

Request for Proposal (RFP)

Appointment of Regional Statutory Auditors for audit of Rugna Kalyan Samittees (RKSs) under National Health Mission for the F.Y.2021-22.

[2021-22]

NATIONAL HEALTH MISSION
STATE HEALTH SOCIETY, MAHARASHTRA

HIRING SERVICES OF CHARTERED ACCOUNTANT FIRMS FOR STATUTORY
AUDIT OF RUGNA KALYAN SAMITTEES (RKSS) UNDER NHM FOR THE F.Y.2021-22

The State Health Society Maharashtra invites proposals from Chartered Accountant firms which meet all the conditions in the eligibility criteria listed below for carrying out the Region wise Statutory Audit of Rugna Kalyan Samittees for the financial year 2021-22 as per the Terms Of Reference provided in the RFP.:

Eligibility Criteria: The firm must (a) be empanelled with C & AG for major audit of PSUs and ICAI (b) have at least 4 full time partners who are fellow members of the ICAI for a period not less than 5 years & have at least 2 ACAs (as per certificate of ICAI as on date of advertisement ; (c) have an average turnover of Rs 50 lakhs in the last 3 years; (d) have carried out at least 5 Concurrent/Statutory Audit assignments of Corporate/PSUs entities other than Bank Branch Audit and (e) have at least 6 audit assignments in the Social Sector/ Externally Aided Projects (other than Audit of NGOs) in the last 3 financial years.

Detailed RFP: Detailed Request for Proposal (RFP) comprising Eligibility criteria, Background, Terms of Reference (ToR) and Guidelines for submitting the proposal can be either downloaded from the website www.nrhm.maharashtra.gov.in or www.arogya.maharashtra.gov.in or can be collected from the O/o State Health Society Maharashtra, Mumbai between 11.00 a.m.to 5.00 p.m. on working days.

Important Dates:

- i. Last date for collection of RFP from Office of SHS: 15/03/2022 upto 1.00 p.m.
- ii. Date for pre-bid conference: 08/03/2022 at 3.00 p.m.
- iii. Last date for submission of Proposal to SHS: 15/03/2022 upto 4.00 p.m.
- iv. Date of opening of Technical bid 15/03/2022 at 5.00 p.m.

Venue for Pre-bid Conference: Pre-bid Conference would be held at the Office of State Health Society Maharashtra, 3rd floor, Arogya Bhawan, St. George Hospital Compound, CST, Mumbai – 01.

Sd/-
Commissioner (Health Service) &
Mission Director, NHM

REQUEST FOR PROPOSAL (RFP) –

State Health Society, Maharashtra, seeks to invite Proposal from *Chartered Accountants firms* meeting the minimum eligibility criteria for providing their services for region wise Statutory Audit of Rugna Kalyan Samittees (RKSs) for the financial year 2021-22 under the National Health Mission.

The State Health Society Maharashtra (SHSM) seeks to appoint CA firms for the following regions:

1. One CA firm for Thane region (Districts – Raigad, Thane, Palghar & Mumbai)
2. One CA firm for Akola region (Districts – Akola, Amravati, Buldhana, Washim & Yavatmal)
3. One CA firm for Nashik region (Districts- Ahmednagar, Dhule, Jalgaon, Nandurbar & Nashik)
4. One CA firm for Latur region (Districts- Beed, Nanded, Latur & Osmanabad)
5. One CA firm for Kolhapur region (Districts- Ratnagiri, Kolhapur, Sangli & Sindhudurg)
6. One CA firm for Aurangabad region (Districts- Aurangabad, Hingoli, Jalna & Parbhani)
7. One CA firm for Nagpur region (Districts- Bhandara, Chandrapur, Gadchiroli, Gondia, Nagpur & Wardha)
8. One CA firm for Pune region (Districts - Pune, Solapur & Satara).

The details about the background of the auditee, the units to be covered in the audit, scope of work, terms of reference, and the eligibility criteria for selection of the C. A. firms are given in the following paragraphs.

Terms of Reference (ToR)

Section I – Background

1. National Rural Health Mission (NRHM) of the Ministry of Health & Family Welfare was launched on 12th April, 2005 by the Government of India to improve medical facilities in all the rural areas in the country. The NRHM seeks to provide accessible, affordable and quality health care to the rural population, especially the vulnerable sections. It also seeks to reduce the Maternal Mortality Ratio (MMR) in the country from 407 to 100 per 1,00,000 live births, Infant Mortality rate (IMR) from 60 to 30 per 1000 live births and the Total Fertility Rate (TFR) from 3.0 to 2.1 within the 7 year period of the Mission. It has now been termed as National Health Mission (NHM). NHM is overarching NUHM also and includes Non- Communicable Diseases (NCD) as well
2. One of the visions of the Mission is to increase public spending on health from 0.9% to 2-3% of GDP, with the improved arrangement for community financing and risk pooling. The NHM has provided an umbrella under which the existing Reproductive and Child Health Programme (RCH) and various National Disease Control Programmes

(NDCPs) have been repositioned. National Urban Health Mission (NUHM) has also been added as submission of National Health Mission.

3. The creation of legal entity at the health facility level is an opportunity for partnership with local communities to make available quality health care services to all. The National Health Mission as liberally provided for untied annual grants to these Rugna Kalyan Samittees for carrying out a range of functions that ensures quality health care services for all, especially the most vulnerable groups to enable them to exercise for greater autonomy and flexibility in management of health facilities.
4. Rugna Kalyan Samittees are registered under Public Trust Act and are situated at all districts and corporation level among all over state at Primary Health Centre, Rural Hospital, Sub District Hospital, Women Hospital, Mental Hospital, General Hospital, District Hospital and at Urban Primary Health Centres, Urban Community Health Centres level etc.

