

Request for Proposals # PCSD-HO-001
PCSD Financial Audit- Subaward 001

November 21, 2022

Dear Sir or Madam,

Chemonics International Inc. (hereinafter referred to as “Chemonics”), under the People Centered Service Delivery in NW Syria (PCSD), financed by USAID’s Bureau for the Middle East via Cooperative Agreement No. 72027622CA00001, is issuing a Request for Proposals (RFP) to select a qualified independent certified public accounting firm to perform a mandatory remote audit of a subaward in compliance with the terms of its cooperative agreement for this initiative. The attached RFP contains all the necessary information for interested Offerors.

PCSD is an 18-month project financed by USAID/BME and implemented by Chemonics International. The purpose of PCSD is to sustain the Syria Civil Defense’s (SCD) emergency medical services, including stipends and salaries, transportation, medical commodity procurement and supply chain management, and other capacity building and technical assistance for the SCD.

Companies or organizations should indicate their interest in submitting a proposal for the anticipated contract by sending an email indicating their intention to the White Helmets Assistance Program Project Management Unit at WHAPPMU@chemonics.com by 5:00 pm ET on December 5, 2022.

This RFP does not obligate Chemonics to execute a contract nor does it commit Chemonics to pay any costs incurred in the preparation and submission of the proposals. Furthermore, Chemonics reserves the right to reject any and all offers, if such action is considered to be in the best interest of Chemonics.

Sincerely,

Jonathan Lindsley
Director, People Centered Service Delivery in NW Syria (PCSD)

Request for Proposals

RFP # PCSD-HO-001

For the provision of

Independent Audit Services

Contracting Entity:

Chemonics International Inc.
1275 New Jersey Avenue SE, Suite 200
Washington, DC 20003

Funded by:

United States Agency for International Development (USAID) Bureau for the Middle East (BME)

Funded under:

People Centered Service Delivery in NW Syria (PCSD)
Cooperative Agreement No. 72027622CA00001

******* ETHICAL AND BUSINESS CONDUCT REQUIREMENTS *******

Chemonics is committed to integrity in procurement, and only selects suppliers based on objective business criteria such as price and technical merit. Chemonics expects suppliers to comply with our Standards of Business Conduct, available at <https://www.chemonics.com/our-approach/standards-business-conduct/>.

Chemonics does not tolerate fraud, collusion among offerors, falsified proposals/bids, bribery, or kickbacks. Any firm or individual violating these standards will be disqualified from this procurement, barred from future procurement opportunities, and may be reported to both USAID and the Office of the Inspector General.

Employees and agents of Chemonics are strictly prohibited from asking for or accepting any money, fee, commission, credit, gift, gratuity, object of value or compensation from current or potential vendors or suppliers in exchange for or as a reward for business. Employees and agents engaging in this conduct are subject to termination and will be reported to USAID and the Office of the Inspector General. In addition, Chemonics will inform USAID and the Office of the Inspector General of any supplier offers of money, fee, commission, credit, gift, gratuity, object of value or compensation to obtain business.

Offerors responding to this RFP must include the following as part of the proposal submission:

- Disclose any close, familial, or financial relationships with Chemonics or project staff. For example, if an offeror's cousin is employed by the project, the offeror must state this.
- Disclose any family or financial relationship with other offerors submitting proposals. For example, if the offeror's father owns a company that is submitting another proposal, the offeror must state this.
- Certify that the prices in the offer have been arrived at independently, without any consultation, communication, or agreement with any other offeror or competitor for the purpose of restricting competition.
- Certify that all information in the proposal and all supporting documentation are authentic and accurate.
- Certify understanding and agreement to Chemonics' prohibitions against fraud, bribery and kickbacks.

Please contact PCSD Chief of Party Kendra Spangler at kspangler@chemonics.com with any questions or concerns regarding the above information or to report any potential violations. Potential violations may also be reported directly to Chemonics at to BusinessConduct@chemonics.com or by phone/Skype at 888.955.6881.

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List of Acronyms

CFR	Code of Federal Regulations
AO	USAID Agreement Officer
COP	Chief of Party
AOR	USAID Agreement Officer's Representative
CV	Curriculum Vitae
M&E	Monitoring and Evaluation
NICRA	Negotiated Indirect Cost Rate Agreement
NGO	Nongovernmental organization
PCSD	People Centered Service Delivery in NW Syria
RFP	Request for Proposals
SIF	Strategic Investment Fund
U.S.	United States
USAID	U.S. Agency for International Development
USAID/BME	USAID Bureau for the Middle East
USD	U.S. dollar(s)
USG	U.S. Government
VAT	Value Added Tax

Section I. Instructions to Offerors

I.1. Introduction

Chemonics, with funding from the U.S. Agency for International Development's Bureau for the Middle East (USAID/BME), is implementing People Centered Service Delivery in NW Syria (PCSD), under Cooperative Agreement No. 72027622CA00001. Chemonics is soliciting offers from companies and organizations to work with PCSD to carry out an independent program-specific financial audit of PCSD's subaward with the Syria Civil Defense (SCD), also known as the White Helmets.

PCSD is an 18-month project financed by USAID/BME and implemented by Chemonics International. The purpose of PCSD is to sustain the Syria Civil Defense's (SCD) emergency medical services, including stipends and salaries, transportation, medical commodity procurement and supply chain management, and other capacity building and technical assistance for the SCD.

Chemonics will issue an award to one company or organization. The award will be in the form of a firm fixed price contract (hereinafter referred to as "the contract". The successful Offeror shall be required to adhere to the statement of work and terms and conditions of the contract, which are incorporated in Section III herein.

