in the SC.
- 3.8 Accounting, Inspection and Auditing** The SP shall permit the IFAD and/or persons appointed by the IFAD to inspect its accounts and records relating to the performance of the Contract, and to have such accounts and records audited by auditors appointed by the IFAD if required by the IFAD. The SP's attention is drawn to Clause 1.9.1 which provides, inter alia, that acts intended to materially impede the exercise of the IFAD's inspection and audit rights provided for under Clause 3.8 constitute

a prohibited practice subject to contract termination (as well as to a determination of ineligibility under the SP Guidelines).

4. SP'S PERSONNEL

- 4.1 Description of Personnel** The SP shall employ and provide such qualified and experienced Personnel as are required to carry out the Services. The titles, agreed job descriptions, minimum qualifications, and estimated periods of engagement in the carrying out of the Services of the SP's Key Personnel are described in Appendix C. The Key Personnel listed by title as well as by name in Appendix C are hereby approved by the Client.
- 4.2 Removal and/or Replacement of Personnel**
- (a) Except as the Client may otherwise agree, no changes shall be made in the Key Personnel. If, for any reason beyond the reasonable control of the SP, such as retirement, death, medical incapacity, among others, it becomes necessary to replace any of the Key Personnel, the SP shall provide as a replacement a person of equivalent or better qualifications.
 - (b) If the Client finds that any of the Personnel have (i) committed serious misconduct or have been charged with having committed a criminal action, or (ii) have reasonable cause to be dissatisfied with the performance of any of the Personnel, then the SP shall, at the Client's written request specifying the grounds thereof, provide as a replacement a person with qualifications and experience acceptable to the Client.
 - (c) The SP shall have no claim for additional costs arising out of or incidental to any removal and/or replacement of Personnel.

5. OBLIGATIONS OF THE CLIENT

- 5.1 Assistance and Exemptions** The Client shall use its best efforts to ensure that the Government shall provide the SP such assistance and exemptions as specified in the SC.
- 5.2 Change in the Applicable Law Related to Taxes and Duties** If, after the date of this Contract, there is any change in the Applicable Law with respect to taxes and duties which increases or decreases the cost incurred by the SP in performing the Services, then the remuneration and reimbursable expenses otherwise payable to the SP under this Contract shall be increased or decreased accordingly by agreement between the Parties, and corresponding adjustments shall be made to the amounts referred to in Clauses GC 6.2 (a) or (b), as the case may be.
- 5.3 Services and** The Client shall make available free of charge to the SP the Services and

Facilities Facilities listed under Appendix F.

6. PAYMENTS TO THE SP

- 6.1 Lump-Sum Payment** The total payment due to the SP shall not exceed the Contract Price which is an all inclusive fixed lump-sum covering all costs required to carry out the Services described in Appendix A. Except as provided in Clause 5.2, the Contract Price may only be increased above the amounts stated in Clause 6.2 if the Parties have agreed to additional payments in accordance with Clause 2.4.
- 6.2 Contract Price** (a) The price payable in foreign currency/currencies (but preferably in INR) is set forth in the SC.
(b) The price payable in local currency is set forth in the SC.
- 6.3 Payment for Additional Services** For the purpose of determining the remuneration due for additional services as may be agreed under Clause 2.4, a breakdown of the lump-sum price is provided in Appendices D and E.
- 6.4 Terms and Conditions of Payment** Payments will be made to the account of the SP and according to the payment schedule stated in the SC. Unless otherwise stated in the SC, the first payment shall be made against the provision by the SP of an advance payment guarantee for the same amount, and shall be valid for the period stated in the SC. Such guarantee shall be in the form set forth in Appendix G hereto, or in such other form, as the Client shall have approved in writing. Any other payment shall be made after the conditions listed in the SC for such payment have been met, and the SP has submitted an invoice to the Client specifying the amount due.
- 6.5 Interest on Delayed Payments** If the Client has delayed payments beyond Thirty (30) days after the due date stated in the Clause SC 6.4, interest shall be paid to the SP for each day of delay at the rate stated in the SC.

7. GOOD FAITH

- 7.1 Good Faith** The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

8. SETTLEMENT OF DISPUTES

- 8.1 Amicable Settlement** The Parties agree that the avoidance or early resolution of disputes is crucial for a smooth execution of the Contract and the success of the assignment. The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation.
- 8.2 Dispute Resolution** Any dispute between the Parties as to matters arising pursuant to this Contract that cannot be settled amicably within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for settlement in accordance with the provisions specified in the SC.