Funding & Accounting Arrangements:

The Rugna Kalyan Samittees funds offers an opportunity to ensure that, no poor patient leaves a hospital untreated because of high out of pocket expenditure. RKS can raise funds through User / OPD Fees, Donations & Bank Interest etc. The grants under the head RKS, Annual Maintenance Grant, Untied Fund are being transferred from upper units i.e. block office in to the RKS bank account. Apart from RKS fund the IPHS/ HWC grants also being credited in RKS accounts. The annual disbursement of funds and purpose of its utilization under RKS is as under. Therefore, the audit of all funds credited in RKS bank account has to be done.

The institute wise approximate annual fund distribution under RKS is as follow as:-

Sr. No.	Institutes	RKS	AMG	UF
1	District Hospital	10,00,000/-	0	0
2	General Hospital	2,00,000/-	2,00,000/-	1,00,000/-
3	Regional Referral Hospital	10,00,000/-	0	0
4	Tuberculosis Hospital	5,00,000/-	0	0
5	Leprosy Hospital	5,00,000/-	0	0
6	Mental Hospital	5,00,000/-	0	0
7	Orthopaedic Hospital	5,00,000/-	0	0
8	Sub-District Hospital (100 & Above Bed) (35 inst.)	2,00,000/-	2,00,000/-	1,00,000/-
9	Sub-District Hospital (50 to 60 Bed) (58 inst.)	1,00,000/-	1,00,000/-	50,000/-
10	Women Hospital (100 & Above bed) (9 inst.)	2,00,000/-	2,00,000/-	1,00,000/-
11	Women Hospitals (60 Bed) (5 inst.)	1,00,000/-	1,00,000/-	50,000/-
12	Rural Hospital	1,00,000/-	1,00,000/-	50,000/-
13	Primary Health Centre	1,00,000/-	50,000/-	25,000/-
17	NUHM (UPHCs)	1,00,000/-	50,000/-	25,000/-
18	NUHM (UCHCs)	1,00,000/-	1,00,000/-	50,000/-

RKS Fund is utilized for -

Purchase of medicine to poor patients, laboratory tests outside hospital, transportation of patient (Referral Services), drinking water facility to patients, Sitting arrangement for patients, solar power heater for patients, Kitchen / Dharmashala – Renovation/ Maintenance, food facility for patients, other innovative schemes, purchase of essential equipments etc.

Annual Maintenance Grant (AMG) -

- AMG is distributed to SDH, RH, WH, PHC and SC.
- Annual Maintenance Grants are distributed for maintenance of physical infrastructure of health institutions.
- Major part of the Annual Maintenance grant should be spent to do minor repairs and strengthening of the building and for doing cleanliness activities.

United Fund

- Untied funds have been provided to the institutions up to Village health nutrition sanitation & water supply Committees, Sub Centres, PHCs, CHCs, and PHU to promote local health action.
- Necessity of Untied Fund has been felt mainly due to unavailability of funds for undertaking any innovative need –based activity.
- Untied Funds will be used only for the common good & not for individual needs, except in the case of referral & transport in emergency situations.
- The Untied grant is to be used for household surveys, health camps, sanitation drives, revolving fund etc.

UF Fund is utilized for

- Purchase of medicine which is urgently required & not available
- Purchase of lab material
- Purchase of instrument/ equipment
- Purchase of furniture/ curtains/ mattresses
- Purchase of dressing material(bandage/ cotton)
- Transport of emergency patients
- Transport of women in labour
- Transporting of samples in epidemics etc.

Section II

1. Objective of audit services:

The objective of the audit is to ensure that SHSM receives adequate, independent, professional audit assurance that the grant proceeds provided by SHSM to Districts and further to RKSs at respective levels which are used for purposes intended in line with approved PIPs and that the annual financial statements are free from material mis-statements.

The objective of the audit of the financial statements of all units i.e. (Balance Sheet, Income & Expenditure, Receipt & Payment, together with relevant accounting policies, notes to accounts and schedules thereto) is to enable the auditor to express a professional opinion as to whether the financial statements give a true and fair view of the received funds, Financial Position & the expenditure incurred of the individual unit at the end of each financial year 2021-22. The funds were utilized for the purposes for which they were provided.

The books of accounts as maintained by RKSs shall form the basis for preparation of the SOEs & financial statements as a whole.

2. **Standards:** The audit will be carried out in accordance with **Engagement & Quality Control Standards (Audit & Assurance Standards)** issued by the Institute of Chartered Accountants of India in this regard. The auditor should accordingly consider materiality when planning and performing (except where a certain minimum coverage of implementing units is specified) the audit to reduce the risk to an acceptable level that is consistent with the objective of the audit. In addition the auditor should specifically consider the risk of material misstatements in the financial statements resulting from fraud.
3. **Scope & Coverage of audit:** In conducting the audit special attention should be paid to the following:
 - a) An assessment of adequacy of the project financial systems, including financial controls. This should include aspects such as adequacy and effectiveness of accounting, financial and operational controls; level of compliance with established policies, plans and procedures; reliability of accounting systems, data and financial reports; methods of remedying weak controls ; verification of assets and liabilities; a specific report on this aspect would be provided by the auditor annually as part of the management letter;
 - b) Funds have been spent in accordance with the condition laid down by the Department of Health & Family Welfare, Government of India/State Health Society Maharashtra (SHSM) from time to time with due attention to economy and efficiency, and only for the purpose for which the financing was provided.
 - c) Goods and services financed have been procured in accordance with the relevant procurement guidelines issued by the GoI/ State Government/SHSM.
 - d) All necessary supporting documents, records and accounts have been kept in respect of the project.

e) Coverage of Implementing units : -

There are total 3072 Rugna Kalyan Samittees (RKSs) which are supposed to be audited with 100% coverage of audit. The region / district wise detailed list of RKSs is enclosed herewith for reference.