Offerors are invited to submit proposals in response to this RFP in accordance with **Section I Instructions to Offerors**, which will not be part of the contract. The instructions are intended to assist interested Offerors in the preparation of their offer. Any resulting contract will be guided by Sections II and III.

This RFP does not obligate Chemonics to execute a contract nor does it commit Chemonics to pay any costs incurred in the preparation and submission of the proposals. Furthermore, Chemonics reserves the right to reject any and all offers, if such action is considered to be in the best interest of Chemonics.

Unless otherwise stated, the periods named in the RFP shall be consecutive calendar days.

I.2. Offer Deadline

Emailed offers must be received no later than 5:00 pm ET on December 5, 2022, at the following address:

White Helmets Assistance Program- Project Management Unit, WHAPPMU@chemonics.com

Faxed offers will not be considered.

Offerors are responsible for ensuring that their offers are received in accordance with the instructions stated herein. Late offers may be considered at the discretion of Chemonics. Chemonics cannot guarantee that late offers will be considered.

I.3. Submission of Offers

Proposals must be submitted electronically only at the address noted in I.2 above.

A. Instructions for the Submission of Electronic Copies

Separate technical and cost proposals must be submitted by email no later than the time and date specified in I.2. The proposals must be submitted to the point of contact designated in I.2.

The Offeror must submit the proposal electronically with up to 3 attachments (5 MB limit) per email compatible with MX Word, MS Excel, readable format, or Adobe Portable Document (PDF) format in a Microsoft XP environment. Offerors must not submit zipped files. Those pages requiring original manual signatures should be scanned and sent in PDF format as an email attachment.

The technical proposal and cost proposal must be kept separate from each other. Technical proposals must not make reference to pricing data in order that the technical evaluation may be made strictly on the basis of technical merit.

I.4. Requirements

To be determined responsive, an offer must include all of documents and sections included in I.4.A and I.4.B.

A. General Requirements

Chemonics anticipates issuing a contract to a U.S. or international company or organization, provided it is legally registered and recognized under the laws of the U.S. or the country where it is headquartered and is in compliance with all applicable civil, fiscal, and other applicable regulations. Such a company or organization could include a private firm, non-profit, civil society organization, or university.

Companies and organizations that submit proposals in response to this RFP must meet the following requirements:

- (i) Companies or organizations, whether for-profit or non-profit, must be legally registered under the laws of the country they are based in upon award of the contract.
- (ii) Firms operated as commercial companies or other organizations or enterprises (including nonprofit organizations) in which foreign governments or their agents or agencies have a controlling interest are not eligible as suppliers of commodities and services.

Offerors may present their proposals as a member of a partnership with other companies or organizations. In such cases, the contract will be awarded to the lead company in the partnership. The leading company shall be responsible for compliance with all contract terms and conditions and making all partnership arrangements, including but not limited to division of labor, invoicing, etc., with the other company(ies). A legally registered partnership is not necessary for these purposes; however the different organizations must be committed to work together in the fulfillment of the contract terms.

B. Required Proposal Documents

1. Cover Letter

The offeror's cover letter shall include the following information:

- i. Name of the company or organization
- ii. Type of company or organization
- iii. Address
- iv. Telephone
- v. Fax
- vi. E-mail
- vii. Full names of members of the Board of Directors and Legal Representative (as appropriate)

- viii. Taxpayer Identification Number
- ix. Official bank account information
- x. Other required documents that shall be included as attachments to the cover letter:
 - a) Copy of registration or incorporation in the public registry, or equivalent document from the government office where the offeror is registered.
 - b) Copy of company tax registration, or equivalent document.
 - c) Copy of trade license, or equivalent document.
 - d) Evidence of Responsibility Statement, whereby the offeror certifies that it has sufficient financial, technical, and managerial resources to complete the activity described in the scope of work, or the ability to obtain such resources. A template is provided in Annex 3 “Required Certifications”.
 - e) Applicable documents listed in I.4.A.

A sample cover letter is provided in Annex 1 of this RFP.

2. Technical Proposal

The technical proposal shall comprise the following parts:

- Part 1: Technical Approach, Methodology and Detailed Work Plan. This part shall be between 3 and 5 pages long, but may not exceed 5 pages. Offerors shall describe their intended approach to this audit, including general auditing procedures, lines of reporting and authority for verification of observations, and estimated schedule of work and task completion.
- Part 2: Management and Staffing Plan. This part shall be between 1 and 2 pages long, but may not exceed 2 pages. Offerors shall articulate their proposed team configuration as well as qualifications of individual team members. CVs for proposed auditors may be included in an annex to the technical proposal and will not count against the page limit.
- Part 3: Corporate Capabilities, Experience, and Past Performance. This part shall be between 1 and 2 pages long, but may not exceed 2 pages.

Part 3 must include a description of the company and organization, with appropriate reference to any parent company and subsidiaries. Offerors must include details demonstrating their experience and technical ability in implementing the technical approach/methodology and the detailed work plan. Additionally, offerors must include three past performance references of similar work (under contracts or subcontracts) previously implemented as well as contact information for the companies for which such work was completed. Contact information must include at a minimum: name of point of contact who can speak to the offeror’s performance, name and address of the company for which the work was performed, and email and phone number of the point of contact.

Chemonics reserves the right to check additional references not provided by an offeror.

The sections of the technical proposal stated above must respond to the detailed information set out in Section II of this RFP, which provides the background, states the scope of work, describes the deliverables, and provides a deliverables schedule.

3. Cost Proposal

The cost proposal is used to determine which proposals represent the best value and serves as a basis of negotiation before award of a contract.