III. Special Conditions of Contract

Number of GC Clause	Amendments of, and Supplements to, Clauses in the General Conditions of Contract
{1.1(a)}	{The words “in the Government’s country” are amended to read “in <i>India</i>
1.3	The language is <i>English</i>
1.4	<p>The addresses are:</p> <p>Client: Convergence of Agricultural Interventions in Maharashtra (CAIM) Programme Management Unit, 1st Floor, Sahakar Sankul, Near Divisional Commissioner Officer, Kanta Nagar, Camp, Amravati, Maharashtra, Pin. 444 602</p> <p>Attention: Shri Ganesh Chaudhari, Project Director, Telephone: 0721-2552475</p> <p>E-mail: finance.caim@gmail.com,</p> <p>Servicer Provider: _____</p> <p>Attention: _____</p> <p>Facsimile: _____</p> <p>E-mail: _____</p>

{1.6}	{The Member in Charge is <i>[insert name of member]</i> }
1.7	<p>The Authorized Representatives are:</p> <p>For the Client: Shri. Ganesh Chaudhari, Project Director , CAIM.</p> <p>For the Consultant: _____</p>
1.8 1.8.1	<p><u>For SP's personnel who are permanent residents in India</u> The SP, and the Personnel shall pay the taxes, duties, fees, levies and other impositions levied under the existing, amended or enacted laws during life of this contract and the client shall perform such duties in regard to the deduction of such tax as may be lawfully imposed.</p>
1.8.2	<p>a) The SP shall register itself for service tax with appropriate authority in India & shall provide the registration Number to the client. b) Tax will be deducted at source as per the prevailing Income Tax Rules.</p>
{2.1}	The Effective Date of Agreement is :
2.2	The date for the commencement of Services is 5 <i>days after the date of signing of Contract</i>
2.3	The time period shall be Assignment based.

<p>3.4</p>	<p>The risks and the coverage shall be as follows: (a) Third Party motor vehicle liability insurance in respect of motor vehicles operated in the Government’s country by the SP or its Personnel or with a minimum coverage of Rs. Two Lakh. (b) Third Party liability insurance with a minimum coverage of Rs Two Lakh (c) Professional liability insurance, with a minimum coverage of Rs. Two Lakh (d) employer’s liability and workers’ compensation insurance in respect of the Personnel of the SP, in accordance with the relevant provisions of the Applicable Law, as well as, with respect to such Personnel, any such life, health, accident, travel or other insurance as may be appropriate; and (e) insurance against loss of or damage to (i) equipment purchased in whole or in part with funds provided under this contract, (ii) the SP property used in the performance of the project, and (iii) any document prepared by the consultant in the performance of the services (e) The Service Provider will take insurance for all of the above and necessary and Client will not be responsible in any case.</p>
<p>{3.5 (c)}</p>	<p>The other actions which require client’s prior approval are: a) Approval to Functional Requirements, details Functional Framework b) Approval for Final Audit report c) All other actions pursuant to this consultancy contract for which prior approval of the client is/would be required.</p>
<p>{3.7 (b)}</p>	<p>The SP shall not use these documents and software for purposes unrelated to this Contract without the prior written approval of the Client.</p>
<p>6.2(a)</p>	<p>The amount in foreign currency or currencies is <i>[insert amount]</i>. NA.</p>
<p>6.2(b)</p>	<p>The amount in local currency is <i>[insert amount]</i>. (INR)</p>

6.4

The accounts are:

for foreign currency or currencies: *[insert account]: NA*

for local currency: *[insert account](INR)*

Payment shall be made according to the following schedule.

Schedule of Payments -

Stage	Rate percentage of agreed amount	Event
1st	20%	Upon receipt of 1st Quarterly Internal Audit Report of CAIM PMU/District including IAs
2nd	25%	Upon receipt of 2 nd Quarterly Internal Audit Report of CAIM PMU/District including IAs
3 rd	25%	Upon receipt of 3 rd Quarterly Internal Audit Report of CAIM PMU/District including IAs
4 th	30%	Upon receipt of 4 th Quarterly Internal Audit Report of CAIM PMU/District including IAs

* Reimbursable expenses/ TA DA shall be payable on actual basis for district/IA visits as per the directives and policy decided by CAIM

8.2

Disputes shall be settled by arbitration in accordance with the following provisions:

1. Selection of Arbitrators. Each dispute submitted by a Party to arbitration shall be heard by a sole arbitrator or an arbitration panel composed of three arbitrators, in accordance with the following provisions:
 - (a) Where the Parties agree that the dispute concerns a technical matter, they may agree to appoint a sole arbitrator or, failing agreement on the identity of such sole arbitrator within thirty (30) days after receipt by the other Party of the proposal of a name for such an appointment by the Party who initiated the proceedings, either Party may apply to **President, FICCI Arbitration and Conciliation Tribunal (FACT), New Delhi** for a list of not fewer than five nominees and, on receipt of such list, the Parties shall alternately strike names there from, and the last remaining nominee on the list shall be the sole arbitrator for the matter in dispute. If the last remaining nominee has not been determined in this manner within sixty (60) days of the date of the list, **President, FICCI Arbitration and Conciliation Tribunal (FACT), New Delhi** shall appoint, upon the request of either Party and from such list or otherwise, a sole arbitrator for the matter in dispute.
 - (b) Where the Parties do not agree that the dispute concerns a technical matter, the Client and the SP shall each appoint one arbitrator, and these two arbitrators shall jointly appoint a third arbitrator, who shall chair the arbitration panel. If the arbitrators named by the Parties do not succeed in appointing a third arbitrator within thirty (30) days after the latter of the two arbitrators named by the Parties has been appointed, the third arbitrator shall, at the request of either Party, be appointed by **Secretary, Indian Council of Arbitration, New Delhi.**