4. The focus of the initiative will be :

- a. Accuracy to be ensured in maintenance of books of account and these are maintaining on a timely basis.
- b. Advances are tracked, followed up and settle on a priority basis.
- c. Bring accuracy to the monthly/quarterly Financial Monitoring Reports based on books of accounts.
- d. Ensure voucher/evidence based payments to improve transparency.
- e. Enable timely and accurate submission of financial MIS to the management.
- f. Improve the accuracy and timeliness of financial reporting from peripheral units.
- g. Improve the internal control systems at the unit.
- h. Ensure about the Taxes and its Returns are filed in time.

5. Audit report should consist of:-

The audit report (as per subsection (2) of section 33 & 34 and Rule -19 of the Bombay Public Trust Act 1950) of the auditors should consist of the following statements & reports:

- i. Audited Receipt & Payment A/c. (As per schedule IX- Rule -17 (1) of the Bombay Public Trust Act 1950)
- ii. Income & Expenditure Account. (As per schedule IX- Rule -17 (1) of the Bombay Public Trust Act 1950)
- iii. Statement of Income liable to contribution for the year end as per schedule-IX (C) [Vide Rule 32] of the Bombay Public Trust Act, 1950.
- iv. Statement of Assets & Liabilities as per schedule VIII [Vide Rule 17 (1)] of the Bombay Public Trust Act, 1950.
- v. Schedules thereto the Balance Sheet, Receipt & Payment A/c and Income & Expenditure A/c.
- vi. Observations & recommendations of auditors.
- vii. Bank Reconciliation Statement.
- viii. Other Schedules to the Balance sheet as appropriate, but which shall include
 1. Statement of Fixed Assets in the form of a Schedule.
 2. Schedule of Loans and Advances (Age-wise analysis).
 3. Schedule of all cash & Bank Balances (also attach bank reconciliation statements).
 4. Program wise Statement of Expenditure.

- ix. Notes on Accounts showing the accounting policies followed in the preparation of accounts in each unit and any other significant observation of the auditor.
- x. Scheme wise Statement of Expenditure (SoE) & Utilization Certificates (UCs) as per Form GFR 12 C of 2017 (See Rule 239); duly tallied with the Income & Expenditure and expenditure during the financial year (Fixed Assets which have been shown as capitalized) to be certified by the auditor.
- xi. The financial statements should be in the format as prescribed under Public Trust Act as the RKS audit reports has to be submitted to the office of Charity Commissioner of the district.
- xii. The closing Bank balances as well as the amount of expenditures and Fixed Assets needs to be reconciled with the data at the time of consolidation at block level.

6. Reporting and Timing

- a) The Auditor shall complete the audit as per RFP/TOR within 90 days of the signing of the “Contract’ or from starting date of audit as such extended time as may be mutually agreed with the client.
All the Audit Reports duly certified should be submitted to concerned districts in the form of hard copy along with soft copy of the report. So that, the concerned units can submit their audit reports to the office of Charity Commissioner of the respective districts.
- b) Penal provision on failure to complete the Audit on time: In order to ensure timeliness on the part of the Auditor, if the State feels that in spite of providing all information, documents, and updated books of accounts, there is delay in submission of Audit Report from the auditor, in such case the penalty on audit fees @ 5% per month from the due date of completion of audit will be charged. However, in case of delay in submitting the audit report due to unforeseen circumstances like flood, earthquake, election and pandemic or due to any administrative grounds etc., the Mission Director (NHM) of the State has the right to waive off the penalty.

7. Re-appointment of auditors:-

The auditor once appointed can be continued for two more years subject to the satisfaction of the performance by the State. However, the renewal of contract would be on the basis of the approval of Executive Committee after obtaining the consent of the auditor and confirming that the said firm is fulfilling the criteria’s as stipulated by GoI in the RFP.

Section – III

1. Eligibility Criteria:

Sr. No.	Particulars	Minimum Criteria
1.	The firm must be empaneled with C&AG and must be listed as major audit of PSUs by C&AG for financial year 2021-22.	---
2.	The firm must have Head Office / Local Branch Office within the State of Maharashtra.	3 years
3.	Number of Full Time Fellow Partners (FCAs) associated with the firm for a period not less than 5 years.	4 FCAs
4.	Number of Associate Chartered Accountants associated with the firm. In case those CA firms do not have 2 ACAs, then there should be minimum 5 FCAs with the firm.	2 ACAs
5.	No. of Years of Firm's Existence.	Min. 10 Yrs.
6.	Turnover of the firm (Average annual in last three financial yrs. i.e. 2018-19, 2019-20 & 2020-21)	Minimum Rs.50 Lakhs
7.	<u>No. of audit assignments of Corporate /PSUs entities:</u> Experience of Concurrent/Statutory Audit of Corporate /PSUs entities (except NGOs & Bank / Branch Audit) during last 3 years. (i.e. 2018-19, 2019-20 & 2020-21)	5
8.	No. of assignments: Experience of audit of Externally Aided Projects/ Social Sector Projects. (Other than Audit of Revenue audit/stock audit/ Books writing or consulting assignments and other than audit of NGOs/ Charitable organizations except audit of NGOs engaged under NHM) in the last 3 financial years i.e. 2018-19, 2019-20 & 2020-21. Firms having specific experience of the relevant assignment will be given priority	6

Supporting Documents for Eligibility Criteria:

Following supporting documents must be submitted by the firm along with the technical proposal:

- a. Any firms not qualifying on these minimum criteria need not apply as its proposal shall be summarily rejected.
- b. For S. No. 1, the firm must submit an attested copy of Certificate of C&AG for the firm listed as major audit firm for financial year 2021-22.
- c. For S. No. 2, 3, 4 & 5 the firm must submit an attested copy of CONSTITUTION CERTIFICATE as well as the copy of FIRM CARD issued by ICAI as on date of advertisement and copy of partnership deed. The firm must have Head Office / Local Branch Office within the State of Maharashtra not less than 3 years.

