



Millennium Development Authority (MiDA)

PRE-PROPOSAL CONFERENCE

Audit of Resources Managed by the Millennium Development Authority

February 27, 2018

Venue: Alisa Hotel, Ridge, Accra

Presented By

John Boakye

Chief Financial Officer, MiDA

OUTLINE OF PRESENTATION

- COMPACT II OVERVIEW
- INSTITUTIONAL ARRANGEMENTS & RELATIONSHIPS
- AUDIT PERIOD
- AUDIT SCOPE
- KEY DELIVERABLES
- PERSONNEL REQUIREMENTS
- TERMS OF PAYMENT & PAYMENT CONDITIONS

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COMPACT II OVERVIEW

Compact II (Power Compact):

An international treaty between the US Government represented by Millennium Challenge Corporation (MCC) and the Republic of Ghana represented by MiDA to develop the power sector.

Compact Goal.

The goal of the Compact is to reduce poverty through economic growth in Ghana

Objectives

- Increase private sector investment, productivity, and profitability of micro, small, medium and large scale businesses;
- Increase employment opportunities for men and women; and
- Raise earning potential from self-employment and improved outcomes for men and women.

Total (projected) Program Funds: US\$ 535.6M (includes Government Contribution of US\$ 35.4M)

Compact Duration: Five (5) years from EIF **EIF Date:** September 6, 2016

Compact Projects & Activities

The Six (6) Compact Projects are divided into two (2) broad areas:

Infrastructure/ Foundational Projects:

- ✓ ECG Financial & Operational Turnaround (EFOT)
- ✓ NEDCo Financial & Operational Turnaround (NFOT)
- ✓ Access
- ✓ Energy Efficiency & Demand Side Management

Reform/Policy Projects

- ✓ Regulatory Strengthening & Capacity Building
- ✓ Power Generation Sector Improvement
- ✓ Energy Efficiency & Demand Side Management

Compact Projects & Activities – Cont'd

EFOT Project (US\$ 351.2MM)

Private Sector Participation (PSP)

Modernizing Utility Operations

Reduce Commercial Losses & Improve Revenue Collection

Technical Loss Reduction

Outage Reduction

NFOT Project (US \$65.7MM)

Private Sector Participation (PSP)

Modernizing Utility Operations

Reduce Commercial Losses & Improve Revenue Collection

Technical Loss Reduction

Outage Reduction

Regulatory Strengthening & Capacity Building (US \$5MM)

Sector Performance Monitoring Capacity Building

Tariff Review and Regulation

Access Project (US \$10MM)

Infrastructure Upgrades

Social Inclusiveness & Improved Partnerships

Power Generation Improvement (US \$16.3MM)

Operationalize "Gas to Power" value chain

Facilitate LNG Development

Strengthen Sector Planning & IPP Framework

EEDSM (US \$25.4MM)