The price of the contract to be awarded will be an all-inclusive fixed price. No profit, fees, taxes, or additional costs can be added after award. Nevertheless, for the purpose of the proposal, offerors must provide a detailed budget showing major line items, e.g. salaries, allowances, travel costs, other direct costs, indirect rates, etc., as well as individual line items, e.g. salaries or rates for individuals, different types of allowances, rent, utilities, insurance, etc. Offers must show unit prices, quantities, and total price. All items, services, etc. must be clearly labeled and included in the total offered price. All cost information must be expressed in USD. See Annex 2 for a sample cost structure.

Because PCSD is a USAID funded project, offerors must not include VAT and customs duties in their cost proposal.

The cost proposal shall also include a budget narrative that explains the basis for the estimate of every cost element or line item. Supporting information must be provided in sufficient detail to allow for a complete analysis of each cost element or line item. Chemonics reserves the right to request additional cost information if the evaluation committee has concerns of the reasonableness, realism, or completeness of an offeror's proposed cost.

If it is an offeror's regular practice to budget indirect rates, e.g. overhead, fringe, G&A, administrative, or other rate, Offerors must explain the rates and the rates' base of application in the budget narrative. Offerors may also include a reasonable fee if that is offeror's standard practice. The final fixed price shall be negotiated following Chemonics' cost and price analysis of the offerors's cost proposal. Chemonics reserves the right to request additional information to substantiate an Offeror's indirect rates.

Under no circumstances may cost information be included in the technical proposal. No cost information or any prices, whether for deliverables or line items, may be included in the technical proposal. Cost information must only be shown in the cost proposal.

I.5. Source of Funding, Authorized Geographic Code, and Source and Origin

Any contract resulting from this RFP will be financed by USAID funding and will be subject to U.S. Government and USAID regulations.

All goods and services offered in response to this RFP or supplied under any resulting award must meet USAID Geographic Code 935 in accordance with the United States Code of Federal Regulations (CFR), 22 CFR §228, available at: <http://www.gpo.gov/fdsys/pkg/CFR-2012-title22-vol1/pdf/CFR-2012-title22-vol1-part228.pdf>.

The cooperating country for this RFP is Turkey.

Offerors may not offer or supply any products, commodities or related services that are manufactured or assembled in, shipped from, transported through, or otherwise involving any of the following countries: Cuba, Iran, North Korea, Syria. Related services include incidental services pertaining to any/all aspects of this work to be performed under a resulting contract (including transportation, fuel, lodging, meals, and communications expenses).

I.6. Chronological List of Proposal Events

The following calendar summarizes important dates in the solicitation process. Offerors must strictly follow these deadlines. All deadlines are at 5:00 pm ET, unless otherwise specified.

RFP announcement	11/21/2022
RFP published	11/21/2022
Deadline for written questions	11/28/2022
Answers provided to questions/clarifications	11/30/2022
Proposal due date	12/05/2022
Contract award (estimated)	12/09/2022

The dates above may be modified at the sole discretion of Chemonics. Any changes will be published in an amendment to this RFP.

Written Questions and Clarifications. All questions or clarifications regarding this RFP must be in writing and submitted to White Helmets Assistance Program- Project Management Unit at whappmu@chemonics.com no later than 5:00 pm ET on November 28, 2022. Questions and requests for clarification, and the responses thereto, will be circulated to all RFP recipients who have indicated an interest in this RFP.

Only written answers from Chemonics will be considered official and carry weight in the RFP process and subsequent evaluation. Any answers received outside the official channel, whether received verbally or in writing, from employees or representatives of Chemonics International, PCSD, or any other party, will not be considered official responses regarding this RFP.

Proposal Submission Date. All proposals must be received by 5:00 pm ET on December 5, 2022. Late offers will be considered at the discretion of Chemonics.

Contract Award (estimated). Chemonics will select the proposal that offers the best value based upon the evaluation criteria stated in this RFP.

I.7. Validity Period

Offerors' proposals must remain valid for 90 calendar days after the proposal deadline.

I.8. Evaluation and Basis for Award

An award will be made to the offeror whose proposal is determined to be responsive to this solicitation document, meets the eligibility criteria stated in this RFP, meets the technical, management/personnel, and corporate capability requirements, and is determined to represent the best value to Chemonics. Best value will be decided using the lowest price technically acceptable process.

This RFP will use the lowest price technically acceptable process to determine best value. That means that each proposal will be evaluated to determine whether it meets the required evaluation criteria and evaluation sub-criteria, which are stated in the table below. Among the proposals determined to meet or exceed every criteria and sub-criteria, award will be made to the offeror who offers the lowest cost.

Evaluation Criteria	Evaluation Sub-criteria	Pass/Fail
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Technical Approach, Methodology, and Detailed Work Plan		
	Technical know-how – Does the proposal clearly explain, understand and respond to the objectives of the project as stated in the Scope of Work?	
	Approach and Methodology – Does the proposed program approach and detailed activities and timeline fulfill the requirements of executing the Scope of Work effectively and efficiently?	
	Sector Knowledge – Does the proposal demonstrate the offeror’s knowledge related to technical sectors required by the SOW? Sectoral knowledge can include but shall not be limited to expertise in accounting, auditing services, knowledge of cost accounting standards, and an understanding of USG cooperative agreement administration and compliance.	
Management, Key Personnel, and Staffing Plan		
	Personnel Qualifications – Do the proposed team members have necessary experience and capabilities to carry out the Scope of Work?	
Corporate Capabilities, Experience, and Past Performance		
	Company Background and Experience – Does the company have experience relevant to the project Scope of Work?	