- d. For S. No. 6, the firm must submit a certified copy of the Audited Balance Sheet & Profit & Loss Account for the last three years i.e. 2018-19, 2019-20 & 2020-21 duly certified by External Statutory Auditor.
- e. For S. No. 7, the firm must submit a copy of the appointment letters and the certificate stating that, the assignments are completed satisfactorily from the auditee organizations. (Bank and Branch Audit of any Bank shall not be considered while taking into account the total number of assignments).
- f. As regards S. No. 8, the firm must submit a copy of the appointment letters and the certificate stating that, the assignments are completed satisfactorily from the auditee organization which comes under Externally Aided Projects/ Social Sector Projects.
- g. The originals of all supportive documentary evidences may be furnished as and when called for its verification in case of selection to ensure about its authenticity & genuineness.

2. Additional Instructions to Auditors:

- i) The CA firm should not apply in Joint Venture or in association with any other CA firm.
- ii) Financial Statements and relevant schedules thereto shall be prepared in accordance with the format as prescribed under Public Trust Act.
- iii) The Auditor shall submit the reports in the form of two hard copies to concerned districts/ corporations and bill of the said assignment to be submitted to SHS for its payment along with soft and certified scan copies of all audit reports to the SHS. The payments will be made by SHS.
- iv) The auditor should be given access to any information relevant for the purpose of conducting the audit. This normally includes the State/ SHS/ MOHFW instructions issued from time to time.
- v) The past regional RKS statutory auditors engaged with NHM for past 3 consecutive years shall not be eligible to participate in the selection process for the initial fourth year for the same region. However, they may apply for different regions other than the region of which allotted to them for audit in past.
- vi) Similarly, the existing concurrent auditors not eligible to apply to regions of which district / corporations are allotted to them. They may apply for different regions.
- vii) The CA firms who have completed assignments under NHM satisfactorily will be given preference. However, those CA firms have not completed their assignments satisfactorily under NHM Maharashtra for whatsoever reasons, will be disqualified at the discretion of State Health Society, Maharashtra and nothing any correspondence will be entertained in this regard.
- viii) The firm shall give an undertaking that the team members are proficient in the State's/District's official language (both oral and written).
- ix) The Demand Draft drawn in favor of "State Health Society Maharashtra" for an amount of Rs.4200/- (Rupees Four Thousand Two Hundred Only) payable at Mumbai towards Tender Fees should be enclosed with the technical proposal along with form T-1.
- x) The Demand Draft drawn in favor of "State Health Society Maharashtra" for an amount of Rs.70,000/- (Rupees Seventy Thousand Only) payable at Mumbai towards Earnest Money Deposit (EMD) should be enclosed with the technical proposal along with form T-1.

- xi) The EMD amount will be returned to bidders after completion of selection process. However, the amount of EMD may be forfeited in case of any breach of terms and / or conditions of the RFP and / or contract.
- xii) The successful bidder has to submit 3 Percent Performance Security of the total value of the contract in the form of Bank Guarantee of any Nationalized or Scheduled Commercial Bank. The expiry of Performance Bank Guarantee (PBG) should not be less than 15 months from the date of its execution with the banker. The PBG will be returned to the bidder after 1 month of the expiry of the PBG period. Failure of the successful bidder to comply with the requirement of Performance Security shall constitute sufficient ground for cancellation of award and forfeit of Earnest Money Deposit. The amount of EMD will be liable to be refunded to successful bidder only after receipt of PBG.
- xiii) The proposals without Tender Fees and Earnest Money Deposit in the form of Demand Draft will be summarily rejected.
- xiv) The details of Demand Draft should be mentioned in form T-1. The said Tender Fee is not refundable.
- xv) In any case the demand draft for tender fees should not be attached with financial bid. If any bidder submits their demand draft with financial bid, then such proposals will be summarily rejected, considering that the demand draft with Technical bid not found attached and for which the State Health Society will not be responsible.
- xvi) All agencies must comply with the Technical Specification, General Conditions and Format/Requirements for Technical and Financial proposal as mentioned in the RFP.
- xvii) Financial proposals submitted by the firm should be valid for 6 months from the date of submission of the proposal by the firm.
- xviii) Each page, Form, Annexure and Appendices of the Technical and Financial Proposal must be duly filled in and signed by the Authorized signatory of the firm.
- xix) All blank spaces in the financial proposal must be filled in completely where indicated, either typed or written in ink.
- xx) **In case the bidding firm is found not suitable for audit on any reasonable ground like information by the Ministry / ICAI / any State / any audittee organization or if any etc., State Health Society (SHS) reserves the right to accept or reject any proposal without giving any reason or explanation.**
- xxi) **The auditors must have the H.O/ Branch Office in State for not less than 3 years for which the “Form U” to be submitted.**
- xxii) In case after the technical evaluation, if no bidding firm gets the minimum 65% marks than top three firms will be taken into consideration for opening for their financial bids. Even if there are only one or two firms, than they also be considered for opening of their financial bids at the discretion of SHS.
- xxiii) The firm or any partners of the firm should not be black listed by any PSUs or Govt. Co. or any other organisation in respect of any assignment or behaviour. [*Self-attested affidavit on Rs.500/- stamp paper is to be given in this regard by the authorised person of the firm*].
- xxiv) The firm shall give an undertaking that the team members are proficient in the State’s official language (both oral and written).