Development & Enforcement of standards and labels

Improved Energy Auditing

Education and Public Information

Demand Side Management Infrastructure

Overview of the Audit Assignment

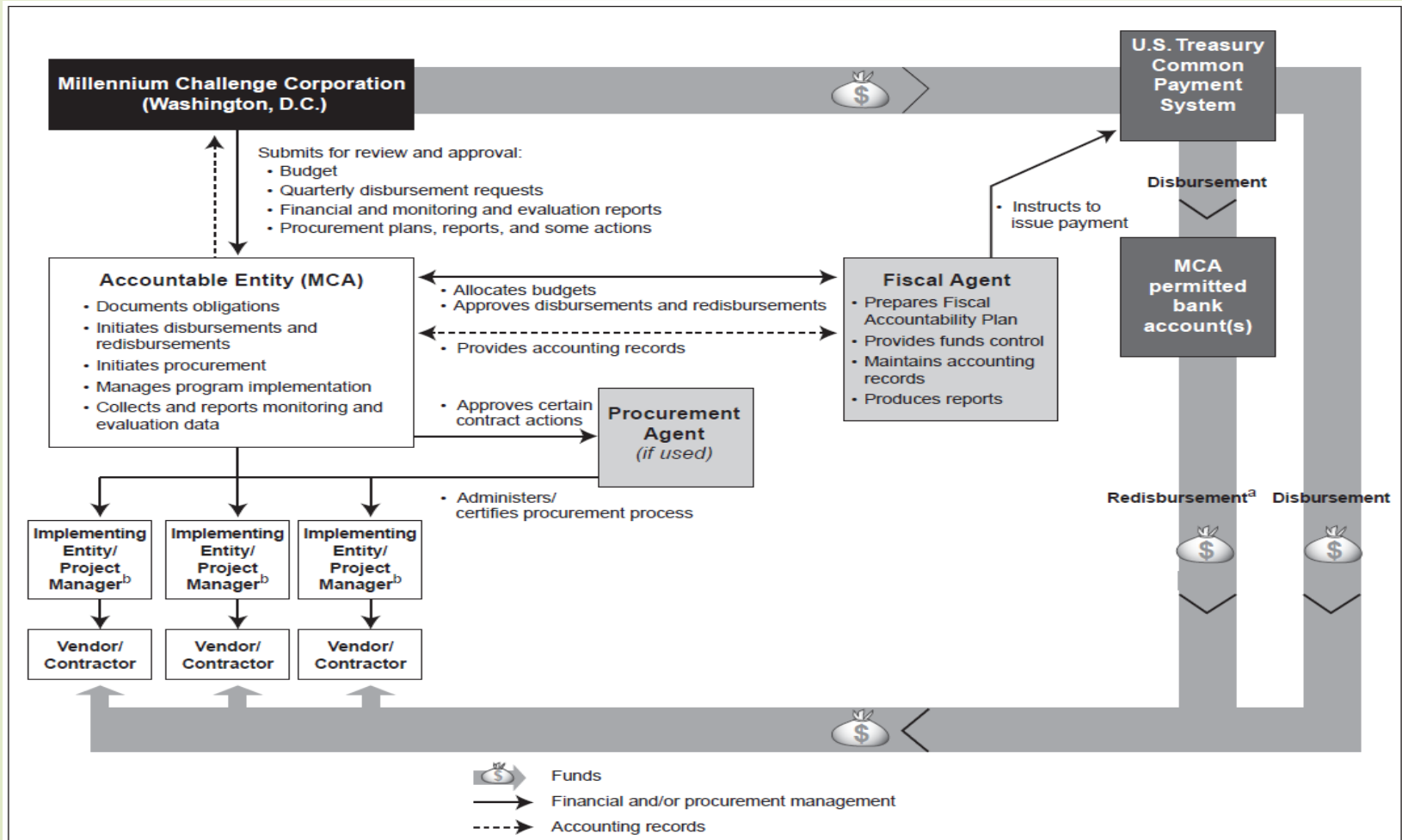
Objectives:

- To conduct financial audits of the MCC resources managed by MiDA under the Grant and Implementation agreements between MCC and the Government.
- To conduct financial audits of the MCC and Government resources, including Compact Implementation Funding, Compact Funding and the Government contribution managed by MiDA under the Compact Agreement between MCC and the Government of Ghana.

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INSTITUTIONAL ARRANGEMENTS & RELATIONSHIPS



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AUDIT PERIOD

- Audits of resources managed by MiDA will be semi-annual with periods ending either March 31 or September 30 except the Base Period and the Tenth Option Period.
- Audit Period may be combined, extended, or modified from time to time if MiDA together with MCC/OIG deems that appropriate.
- Base Period covers 37.5 months ending September 30, 2016.

AUDIT PERIOD

Contract Period	Audit Period Covered	
	From	To
Base Audit Period	August 14, 2013	September 30, 2016
First Option Period	October 1, 2016	March 31, 2017
Second Option Period	April 1, 2017	September 30, 2017
Third Option Period	October 1, 2017	March 31, 2018
Fourth Option Period	April 1, 2018	September 30, 2018
Fifth Option Period	October 1, 2018	March 31, 2019
Sixth Option Period	April 1, 2019	September 30, 2019
Seventh Option Period	October 1, 2019	March 31, 2020
Eight Option Period	April 1, 2020	September 30, 2020
Ninth Option Period	October 1, 2020	March 31, 2021
Tenth Option Period	April 1, 2021	January 4, 2022