I.9. Negotiations

Best offer proposals are requested. It is anticipated that a contract will be awarded solely on the basis of the original offers received. However, Chemonics reserves the right to conduct discussions, negotiations and/or request clarifications prior to awarding a contract. Furthermore, Chemonics reserves the right to conduct a competitive range and to limit the number of offerors in the competitive range to permit an efficient evaluation environment among the most highly-rated proposals. Highest-rated offerors, as determined by the technical evaluation committee, may be asked to submit their best prices or technical responses during a competitive range. At the sole discretion of Chemonics, offerors may be requested to conduct oral presentations. If deemed an opportunity, Chemonics reserves the right to make separate awards per component or to make no award at all.

I.10. Terms of Contract

This is a request for proposals only and in no way obligates Chemonics to award a contract. In the event of contract negotiations, any resulting contract will be subject to and governed by the terms and clauses detailed in Section III. Chemonics will use the template shown in section III to finalize the contract. Terms

and clauses are not subject to negotiation. By submitting a proposal, offerors certify that they understand and agree to all of the terms and clauses contained in section III.

I.11. Privity

By submitting a response to this request for proposals, offerors understand that USAID is NOT a party to this solicitation.

I.12 Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment

The selected offeror is required to comply fully with the Mandatory Standard Provision entitled, “Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment,” which states that U.S. government assistance funds, including direct and indirect costs, cost share and program income, cannot be used to: (1) procure or obtain; (2) extend or renew a contract to procure or obtain; or (3) enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services (“CTES”) as a substantial or essential component of any system, or as critical technology as part of any system. This prohibition covers certain telecommunications equipment and services, including, but not limited to, phones, internet, video surveillance, and cloud servers, produced or provided by Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities). Chemonics may provide approval for the Subrecipient/Contractor to procure specific CTES on a case-by-case basis if no available alternate eligible source exists. If the Subrecipient/Contractor uses any U.S. government assistance funds to procure CTES without written advance approval, Chemonics reserves the right to refuse reimbursement and/or seek reimbursement from the subrecipient/contractor.

Section II Background, Scope of Work, Deliverables, and Deliverables Schedule

II.1. Background

PCSD is an 18-month project financed by USAID/BME and implemented by Chemonics International. The purpose of PCSD is to sustain the Syria Civil Defense's (SCD) emergency medical services, including stipends and salaries, transportation, medical commodity procurement and supply chain management, and other capacity building and technical assistance for the SCD.

Under the above cooperative agreement, Chemonics is authorized to allocate funding to sub-awardees. Chemonics requires the services of a qualified audit firm to audit a sub-award. Recipients of USAID funding must have an annual audit, consistent with 2 CFR Part 200, Subpart F, for any recipient fiscal year in which the recipient expends a combined total of \$750,000 or more in all USAID awards, either directly or through another USAID contractor or recipient, excluding fixed price contracts and fixed amount awards.

PCSD has one non-US organization funding recipient that has met the audit threshold and therefore requires an audit. The subject recipient has a subaward agreement with a forecasted total value of approximately \$2.9 million. The effective date of the subaward agreement is March 1, 2022 to August 31, 2022.

II.2. Scope of Work

The auditor must use the following steps as the basis for preparing the audit. The steps are not all-inclusive or restrictive in nature and do not relieve the auditor from exercising due professional care and judgment. The steps must be modified to fit local conditions and specific program design, implementation procedures, and agreement provisions, which may vary from program to program. Any limitations in the scope of work must be communicated as soon as possible to Chemonics.

A. Pre-Audit Document Review

Following is a list of applicable documents. The auditor must review the applicable documents considered necessary to perform the audit:

- 1) The SAHA II cooperative agreement document
- 2) The subject subaward agreement and amendments between SAHA II and the subaward recipient
- 3) The budget, implementation letters, and written procedures approved by SAHA II.
- 4) [2 CFR 200 Subpart F on audit and 2 CFR 700 on Cost Principles.](#)
- 5) [Mandatory and Required As Applicable Standard Provisions for Non-U.S. Nongovernmental Grantees \(ADS Chapter 303, Grants and Cooperative Agreements to Non-Governmental Organizations\).](#)
- 6) [USAID Financial Audit Guide for Foreign Organizations](#)
- 7) All program financial and progress reports; charts of accounts, organizational charts; accounting systems descriptions; procurement policies and procedures; and receipt, warehousing and distribution procedures for materials, as necessary to successfully complete the required work.
- 8) Any previous audits, financial reviews, etc., that directly relate to the objectives of the audit.

B. Fund Accountability Statement

The auditor must examine the fund accountability statement¹ for the recipient including the budgeted amounts by category and major items; the revenues received from SAHA II for the period covered by the audit (6 months); the costs reported by the recipient as incurred during that period. The revenues received from SAHA II less the costs incurred, after considering any reconciling items, should reconcile with the balance of cash -on-hand or in bank accounts.

The audit firm may not prepare or assist the recipient in preparing the fund accountability statement when the same audit firm will then perform an audit. If a third party prepares or assists the recipient in preparing the fund accountability statement from the books and records maintained by the recipient, then the recipient must accept the responsibility for the statement's accuracy before the audit commences.