- xxv) Firm shall have to depute appropriate no. of teams for timely submission of Audit Report and to attain quality of audit. Each team shall have to be headed by a qualified chartered accountant. If the required constitution of the team is not deployed the state may take appropriate action as it deems fit (including blacklisting of the firm) against the firm, keeping the Ministry informed.

Section IV - Guidelines for Submitting the Proposals:

A. General Guidelines:

Agencies are required to submit the proposal as per the guidelines and formats detailed out in the following paras:

- i. The original copy of the Technical Proposal shall be placed in a sealed envelope clearly marked “**Technical Proposal**” Similarly, the original Financial Proposal shall be placed in a separate sealed envelope clearly marked “**Financial Proposal**” followed by the name of the assignment, and with a warning “Do Not Open With The Technical Proposal.” The envelopes containing the Technical and Financial Proposals shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address and title of the Assignment, and be clearly marked “**PROPOSAL FOR SELECTION OF REGIONAL STATUTORY AUDITOR FOR RKS 2021-22**”. The Society shall not be responsible for misplacement, loss or premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may provide a case for Proposal’s/ bid’s rejection. If the Financial Proposal is not submitted in a separate sealed envelope duly marked as indicated above, this shall constitute grounds for declaring the Proposal non-responsive/ invalid.
- ii. Team Composition & Number of Teams for the assignment: As there are a large number of districts and implementing entities below a district, a minimum sample coverage and time bound completion schedule, more than one team will need to be constituted for the assignment. The team(s) for the assignment (including those for audit of district & sub district level implementing units) must be headed by a qualified Chartered Accountant with one semi-qualified C.A. (C.A. Inter) and two support staff (Junior Auditor). The number of teams may be constituted in a manner that, each team does not have responsibility for audit of more than (6) to (8) units in a district. The technical proposal must clearly elaborate on the team composition as given in T-3 & T-4.
- iii. The CA firm has to apply through only one proposal for each region separately.
- iv. In case of inadequacy, One CA firm may be allotted maximum 2 regions in case of selection which is at the discretion of State Health Society Maharashtra. However, the interested CA firms may apply for any number of regions subject to proposal for each region to be submitted separately.

- v. The Audit fees should be mentioned clearly in numeric as well as in words. The quoted fees should be inclusive of all out of pocket expenses i.e. Boarding, Lodging, Food and Travelling etc. and exclusive of Taxes.
- vi. State Health Society (SHS) reserves the right to accept or reject any proposal without giving any explanation and can change the evaluation criteria as per its requirements in the interest of organisation.
- vii. State Health Society (SHS) may take its own decision while evaluating the proposal with regard to awarding weight ages for audit experience.

B. Technical Proposal will consist :

- a. Letter of Transmittal (**Form T-1**) along with tender fees and Earnest Money Deposit in the form of Demand Draft as stated in the RFP.
- b. Details of the Firm along with Details of firms and partners (**Form T-2**),
- c. Details of Qualified Staff & Semi-qualified Staff (**Form T-3**),
- d. Details of the Team Composition (**Form T-4**),
- e. Description of Approach, Methodology & Work Plan for performing the Audit. (**Form T-5**),
- f. Details of experience (**Form T-6**)

C. Financial Proposal will consist:

- a. The financial bid shall be submitted separately as prescribed in format **Form F-1** only.
- b. The firm has to quote consolidated audit fees giving a break up of professional (audit) fees including out of pocket expenses like Boarding / Lodging, TA / DA etc. This audit fee shall be exclusive of the taxes as applicable.
- c. **Percentage (or proportion) of funds involved/turnover shall not be basis for quoting the audit fee, and in such case the proposal shall be rejected.**
- d. The minimum estimated cost for the said assignment is expected to Rs.4125/- per RKS excluding taxes and including all out of pocket expenses like Lodging, boarding, traveling, food etc. However, CA firms should not quote less than the estimated cost while bidding to said assignment. In case any firm quotes below the estimated cost for the said assignment, in such case the proposal shall be liable to be rejected.
- e. In case the same audit fee is quoted by two or more CA firms, the selection of auditor shall be done considering the following factors (priority-wise): -
 - i) Technical score.
 - ii) Experience of audit of Government assignments including NHM.
 - iii) Turnover of the firm.
- f. The selection will be done by selecting the firm having lowest quotation in Financial Bid (L-1) after finalizing the Technical proposal.
- g. SHS reserves right to ask justification in case of quoted rates.

Letter of Transmittal

To,

The Commissioner, Health Services and
Mission Director, NHM,
State Health Society Maharashtra,
308, 3rd Floor, Arogya Bhavan,
St. Georges Hospital Compound,
Nr. CST Station,
Mumbai – 400001.

Sir,

We, the undersigned, offer to provide the audit services for region
(Enter name of region to be applied) in accordance with your Request for Proposal dated [Insert
Advertisement Date] for selection of Region wise RKS Statutory Auditors for F.Y. 2021-22. We
hereby submitting our Proposal, having details about the firm and proposed audit fees.

We hereby submitting our proposal which includes this Technical Proposal sealed under a
separate envelope along with a demand draft for an amount of Rs.4,200/- (Rupees Four Thousand Two
Hundred Only) towards Tender Fees and Rs.70,000/- (Rupees Seventy Thousand Only) towards EMD
in favour of State Health Society Maharashtra vide DD Number Dt..... and DD
Number..... Dt..... drawn on (Bank Name). We understand that, the amount of Tender Fees
is not refundable.

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

The Fees quoted by us is valid till six months from the date of submission of the proposal. We
confirm that this proposal will remain binding upon us and may be accepted by you at any time before
the expiry date.

Prices have been arrived independently without consultation, communication, agreement or
understanding (for the purpose of restricting competition) with any competitor. We hereby declare
that, our firm and all the partners of the firm are complying with the Chartered Accountants Act 1949,
other notification and guidelines issued by ICAI from time to time.