AUDIT PERIOD

Contract Period	Audit Period	Planned Disbursements to be Audited* (in U.S. Dollars)			
		609(g)	CIF	COMPACT	GOVERNMENT CONTRIBUTION
Base Audit Period	August 14, 2013 to September 30, 2016	398,633	13,877,349		
First Option Period	October 1, 2016 to March 31, 2017			3,814,604	0
Second Option Period	April 1, 2017 to September 30, 2017			5,184,359	0
Third Option Period	October 1, 2017 to March 31, 2018			12,746,926	3,702,030
Fourth Option Period	April 1, 2018 to September 30, 2018			64,671,155	9,997,927
Fifth Option Period	October 1, 2018 to March 31, 2019			131,808,404	7,598,867
Sixth Option Period	April 1, 2019 to September 30, 2019			20,053,557	4,629,911
Seventh Option Period	October 1, 2019 to March 31, 2020			97,942,108	5,220,974
Eight Option Period	April 1, 2020 to September 30, 2020			15,310,903	4,213,128
Ninth Option Period	October 1, 2020 to March 31, 2021			33,485,690	0
Tenth Option Period	April 1, 2021 to January 4, 2022			99,304,944	2,002,164

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AUDIT SCOPE

Auditor must use the following steps as the basis for preparing their Audit Programs (Not all-inclusive).

- Pre-Audit Steps: Auditor must review the following documents; 609(g) Agreement, Compact, Supplemental agreements, PIA, Bank Agreement, Fiscal Agent Agreement, Procurement Agent Agreement, Fiscal Accountability Plan, Procurement Operations Manual and others.
- Fund Accountability Statement, a financial statement for MiDA. The Auditor may prepare or assist MiDA in the preparation of the FAS.
- Government Contribution Schedule, Auditor may prepare or assist in preparing the cost sharing schedules.

AUDIT SCOPE

- Closeout Audits.
- Internal Control . The Auditor must review and evaluate MiDA's internal control related to the development and implementation of the compact to obtain a sufficient understanding of the design of relevant control policies and procedures.
- Compliance with Agreement Terms and Applicable Laws and Regulations.
- Follow Up on Prior Audit Recommendations. Refer to *Chapter 4 of the US Government Auditing Standards*.
- Indirect Costs Rates (If Any).
- Other Audit Responsibilities Example is Holding of Entrance and Exit Conferences with MiDA.

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DELIVERABLES

The Base Period audit and each subsequent Option Period audit will require that the Auditor submits to OIG and MiDA the following:

- Audit Planning Document: This deliverable shall include a detailed Audit Program with clearly established milestones for completing the audit. **(To be submitted within 15 calendar days after commencement of services).**
- Draft Audit Report ; This deliverable shall include an indexed draft audit report that includes the Auditor's opinion on the financial statements, on internal controls, on compliance with the terms and conditions of the Compact and related agreements and laws and regulations applicable to MiDA. **(To be submitted within 60 calendar days after commencement of services or 45 calendar days after OIG approval of planning document for Option Period Audits).**

DELIVERABLES

- Final Audit Report: This deliverable shall include the final Auditor's opinion and reports noted on the last sheet. **(To be submitted within 15 calendar days after approval by the OIG of the draft audit report)**.

Deliverables must be submitted to the OIG at MCCFA@USAID.gov

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PERSONNEL REQUIREMENTS

Audit Manager (Team Leader)

- Qualified Accountant
- Familiar with US Government Auditing Standards
- Minimum of 12 years practical experience
- Experience in auditing large (multimillion dollars) project.

Senior Auditors (Quantity 2)

- Graduates of a University.
- Familiar with US Government Auditing Standards
- Minimum of 8 years practical experience.

➤ **Additional considerations:**

- The Auditor must provide a team of experts with qualifications and experience needed to perform the roles and obligations specified in the TOR.