The audit must evaluate program implementation actions and accomplishments to determine whether specific costs incurred are allowable, allocable, and reasonable under the agreement terms and applicable cost principles, and to identify areas where fraud and illegal acts have occurred or are likely to have occurred as a result of inadequate internal control. At a minimum, the auditors must:

1. Review direct and indirect costs billed to and reimbursed by Chemonics and costs incurred but pending reimbursement by Chemonics, identifying and quantifying any questioned costs. All costs that are not supported with adequate documentation or are not in accordance with the agreement terms must be reported as questioned. Questioned costs that are pending reimbursement by Chemonics must be identified in the notes to the fund accountability statement as not (yet) reimbursed by Chemonics.
2. Questioned costs must be presented in the fund accountability statement in two separate categories. Ineligible costs are costs that are explicitly questioned because they are unreasonable, prohibited by the agreements or applicable laws and regulations, or not program related. Unsupported costs are not supported with adequate documentation or did not have required prior approvals or authorizations. All questioned costs resulting from instances of noncompliance with agreement terms and applicable laws and regulations must be included as findings in the report on compliance. Also, the notes to the fund accountability statement must briefly describe the questioned costs and must be cross-referenced to any corresponding findings in the report on compliance.
3. Review general and program ledgers to determine whether costs incurred were properly recorded. Reconcile direct costs billed to and reimbursed by Chemonics to the program and general ledgers.
4. Review the procedures used to control the funds, including their channeling to contracted financial institutions or other implementing entities. Review the bank accounts and the controls on those bank accounts. Perform positive confirmation of balances, as necessary.
5. Review procurement procedures to determine whether sound commercial practices including competition were used, reasonable prices were obtained, and adequate controls were in place over the qualities and quantities received.
6. Review direct salary charges to determine whether salary rates are reasonable for that position, in accordance with those approved by Chemonics when Chemonics approval is required and supported by appropriate payroll records. Determine if overtime is charged to the program and whether it is

¹ A "fund accountability statement" is a financial statement that presents the recipient's revenues, costs incurred, cash balance of funds (after considering reconciling items), and commodities directly procured by Chemonics that were provided in-kind. The opinion on the fund accountability statement must comply with Statement on Auditing Standard SAS No. 62 (AU623).

allowable under the terms of the agreements. Determine whether allowances and fringe benefits received by employees are in accordance with the agreements and applicable laws and regulations. The auditors must question unallowable salary charges in the fund accountability statement.

7. Review travel and transportation charges to determine whether they are adequately supported and approved. Travel charges that are not supported with adequate documentation or not in accordance with agreements and regulations must be questioned in the fund accountability statement.
8. Review commodities documentation (e.g., supplies, materials, vehicles, equipment, food products, tools, etc.) procured by the recipient as well as those directly procured by Chemonics for the recipient's use to determine whether commodities exist or were used for their intended purposes in accordance with the terms of the agreements, and whether control procedures exist and have been placed in operation to adequately safeguard the commodities. Because of the sensitive nature of the cooperative agreement and all activities under the cooperative agreement, any site visit and in-country end-use reviews to verify commodities' existence, use and marking are not possible. Therefore, end-use review is not part of the audit scope of work. The auditor should determine the cost of commodities based on supporting documentation available from the recipient.
9. Review technical assistance and services procured by the recipient. The auditor must determine whether technical assistance and services were used for their intended purposes in accordance with the terms of the agreement. The cost of technical assistance and services not properly used in accordance with the terms of the agreement must be questioned in the fund accountability statement.

If the recipient contracted the technical assistance and services through a U.S. contractor, the auditors are still responsible for determining whether technical assistance and services were used for their intended purposes in accordance with the terms of the agreement. However, the auditors are not responsible for performing additional audit steps for the costs incurred under the technical assistance and services agreements, if either Chemonics or USAID is responsible for contracting for audits of these costs.

10. Since activities will have ended, ensure that all assets (inventories, fixed assets, commodities, etc.) procured with program funds were disposed of in accordance with the terms of the agreement. The auditor must determine whether an annex to the fund accountability statement showing the balances and details of final inventories of nonexpendable property acquired under the agreement is presented accurately in all material respects in relation to the financial statements. This inventory must indicate which items were titled to the recipient and which were titled to other entities.

The fund accountability statement must separately disclose the financial information (revenues, costs, commodities and technical assistance) for the agreement. Questioned costs and internal control and compliance findings must be reported in the recipient's financial audit using the same treatment and procedures as the recipient's own questioned costs and findings.

C. Internal Controls

The auditor must review and evaluate the recipient's internal controls related to the USAID program to obtain a sufficient understanding of the design of relevant control policies and procedures and whether those policies and procedures have been placed in operation. The auditor's understanding of the internal controls must be documented in the audit documentation files.

The auditor must prepare the report required by the [Guide](#) (refer to Appendix 2, Illustrative Audit Reports), identifying any significant deficiencies or material weaknesses in the design or operation of internal control. A material weakness is a deficiency, or combination of deficiencies, in internal controls, such that there is

a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness but that is important enough to merit attention by those charged with governance. Any significant deficiencies or material weaknesses must be set forth in the report as "findings". Any other matters related to internal controls – such as suggestions for improving operational or administrative efficiency, effectiveness, or control deficiencies that are not significant deficiencies or material weaknesses – may be reported in a separate management letter and referred to in the report on internal control. A copy of the management letter should be provided to Chemonics along with the audit report.