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

**We understand that State Health Society Maharashtra is not bound to accept the lowest
or any proposal or to give any reason for award, or for the rejection of any proposal.**

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

Yours faithfully,

(Signature and Seal)

Place: -

Date: -

Format for Technical Proposal

Sr. No.	PARTICULARS	Supporting Documents required to be submitted along with this Form
1	Name of the Firm	
2	Addresses of the Firm:	
	Head Office	Phone No:
		Fax No:
		Mobile No. of Head Office In-charge:
	Date of establishment of the firm	
	Date since when is H.O. at the existing Station	
	Branch Office 1,2,3.....(Particulars of each branch to be given)	Phone No: Fax No: Mobile of each Branch Office In-charge:
	Mention the date of establishment of each branch offices since when existed at the existing place	
3	Firm Income Tax PAN No.	Attach copy of PAN card
4	Firm TAN Registration No.	Attach copy of Registration
5	Firm GST Registration No	Attach copy of Registration
6	Firm's Registration No. with ICAI	Attach a copy of certificate downloaded from ICAI Website showing the name & address of H.O., B.O. and partners etc.
7	Empanelment No. with C&AG	Attach proof of empanelment with C&AG as major audit for PSUs for the year under Audit (2021-22) confirming that the firm is eligible for major PSU audits.
8	No. of Years of Firm Existence & Date of establishment of Firm	Attach copy of Partnership Deed
9	Turnover of the Firm in last three years (i.e. 2018-19, 2019-20 & 2020-21)	Attach a copy of Balance Sheet and P & L Account of the last three years or a C.A. Certificate give Break-up of Audit Fee and Other Fees Received.

10	<p>Audit Experience of the Firm:</p> <ol style="list-style-type: none"> 1. Number of Statutory Assignments in Corporate / PSUs Statutory Audit 2. Number of Assignments of Externally Aided Projects/Social Sector Project (excluding audit of Charitable Org. /Institutions &NGOs except audit of NGOs engaged under NHM) 3. Experience in the NHM audit (i.e. 2018-19, 2019-20 & 2020-21) 	<p>Copy of the Offer Letter & the Fee Charged for each assignment. (Relevant evidences to be given of the turnover and fee)</p>
11	<p>Details of Partners: Provide following details:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Number of Full Time Fellow Partners associated with the firm <input type="checkbox"/> Name of each partner <input type="checkbox"/> Date of becoming ACA and FCA <input type="checkbox"/> Date of joining the firm <input type="checkbox"/> Membership No. <input type="checkbox"/> Qualification <input type="checkbox"/> Experience <input type="checkbox"/> Whether the partners is engaged full time or part time with the firm <input type="checkbox"/> Their Contact Mobile No., email and full Address (Attested copy of Certificate/letter of ICAI as on date of advertisement. 	<p>Attested copy of Certificate of ICAI and firm cards ICAI as on date of advertisement.</p>

Details of Qualified Staff (Chartered Accountants)

(Please provide a self-attested copy of Certificate of ICAI as on date of advertisement for each qualified staff)

Sr. No.	Name of Staff	Length of Association with the Firm (in years)	Educational Qualifications	Area of Key Expertise	Membership No.	Relevant Experience
FCAs						
1						
2						
3						
4						
5						
.						
.						
.						
ACAs						
1						
2						
3						
4						
5						
.						
.						
.						
Article Clerks						
1						
2						
3						
4						
5						
.						
.						
.						
Semi Qualified / Other Staff						
1						
2						
3						
4						
5						
.						
.						

**Details of Structure & Composition of Team and Task Assignments –
DEPLOYED FOR Proposed Assignment**

Each team will constitute of minimum 4 members with qualifications as below:

Name	Position/ Team Number	No's (Mini mum)	Educational Qualification	Key Responsibil ities or Task Assigned	Relevant Experienc e and period of associatio n with the firm	Name of the firm to which he belongs in case of Associate	Number of Man days estimate d for task completi on
Chartered Accountant	Team Leader	1					
Semi- Qualified (CA Inter)	Individual District Team Lead	1					
Article / Support Staff (Jr. Auditors)	Support to team	2					
Total estimated man days required to complete the task							

Firms must also clearly bring out the number of teams it plans to deploy for the audit keeping in view the scope of work, coverage and Guidelines for submitting the proposal.

Structure of each team should be indicated as per format below

Structure of Team 1, 2, 3:

Name of CA	Names of Support Staff	Qualifications	Number of districts (including the blocks as specified in RFP) proposed to be covered.	Time Required for Each assignment

Description of Approach & Work Plan for performing the Audit of SHS & DHS

A. Technical Approach :

The firm should explain the understanding, the objectives of the assignments, approach to the services, methodology for the carrying out the activities and obtaining the expected output, and the degree of the detail of such output.

B. Work Plan along with the time required for each work/ assignment in the State/ District/ Blocks etc:

The firm should propose the main activities of the assignment, their content and duration, phasing and inter-relations, milestones (including interim approval by the SHS), and delivery dates of the reports.

The proposed work plan should be consistent with the technical approach showing understanding of the TOR and ability to translate them in to a feasible working plan.

Brief of Relevant Experience:

A. Experience of Statutory Audit of Corporate/PSUs entities in last 3 financial years (Except Bank and Branch audit)						
Sr. No.	Name of the Auditee Organization	Turnover of the Auditee organization (Please refer RFP)	Type/Nature of Assignment	Scope & Coverage of the assignment	Duration of Completion of Assignment	Proof of the letter of Work or Assignment awarded by the Auditee Organization (Pl attach a copy of the letter) And Mention the Fee Received

B. Experience of audit in relation to Externally Aided projects/ Social Sector Projects.						
Sr. No.	Name of the Auditee Organization	Grant-in-aids handled of the auditee organization	Type/Nature of Assignment	Scope & Coverage of the assignment	Duration of Completion of Assignment	Proof of the letter of Work or Assignment awarded by the Auditee Organization (Pl attach a copy of the letter)

ON LETTER HEAD OF CA FIRM

Form F-1

FINANCIAL BID

for selection of RKS Statutory Auditors for F.Y. 2021-22 for Region-.....