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TERMS OF PAYMENT

The Payment schedule for each period will be as follows:

- 20% of the fixed price amount for the completion of the **Audit Planning Document**. **(Deliverable # 1)**
- 20% of the fixed price amount paid upon completion of the formal **entrance conference** for which auditors to provide formal meeting minutes to MiDA as supporting documentation.
- 20% of the fixed price amount paid upon completion of the formal **entrance conference** for which auditors to provide formal meeting minutes to MiDA as supporting documentation.
- 20% of the fixed price amount paid upon completion of the **Draft Audit Report** and approval thereof by the OIG. **(Deliverable # 2)**
- 20% of the fixed price amount paid upon completion of the **Final Audit Report** and approval thereof by the OIG. **(Deliverable # 3)**

PAYMENT CONDITIONS

- Payment to be made not later than (30) days following submission by the Auditor of Invoices to the MiDA Fiscal Agent.
- No Payments shall be made without the approval of the OIG for Deliverables No. 1, 2, and 3.
- Any payments not made by MiDA before January 4, 2022 will be made by MCC (via a payment mechanism to be set directly between the Auditor and MCC).

THANK YOU





Millennium Development Authority (MiDA)

REQUEST FOR PROPOSALS

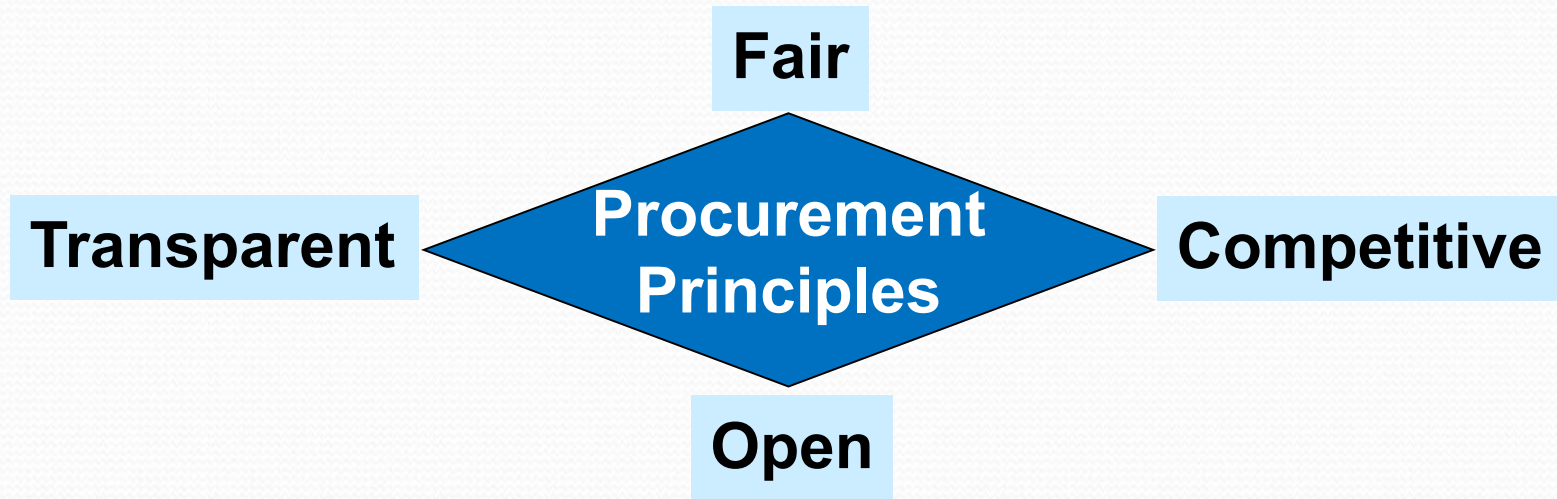
MCC STANDARD BIDDING DOCUMENT ADAPTED FROM IDA/WORLD BANK STANDARD DOCUMENTS BUT ADAPTED TO SUIT MCC.

REMEMBER THIS IS UNTIED AID AND COMPETITION IS OPEN WORLDWIDE.

IMPORTANT FOR INTERESTED BIDDERS TO READ THE RFP CAREFULLY AS THIS NEW VERSION HAS ONLY BEEN EFFECTIVE FROM MAY 2016.

IF IN DOUBT ON ANY ISSUE(S) ALWAYS ASK FOR CLARIFICATION BY THE ADVERTISED DEADLINE.