	<p>(c) If, in a dispute subject to Clause SC 8.2 1.(b), one Party fails to appoint its arbitrator within thirty (30) days after the other Party has appointed its arbitrator, the Party which has named an arbitrator may apply to the Secretary, Indian Council of Arbitration, New Delhi to appoint a sole arbitrator for the matter in dispute, and the arbitrator appointed pursuant to such application shall be the sole arbitrator for that dispute.</p> <p>2. <u>Rules of Procedure.</u> Except as stated herein, arbitration proceedings shall be conducted in accordance with the Indian Arbitration and Conciliation Act, 1956 as in force on the date of this Contract.</p> <p>3. <u>Substitute Arbitrators.</u> If for any reason an arbitrator is unable to perform his function, a substitute shall be appointed in the same manner as the original arbitrator.</p> <p>4. <u>Nationality and Qualifications of Arbitrators.</u> The sole arbitrator or the third arbitrator appointed pursuant to paragraphs (a) through (c) of Clause SC 8.2 1 hereof shall be an internationally recognized legal or technical expert with extensive experience in relation to the matter in dispute and shall not be a national of the SP's home country [Note: If the SP consists of more than one entity, add: or of the home country of any of their Members or Parties] or of the Government's country. For the purposes of this Clause, "home country" means any of:</p> <p>(a) the country of incorporation of the SP or</p> <p>(b) the country in which the SP's principal place of business is located; or</p> <p>(c) the country of nationality of a majority of the SP's shareholders; or</p> <p>(d) The country of nationality SPs concerned, where the dispute involves.</p>
	<p>5. <u>Miscellaneous.</u> In any arbitration proceeding hereunder:</p> <p>(a) proceedings shall, unless otherwise agreed by the Parties, be held in <i>India</i>;</p> <p>(b) the <i>English</i> language shall be the official language for all purposes; and</p> <p>(c) The decision of the sole arbitrator or of a majority of the arbitrators (or of the third arbitrator if there is no such majority) shall be final and binding and shall be enforceable in any court of competent jurisdiction, and the Parties hereby waive any objections to or claims of immunity in respect of such enforcement.</p>

Bank Guarantee for Advance Payment

_____ *[Bank's Name, and Address of Issuing Branch or Office]*

Beneficiary: _____ *[Name and Address of Client]* **Date:** _____

ADVANCE PAYMENT GUARANTEE No.: _____

We have been informed that *[name of Consulting Firm]* (hereinafter called "the Service Provider (SP)") has entered into Contract No. *[reference number of the contract]* dated *[insert date]* with you, for the provision of *[brief description of Services]* (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, an advance payment in the sum of *[amount in figures]* (*[amount in words]*) is to be made against an advance payment guarantee.

At the request of the SPs, we *[name of Bank]* hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of *[amount in figures]* (*[amount in words]*)¹ upon receipt by us of your first demand in writing accompanied by a written statement stating that the SPs are in breach of their obligation under the Contract because the SPs have used the advance payment for purposes other than toward providing the Services under the Contract.

It is a condition for any claim and payment under this guarantee to be made that the advance payment referred to above must have been received by the SPs on their account number _____ at *[name and address of Bank]*.

The maximum amount of this guarantee shall be progressively reduced by the amount of the advance payment repaid by the SPs as indicated in copies of certified monthly statements which shall be presented to us. This guarantee shall expire, at the latest, upon our receipt of the monthly payment certificate indicating that the SPs have made full repayment of the amount of the advance payment, or on the __ day of _____, 2__,² whichever is earlier. Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees, ICC Publication No. 458.

_____ *[signature(s)]*

Note: All italicized text is for indicative purposes only to assist in preparing this form and shall be deleted from the final product

¹ The Guarantor shall insert an amount representing the amount of the advance payment and denominated either in the currency(ies) of the advance payment as specified in the Contract, or in a freely convertible currency acceptable to the Client.

² Insert the expected expiration date. In the event of an extension of the time for completion of the Contract, the Client would need to request an extension of this guarantee from the Guarantor. Such request must be in writing and must be made prior to the expiration date established in the guarantee. In preparing this guarantee, the Client might consider adding the following text to the form, at the end of the penultimate paragraph: "The Guarantor agrees to a one-time extension of this guarantee for a period not to exceed [six