Particulars		Total Amount (in Rupees)
Annual Audit fees: (Including all out of pocket expenses like Boarding / Lodging, TA/DA etc.	Both in Numeric and in Words. Rs...../-
		(In words Rupees)
GST
Total fees)

Note: 1. Percentage of funds involved shall not be a basis of quoting the Audit Fee.

Note: 2. In case of change in the rate of Taxes, the same will be applicable.

Note: 3. In case of discrepancy in numeric & words, the amount mentioned in words will be treated as valid.

Yours faithfully,

(Signature and Seal)

Place:-

Date:-

(Letter of undertaking for having the local office in the State)

To,

The Commissioner, Health Services and
Mission Director, NHM,
State Health Society Maharashtra,
308, 3rd Floor, Arogya Bhavan,
St. Georges Hospital Compound,
Nr. CST Station,
Mumbai – 400001.

Sir,

We, the undersigned offer to provide the audit services for
.....*region (Enter name of region to be applied)* in accordance with your
Request for Proposal dated [*insert Advertisement date*]. We hereby submit our Proposal,
having details about the firm and proposed audit fees.

We hereby declare that our firm is having Head/ Branch offices in the State of
Maharashtra and is situated at
.....
.....
address proof (photocopy of letter for incorporation of firm / ICAI certificate etc.) of this
office in the State is enclosed herewith.

We hereby also give an undertaking that the firm’s staff deputed for the audit is
proficient in State’s/UTs local language, both in oral and written form.

We hereby understand that any information given here if found to be false or
misleading will be treated as fraud and appropriate action can be taken in this regard.

Yours faithfully,

(Signature and Seal)

Place:-

Date:-

Encl:

- 1.....
- 2.....

Section – V

Selection Methodology:

A pre-bid conference shall be held wherein clarifications that the potential bidders may have shall be clarified.

A two-stage procedure shall be adopted in evaluating the proposals as below:-

First Stage:

- i. Only Technical Proposals shall be opened first for all the firms.
- ii. Thereafter, a technical evaluation shall be carried out as per the evaluation parameters in "Eligibility Criteria" of the RFP.
- iii. The proposals which are fulfilling eligibility criteria only will be considered for technical evaluation for which technical score/ marks will be given. 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.
- iv. The technical proposal scoring at least 65% of the marks shall be considered as "Qualified on Technical Parameters". Or if it fails to achieve the minimum technical score (i.e. at least 65%) the proposal will be rejected at this stage.

v. TECHNICAL EVALUATION:

Eligibility criterion of the firms shall be based on the various criteria as given in the table below. The technical proposal evaluation shall be based on the following parameters.

Sl. No.	Particulars	Minimum Criteria	Max Marks	Evaluation Criterion
1.	Number of Full Time Fellow Partners associated with the firm for not less than 5 years (As per certificate of ICAI as on date of advertisement)	4	10	Firms with minimum 4 FCA partners = 4 marks, FCA partners 5 up to 9 = 8 marks and, FCAs 10 and above = 10 marks,
2	ACAs	2	10	Minimum 2 ACA=5 Marks, ACA 3 to 5 =8 Marks, ACA 6 & above =10 Marks,
3.	Turnover of the firm (Average annual in last three financial yrs.)	Minimum Rs.50 Lakhs	10	Rs 50 to 60 Lakhs= 5 marks, Rs. 61 to 70 Lakhs= 8 marks, & Above 71 Lakhs = 10 marks

4.	Experience of audit assignments of Concurrent /Statutory Audit of Corporate/PSUs entities. (During last 3 financial years i.e. 2018-19, 2019-20 & 2020-21)	5	15	Minimum 5 assignments = 5 marks 6 to 10 = 10 marks 11 and Above assignments = 15 marks
5.	Experience of audit assignments related to Externally Aided Projects / Social Sector Projects. (During last 3 financial years i.e. 2018-19, 2019-20 & 2020-21)	6	15	Minimum 6 assignment =5 mark 7 to 10 assignment = 10 mark 11 and Above assignments = 15 marks
6.	Adequacy of the proposed Technical Approach, Methodology & work plan	---	10	As per the evaluation of the Proposal as Good/ Better / Best.
7.	Firm having audit experience under NHM. (During last 3 financial years i.e. 2018-19, 2019-20 & 2020-21)	---	5	---
8.	Deployment of team composition	---	25	2 marks per team.
Total			100	

Supporting Documents must be submitted by the firm along with the technical proposal.

Second Stage:

1. The firm must achieve at least 65% of the marks to qualify on technical parameters. Financial proposals shall be opened only for those firms who have qualified on Technical Parameters.
2. In case after the technical evaluation, if no bidding firm gets the minimum 65% marks than top three firms will be taken into consideration for opening for their financial bid. Even if there are only one or two firms than they may also be considered at the discretion of SHS.
3. **Least Cost Method shall be followed.**
4. The SHS reserves the right to change / cancel the evaluation / marking criteria without assigning any reason and to change in evaluation criteria as per requirement and in the interest of organization.

Award of Contract:

On completion of selection process, the firm selected shall be awarded the contract of audit of RKS by issuing the Letter of Award (LOA). The firm should execute a Contract with the State Health Society (SHS) within a period of a week from the issuance of LOA. The firm shall enter in to an agreement on a stamp paper with the SHS in this regard.