MiDA PROCUREMENT PRINCIPLES



- Procurement Agent to ensure integrity of the process
- Open competition wherever possible
- No geographic or national preferences
- Independent and suitably qualified Evaluation Panels
- MCC and MiDA Board of Directors approvals over certain thresholds
- Price Reasonableness Analysis
- Contractor Past Performance Reports
- Reference Checks
- Bid Challenge System (www.mida.gov.gh) and Debriefings

PART 1 - SECTION I

INSTRUCTIONS TO CONSULTANTS

READ CAREFULLY, AND IN PARTICULAR NOTE

CLAUSE 17

- Clearly mark your outside envelope/package with the name and reference for the assignment – also see Proposal Data Sheet;
- Ensure that the required number of your Technical and Financial Proposals are provided – also see Proposal Data Sheet;
- Ensure that the Technical and Financial Proposals are enveloped separately and also clearly marked with the name and reference for the assignment.

PART 1 - SECTIONS II AND III

Section 2 – The Proposal Data Sheet supersedes the related clauses from the Instructions to Consultants. Please also note that Proposals must be submitted no later than **15:00 hours Ghana time on 23rd March 2018**.

Section 3 – The Qualification and Evaluation Criteria shows the marks to be awarded for each category and you are required to obtain a total of 80 marks if you are to pass and enable your Financial Proposal to be opened and evaluated.

SECTION III - QUALIFICATION AND EVALUATION CRITERIA

LEGAL STATUS - LETTER OF INCORPORATION WITH TECH-1

FINANCIAL CRITERIA - ACCOUNTS AND CREDIT FACILITIES TO EVIDENCE SUFFICIENT FINANCE TO COMPLETE THE CONTRACT

LITIGATION CRITERIA – FOR CONTRACTS IN LAST 5 YEARS

ORGANIZATIONAL CAPABILITY AND EXPERIENCE OF THE CONSULTANT – EVIDENCE OF SUCCESSFUL EXPERIENCE ON PROGRAM/PROJECT MANAGEMENT CONSULTANCIES

APPROACH, METHODOLOGY, AND WORK PLAN - RESPOND TO THE REQUIREMENTS OF THE TOR AND THE STATED CRITERIA

KEY PROFESSIONAL PERSONNEL – EDUCATIONAL QUALIFICATIONS, RELATED WORK EXPERIENCE, AND EXPERIENCE IN DEVELOPING COUNTRIES

SECTION III - QUALIFICATION AND EVALUATION CRITERIA

- **Form TECH-2A. Financial Capacity of the Consultant**
- **The Consultant is required to provide information on its financial status. This requirement can be met by submission of one of the following:**
- ***audited financial statements for the last three (3) years, supported by audit letters,***
- **OR**
- ***certified financial statements for the last three (3) years, supported by tax returns.***
- **Failure to submit either of the documents as evidence of financial capacity will result in the rejection of the Proposal.**
- **If the Proposal is submitted by a joint venture, all parties of the joint venture are required to submit their financial statements. The reports should be submitted in the order of the Associate's significance in the joint venture, greatest to least.**

SECTION IV

Section IV A – The Technical Proposal Forms Consultants will need to respond to each section and to assist the evaluation process if Consultants use separators to divide your responses to each of the **TECH-1 to TECH-11** forms.

Section IV B – The Financial Proposal Forms Consultants will need to respond to each section and to assist the evaluation process if Consultants use separators to divide your responses to each of the **FIN-1 to FIN-4** forms.

TECH FORM - PART 1

- **TECH-1** *Use the form and wording of the letter provided and attach Power of Attorney, Letter of Incorporation, Joint Venture or Association Agreements.*
- **TECH-2A** *Attach Audited or Certified Financial Statements for the last 3 years and complete the Balance Sheet information Form.*
- **TECH-2B** *Provide details of all current or past legal proceedings, litigation, arbitration, action claims investigations or disputes over the last five (5) years.*
- **TECH-3** *Provide the background and organization of your firm/entity, your organization chart, and demonstrate your organizational capability and experience.*
- **TECH 4** *Provide information on all relevant assignments your organization has carried out relevant to the TOR – all MCC funded work must be included.*
- **TECH-5A** *At least three (3) references with name, physical address, phone/mobile and email address of referees that can provide substantial input about the type of work performed and confirming the quality of work shown in form TECH-4.*
- **TECH-5B** *References with name, physical address, phone/mobile and email address of referees for all MCC Funded work shown in form TECH-4.*