The major internal control components to be studied and evaluated include, but are not limited to, the controls related to each revenue and expense account on the fund accountability statement. The auditor must:

1. Obtain an understanding of the design of the internal control related to the subaward agreement and determine whether they have been placed in operation.
2. Assess inherent risk, control risk, and determine the detection risk. Inherent risk is the susceptibility of an assertion, such as an account balance, to a misstatement that could be material, either individually or when aggregated with other misstatements, assuming that there are no related controls. Control risk is the risk that a material misstatement (either individually or when aggregated with other misstatements) could occur in a relevant assertion and will not be prevented or detected on a timely basis by the entity's internal controls. Detection risk is the risk that the auditor will not detect a material misstatement that exists in an assertion. Detection risk is based upon the effectiveness of an auditing procedure and the auditor's application of that procedure.
3. Summarize the risk assessments for each assertion in the audit documentation file. The risk assessments must consider the following broad categories under which each assertion should be classified: (a) existence or occurrence; (b) completeness; (c) rights and obligations; (d) valuation or allocation; and (e) presentation and disclosure. At a minimum, the audit documentation files must identify the name of the account or assertion, the account balance or the amount represented by the assertion, the assessed level of inherent risk (high, moderate, or low), the assessed level of control risk (high, moderate, or low), the combined risk (high, moderate, or low), and a description of the nature, extent, and timing of the tests performed based on the combined risk. These summary audit documentation files must be cross-indexed to the supporting audit documentation files that contain the detailed analysis of the fieldwork. If control risk is evaluated at less than the maximum level (high), then the basis for the auditor's conclusion must be documented in the audit documentation files.
4. Evaluate the control environment, the adequacy of the accounting systems, and control procedures. Emphasis must be placed on the policies and procedures that pertain to the recipient's ability to record, process, summarize, and report financial data consistent with the assertions embodied in each account of the fund accountability statement. This evaluation must include, but not be limited to, the control systems for:
 - a. Ensuring that charges to the subaward are proper and supported;
 - b. Managing cash on hand and in bank accounts;
 - c. Procuring goods and services;
 - d. Managing inventory and receiving functions;

- e. Managing personnel functions such as timekeeping, salaries, and benefits;
 - f. Managing and disposing of commodities (such as vehicles, equipment, and tools, as well as other commodities) purchased either by the program or directly by Chemonics; and
 - g. Ensuring compliance with agreement terms and applicable laws and regulations that collectively have a material impact on the fund accountability statement. The results of this evaluation must be contained in the audit documentation section described in this Statement of Work and presented in the compliance report.
5. Include in the study and evaluation other policies and procedures that may be relevant if they pertain to data the auditor uses in applying auditing procedures. This may include, for example, policies and procedures that pertain to non- financial data that the auditor uses in analytical procedures.

D. Compliance with Agreement Terms and Applicable Laws and Regulations

In fulfilling the audit requirement to determine compliance with agreement terms and applicable laws and regulations related to the USAID program, the auditor must follow the reporting standards contained in GAGAS for reporting on compliance which incorporate the AICPA Professional Standards. The auditor's report on compliance must set forth as findings all material instances of noncompliance, defined as instances that could have a direct and material effect on the fund accountability statement, and/or the financial statements, as applicable. Nonmaterial instances of noncompliance must be included in a separate management letter referred to in the report on compliance. A copy of the management letter and audit report shall be provided directly to Chemonics.

The auditor's report must include relevant information about identified or suspected fraud based on sufficient, appropriate evidence obtained that a fraud or illegal act either has occurred or is likely to have occurred. In reporting material fraud, illegal acts, and abuse or other noncompliance, the auditor must place its findings in proper perspective. In presenting material irregularities, illegal acts, or other noncompliance, the auditor must follow the reporting standards contained in GAGAS. If the auditor concludes that sufficient evidence of any known or likely fraud or illegal acts exists, regardless of whether material to the financial statements, the auditor must contact Chemonics.

In planning and conducting the tests of compliance the auditor must:

1. Identify the agreement terms and pertinent laws and regulations and determine which of those, if not observed, could have a direct and material effect on the fund accountability statement. The auditor must:
 - a. List all standard and program-specific provisions contained in the agreement that cumulatively, if not observed, could have a direct and material effect on the fund accountability statement;
 - b. Assess the inherent and control risk that material noncompliance could occur for each of the compliance requirements;
 - c. Determine the nature, timing and extent of audit steps and procedures to test for errors, fraud, and illegal acts that provide reasonable assurance of detecting both intentional and unintentional instances of noncompliance with agreement terms

and applicable laws and regulations that could have a material effect on the fund accountability statement; and

- d. Prepare a summary audit documentation file that adequately identifies each of the specific compliance requirements included in the review, the results of the inherent, control and (detection) risk assessments for each compliance requirement, the audit steps used to test for compliance with each of the requirements based on the risk assessment, and the results of the compliance testing for each requirement. The summary document should be cross-indexed to detail audit documentation that support the facts and conclusions contained in the summary document.
2. Determine if payments have been made in accordance with agreement terms and applicable laws and regulations.
 3. Determine if funds have been expended for purposes not authorized or not in accordance with applicable agreement terms. If so, the auditor must identify these costs as questioned in the fund accountability statement.
 4. Identify any costs not considered appropriate, classifying and explaining why these costs are questioned.
 5. Determine whether commodities, whether directly procured by the recipient or directly procured by Chemonics for the recipient's use, exist or were used for their intended purposes in accordance with the agreements. Ensure that commodities are marked in accordance with subaward requirements. If not, the cost of such commodities must be questioned.
 6. Determine whether any technical assistance and services, whether procured by the recipient or directly procured by Chemonics for the recipient's use, were used for their intended purposes in accordance with the agreements. If not, the cost of such technical assistance and services must be questioned.
 7. Determine whether those who received services and benefits were eligible to receive them.
 8. Determine whether the recipient's financial reports and claims for advances and reimbursement contain information that is supported by the books and records.

E. Other Audit Responsibilities

The auditor must perform the following steps:

1. Hold entrance and exit conferences with the recipient. Chemonics must be notified of these conferences in order that its field office representatives may attend, if deemed necessary.
2. During the planning stages of the audit, coordinate with Chemonics, its project staff and the recipient to communicate information regarding the nature and extent of planned testing and reporting on compliance with laws and regulations and internal control over financial reporting. Such communication should state whether the auditor plans to provide

opinions on compliance with laws and regulations and internal control over financial reporting. This communication should be in the form of an engagement letter.