At present, as per Maharashtra Stamp Duty Rule Section 10 (D) and Government of Maharashtra, Notification dated 03-06-2016 Section 63, the Stamp Duty is as shown below:

No	Agreement Cost	Stamp Duty
1	Up to Rs 10 Lakhs	Rs. 500/-
2	Above Rs 10 Lakhs	Rs. 500/ + 0.10% Agreement Cost above Rs.10 Lakhs subject to maximum of Rs. 25 Lakhs.

The bidder shall bear the cost of stamp duty on agreement cost as per the Indian Stamp Duty Act (1995 or any latest revision) provision applicable during the contract period at the rates applicable at the time of acceptance of bid.

Sr. No	Circles	Districts	PHCs	RHs	SDHs	WHs	GHs	DHs	TB Hospitals	Leprosy Hospitals	MHs	OHs	Regional Referral Hospitals	UPHC	UCHC	Total	Circle total
1	Thane	Palghar	46	9	3	0	0	0	0	0	0	0	0	23	1	82	451
		Thane	33	6	3	1	3	1	0	0	1	0	0	105	6	159	
		Raigad	52	10	5	0	0	1	0	0	0	0	0	8	0	76	
		Mumbai	0	0	0	0	0	0	0	0	0	0	0	134	0	134	
2	Pune	Pune	96	20	5	1	0	1	1	1	1	0	0	95	22	243	450
		Satara	72	15	2	0	0	1	0	0	0	0	0	4	0	94	
		Solapur	77	13	3	0	0	0	0	0	0	0	0	18	2	113	
3	Akola	Akola	31	5	1	1	0	0	0	0	0	0	0	11	0	49	341
		Amravati	59	9	4	1	0	1	1	0	0	0	1	16	0	92	
		Buldhana	52	12	2	0	1	1	1	0	0	0	0	6	0	75	
		Washim	25	7	1	0	0	1	0	0	0	0	0	2	0	36	
		Yavatmal	66	14	3	0	0	0	0	0	0	0	0	6	0	89	
4	Nashik	Nashik	117	23	5	1	1	1	0	0	0	0	1	45	2	196	580
		Dhule	41	6	2	0	0	0	0	0	0	0	0	6	0	55	
		Nandurbar	62	11	2	0	0	1	0	0	0	0	0	3	0	79	
		Jalgaon	77	17	3	0	0	1	0	0	0	0	0	18	0	116	
		Ahmednagar	98	23	2	0	0	1	0	0	0	0	0	10	0	134	
5	Latur	Latur	46	10	2	1	0	0	0	0	0	0	0	10	0	69	296
		Osmanabad	46	7	4	1	0	1	0	1	0	0	0	2	0	62	
		Beed	50	11	3	1	0	1	0	0	0	0	0	5	0	71	
		Nanded	65	12	4	1	0	0	0	0	0	0	0	11	1	94	
6	Kolhapur	Kolhapur	78	16	4	0	1	0	1	1	0	0	0	17	2	120	341
		Sangli	62	13	2	0	0	0	0	0	0	0	0	11	1	89	
		Ratnagiri	67	8	3	0	0	1	0	0	1	0	0	3	0	83	
		Sindhudurg	38	7	3	0	0	1	0	0	0	0	0	0	0	49	
7	Aurangabad	Aurangabad	50	11	3	0	0	0	0	0	0	0	0	22	0	86	226
		Jalna	44	8	1	1	0	1	0	0	0	0	0	3	0	58	
		Parbhani	31	6	2	1	0	1	0	0	0	1	0	7	0	49	
		Hingoli	24	3	2	0	0	1	0	0	0	0	0	3	0	33	
8	Nagpur	Nagpur	56	10	2	1	0	0	0	0	1	0	0	31	0	101	387
		Wardha	29	6	2	0	0	1	0	0	0	0	0	4	0	42	
		Bhandara	33	7	2	0	0	1	0	0	0	0	0	1	0	44	
		Gondia	40	10	1	1	0	1	0	0	0	0	0	1	0	54	
		Chandrapur	58	11	4	0	0	1	0	0	0	0	0	9	0	83	
		Gadchiroli	48	9	3	1	0	1	0	0	0	0	0	1	0	63	
Total			1869	365	93	14	6	23	4	3	4	1	2	651	37	3072	3072

Abbreviations stand for:-

1	ACA	Associate Chartered Accountant
2	AMG	Annual Maintenance Grant
3	BO	Branch Office
4	C&AG	Comptroller & Auditor General
5	DH	District Hospital
6	EMD	Earnest Money Deposit
7	FCA	Fellow Chartered Accountant
8	FMR	Financial Monthly Report
9	GFR	General Financial Rule
10	GH	General Hospital
11	HO	Head Office
12	ICAI	Institute of Chartered Accountants of India
13	IMR	Infant Mortality Rate
14	LOA	Letter of Award
15	MH	Mental Hospital
16	MMR	Maternal Mortality Ratio
17	NCD	Non-Communicable Diseases
18	NDCP	National Disease Control Programmes
19	NGO	Non-Government Organization
20	NHM	National Health Mission
21	NUHM	National Urban Health Mission
22	PBG	Performance Bank Guarantee
23	PHC	Primary Health Centre
24	PHU	Primary Health Unit
25	PSU	Public Sector Undertakings
26	RCH	Reproductive and Child Health
27	RFP	Request For Proposal
28	RH	Rural Hospital
29	RKS	Rugna Kalyan Samitee
30	SC	Sub-Centre
31	SDH	Sub District Hospital
32	SHS	State Health Society
33	TFR	Total Fertility Rate
34	UHC	Urban Primary Health Centre
35	UF	Untied Fund
36	UPHC	Urban Community Health Centre
37	WH	Women Hospital