TECH FORMS - PART 2

- **TECH-6** *Description of your Technical Approach and Methodology, Work Plan, and Organization and Staffing for the assignment – show an understanding of the assignment, what you will do and how you will do it.*
- **TECH-7** *Present and justify any modifications or improvements to the TOR you are proposing to improve performance in carrying out the assignment.*
- **TECH-8** *List the name, organization, and area of expertise for the Key Personnel proposed as well as the position [for the Assignment, not their corporate position] and tasks assigned for the Assignment.*
- **TECH-9** *Provide the home and field staffing inputs for all Key and Non-Key Personnel (Support Staff).*
- **TECH-10** *Provide a list of all the main activities, deliverables and other milestones for the assignment.*
- **TECH-11** *Please ensure you follow the format of the CV provided. With regards the educational qualifications of personnel you must clearly indicate the year(s) of academic qualification. Also ensure that the number of years of experience for personnel is clearly detailed on the CV.*

FIN FORMS

- **FIN-1** *Use the form and wording of the letter provided and insert the relevant date and amount(s) in words and figures.*
- **FIN-2** *Insert the total fully loaded price in the relevant currency (US Dollars, or Ghanaian Cedi, or a combination of both).*
- **FIN-3** *Complete the Breakdown of Price by Activity using fully loaded prices and listing/pricing each of the line item activities in the whole assignment.*
- **FIN-4** *Complete the Breakdown of Price by Remuneration giving home and field rates for all of the Key and Non-Key Personnel in forms TECH-8 and TECH-9 of your Proposal.*

PART 1 - SECTION V

Terms of Reference – Consultants should read these carefully as it provides, among others, details of:

- the scope of work required under this assignment,
- the level of effort, and
- the Key and any Non-Key Personnel requirements.

PART 2 – CONTRACT AGREEMENT

This is the new form of Contract Agreement that you will be required to sign so please read the terms and conditions carefully.

If you are in any doubt about any of the terms of Contract it is advisable to ask for clarification at this stage.

Note: The General Conditions of Contract and MCC Additional Provisions will not be changed.

CLARIFICATION QUESTIONS AND RESPONSES

CLARIFICATION QUESTIONS MUST BE SENT **BY E-MAIL** NO LATER THAN CLOSE OF BUSINESS ON **2nd March, 2018** TO:

paghana@charleskendall.com

and copy to

procurement@mida.gov.gh

YOU MUST USE THESE ADDRESSES TO SOLICIT A WRITTEN RESPONSE TO YOUR QUESTIONS INCLUDING THOSE RAISED AT THIS MEETING.

RESPONSES TO ALL QUESTIONS WILL BE ISSUED ALONG WITH THE MINUTES OF THE PRE-PROPOSAL MEETING NO LATER THAN **9TH MARCH, 2018**.

SUBMISSIONS

MiDA PROCUREMENT

4TH FLOOR HERITAGE TOWER

SUBMISSION FORM TO BE COMPLETED ON
TENDER BOX.

SUBMISSIONS DUE BY **15:00** HOURS GHANA TIME
ON **23rd March, 2018**. A PUBLIC OPENING FOLLOWS
IMMEDIATELY AFTER.

LATE SUBMISSIONS WILL NOT BE ACCEPTED.

COMMON CHALLENGES

- ❖ Courier packages not clearly marked - label courier packages in accordance with ITC 17 and the Proposal Data Sheet instructions.
- ❖ Clarification questions not asked by due date and time.
- ❖ The cover, or Technical and Financial Proposal, envelopes not correctly marked, or submitted in separately sealed envelopes.
- ❖ Proposal submission form/letter (TECH-1) not signed.
- ❖ Power of Attorney not provided for the person given authority to sign the Proposal and/or negotiate and/or sign the resulting Contract.
- ❖ JV or Association documents not provided.
- ❖ Financial Information incomplete or not provided.
- ❖ Firms respond to TORs stating they will do **what** the TOR requires but not explaining **how** they will carry out the assignment
- ❖ References not provided for Bidder and/or Key Personnel.
- ❖ Incorrect, or no, email addresses provided for Referees.
- ❖ CV not in correct format and/or not signed.
- ❖ CV to clearly state the years of experience for your Key Personnel.



Thank You.

Any Questions?