3. Institute quality control procedures to ensure that sufficient appropriate evidence is obtained through inspection, observation, inquiries, and confirmations to afford a reasonable basis for an opinion regarding the agreement under audit. While the auditor may use its standard procedures for ensuring quality control, those procedures must, at a minimum, ensure that:
 - a. Audit reports and audit documentation are reviewed by an auditor, preferably at the partner level, who was not involved in the audit. This review must be documented.
 - b. All quantities and monetary amounts involving calculations are footed and cross-footed.
 - c. All factual statements, numbers, conclusions and monetary amounts are cross-indexed to supporting audit documentation.

Obtain a management representation letter. See **Appendix 4** of the [Guide](#) for an illustrative management representation letter.

Technical Qualifications

Selected offeror must possess experience and expertise in the following technical qualifications:

- accounting
- auditing services
- knowledge of cost accounting standards
- an understanding of USG cooperative agreement administration and compliance

II.3. Deliverables

The successful offeror shall deliver to Chemonics the following deliverables, in accordance with the schedule set forth in II.4 below.

Deliverable No. 1: Audit Report

The format and content of the audit report should closely follow this Statement of Work and the illustrative reports in Appendix 2 of the USAID Financial Audit Guide for Foreign Organizations. The audit report must specify the correct award number of the subaward covered by the audit.

The report must contain:

1. Title page (close-out audits must be clearly titled),
2. Table of contents,
3. Transmittal letter, and
4. Summary, which includes:
 - a. Background section with:
 - i. A general description of the USAID program audited,

- ii. Period covered,
- iii. Program objectives,
- iv. Clear identification of all entities mentioned in the report,
- v. Follow-up of prior audit recommendation section, if applicable

b. Objectives and scope of the financial audit and clear explanation of the procedures performed and any scope limitations;

c. Brief summary of audit results on the:

- i. Fund accountability statement,
- ii. Questionable costs,
- iii. Internal control,
- iv. Compliance with agreement terms and applicable laws,
- v. Status of prior audit recommendations, if applicable,
- vi. General purpose financial statements on an organization-wide basis;

5. The auditor's report includes the following:

a. The auditor's report on the Fund Accountability Statement, identifying any material questioned costs not fully supported with adequate records or not eligible under the terms of the agreement (see Appendix 2 of the USAID Financial Audit Guide for Foreign Organizations). The report must be in conformance with the standards for reporting in GAGAS and must include the auditor's opinion on whether the fund accountability statement presents fairly, in all material respects, program revenues, costs incurred, and commodities and technical assistance directly procured by Chemonics for the year then ended in accordance with the terms of the agreements and in conformity with generally accepted accounting principles or other basis of accounting as well as the following report components.

b. A report on internal control including significant deficiencies and material weaknesses in the recipient's internal control. Deficiencies related to improving operational or administrative efficiency or internal control, or control deficiencies that are not significant deficiencies or material weaknesses – may be communicated through a separate management letter that should be sent with the audit report (see Appendix 2 of the USAID Financial Audit Guide for Foreign Organizations).

c. A report on the recipient's compliance with agreement terms and applicable laws and regulations related to USAID-funded programs. Nonmaterial instances of noncompliance should be communicated to the recipient in a separate management letter with the audit report. All questioned costs resulting from instances of noncompliance must be included as findings in the report on compliance (see Appendix 2 of the USAID Financial Audit Guide for Foreign Organizations).

Firms are expected to exercise independent professional judgment throughout the audit engagement, including in reporting on questioned costs. Findings that involve monetary effect must:

1. Be quantified and included as questioned costs in the fund accountability statement, and the Auditor's Report on Compliance.
2. Be reported without regard to whether the conditions giving rise to them were corrected.
3. Be reported whether the recipient does or does not agree with the findings or questioned costs.
4. Contain enough relevant information to expedite the audit resolution process (e.g., number of items tested, size of the universe, error rate, corresponding U.S. dollar amounts, etc.).

Any evidence of fraud or illegal acts that have occurred, or are likely to have occurred, must be included in a separate written report if deemed necessary by Chemonics. This report must include an identification of all questioned costs as a result of fraud or illegal acts, without regard to whether the conditions giving rise to the questioned costs have been corrected or whether the recipient does or does not agree with the findings and questioned costs.

II.4. Deliverables Schedule

The successful offeror shall submit the deliverable described above in accordance with its overall proposed audit schedule, submitted as part of the technical proposal. Offerors must include a precise deadline for this deliverable as a line item in the deliverable schedule in their proposals. This audit will be conducted remotely.

Section III Firm Fixed Price Contract (Terms and Clauses)
Annex 1 Cover Letter

[Offeror: Insert date]

Jonathan Lindsley, Project Director
c/o White Helmets Assistance Program Project Management Unit
Chemonics International Inc.
whappmu@chemonics.com

Reference: Request for Proposals PCSD-HO-001

Subject: [Offeror: Insert name of your organization]'s technical and cost proposals

Dear Mr. Lindsley,

[Offeror: Insert name of your organization] is pleased to submit its proposal in regard to the above-referenced request for proposals. For this purpose, we are pleased to provide the information furnished below:

Name of Organization's Representative	_____
Name of Offeror	_____
Type of Organization	_____
Taxpayer Identification Number	_____
DUNS Number	_____
Address	_____
Address	_____
Telephone	_____
Fax	_____
E-mail	_____

As required by section I, I.7, we confirm that our proposal, including the cost proposal will remain valid for 90 calendar days after the proposal deadline.

We are further pleased to provide the following annexes containing the information requested in the RFP:

[Offerors: It is incumbent on each offeror to clearly review the RFP and its requirements. It is each offeror's responsibility to identify all required annexes and include them]

- I. Copy of registration or incorporation in the public registry, or equivalent document from the government office where the offeror is registered.
- II. Copy of company tax registration, or equivalent document.
- III. Copy of trade license, or equivalent document.
- IV. Evidence of Responsibility Statement.

Sincerely yours,

Signature
[Offeror: Insert name of your organization's representative]
[Offeror: Insert name of your organization]

Annex 2 Guide to Creating a Financial Proposal for a Fixed Price Contract

The purpose of this annex is to guide offerors in creating a budget for their cost proposal. Because the contract will be funded under a United States government-funded project, it is important that all offerors' budgets conform to this standard format. It is thus recommended that offerors follow the steps described below.

Step 1: Design the technical proposal. Offerors should examine the market for the proposed activity and realistically assess how they can meet the needs as described in this RFP, specifically in section II. Offerors should present and describe this assessment in their technical proposals.

Step 2: Determine the basic costs associated with each deliverable. The cost proposal should provide the best estimate of the costs associated with each deliverable, which should include labor and all non-labor costs, e.g. other direct costs, such as fringe, allowances, travel and transport, etc.

Other direct costs, i.e. non-labor, include for example the following:

1. Local travel and transportation, and associated travel expenses, if applicable,
2. Lodging and per diem expenses associated with travel, if applicable,
3. Rent
4. Utilities
5. Communications
6. Office supplies

Under no circumstances may cost information be included in the technical proposal. No cost information or any prices, whether for deliverables or line items, may be included in the technical proposal. Cost information must only be shown in the cost proposal.

Step 3: Create a budget for the cost proposal. Each offeror must create a budget using a spreadsheet program compatible with MS Excel. The budget period should follow the technical proposal period. A sample budget is shown on the following page.

Step 4: Write Cost Notes. The spreadsheets shall be accompanied by written notes in MS Word that explain each cost line item and the assumption why a cost is being budgeted as well as how the amount is reasonable.

Sample Budget [this is the sample only and needs to be edited to meet project needs]

Offerors should revise the budget line items accordingly in response to the technical and cost requirements of this RFP. The below is a sample only- offerors are not obligated to use these exact line items, and should instead customize this to reflect their own specific budget proposal. Customs duties or VAT may not be included in the budget proposal.

PCSD Financial Audit Budget
Offeror's Name(s)
PCSD-HO-001

No.	Description	Quantity	Unit	Frequency	Unit	Cost per Unit	Total
1	Labor						
	Subtotal, Labor:						XX
2	Fringe						
	Subtotal, Fringe:						XX
3	Materials						
	Subtotal, Materials:						XX
4	Travel						
	Subtotal, Travel:						XX
5	Allowances						
	Subtotal, Allowances:						XX
	Grand Total (1-5, etc)						XX

Annex 3 Required Certifications for Signing

- Certification of “Representation by Organization Regarding a Delinquent Tax Liability or a Felony Criminal Conviction (AAPD 14-03, August 2014)”
- Prohibition on Providing Federal Assistance to Entities that Require Certain Internal Confidentiality Agreements – Representation (May 2017)

1. EVIDENCE OF RESPONSIBILITY

1. Offeror Business Information

Company Name: Full Legal Name

Address: Address

DUNS Number: Enter the Data Universal Numbering System reference (DUNS) assigned to the company (Instructions to Offerors: Offerors will provide their registered DUNS number for subawards valued at USD\$30,000 and above with Chemonics unless exempted. Exemption may be granted by Chemonics or based on a negative response to Section 3(a) below (ie, the offeror, in the previous tax year, had gross income from all sources under USD\$300,000). Dun & Bradstreet regulates the system and registration may be obtained online at <http://fedgov.dnb.com/webform>. If Offeror does not have a DUNS number and is unable to obtain one before proposal submission deadline, Offeror shall include a statement in their Evidence of Responsibility Statement noting their intention to register for a DUNS number should it be selected as the successful offeror or explaining why registration for a DUNS number is not applicable or not possible. Additional guidance on obtaining a DUNS number is available upon request.)

2. Authorized Negotiators

Company Name proposal for Proposal Name may be discussed with any of the following individuals. These individuals are authorized to represent Company Name in negotiation of this offer in response to RFP No.

List Names of Authorized signatories

These individuals can be reached at Company Name office:

Address

Telephone/Fax

Email address

3. Adequate Financial Resources

Company Name has adequate financial resources to manage this contract, as established by our audited financial statements (OR list what else may have been submitted) submitted as part of our response to this proposal.

If the offeror is selected for an award valued at \$30,000 or above, and is not exempted based on a negative response to Section 3(a) below, any first-tier subaward to the organization may be reported and made public through FSRS.gov in accordance with The Transparency Acts of 2006

and 2008. If the offeror positively certifies below in Sections 3.a and 3.b and negatively certifies in Sections 3.c and 3.d, the offeror will be required to disclose to Chemonics for reporting in accordance with the regulations, the names and total compensation of the organization's five most highly compensated executives. By submitting this proposal, the offeror agrees to comply with this requirement as applicable if selected for a subaward.

In accordance with those Acts and to determine applicable reporting requirements, **Company Name** certifies as follows:

- a) In the previous tax year, was your company's gross income from all sources above \$300,000?

Yes No

- b) In your business or organization's preceding completed fiscal year, did your business or organization (the legal entity to which the DUNS number belongs) receive (1) 80 percent or more of its annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements; **and** (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?:

Yes No

- c) Does the public have access to information about the compensation of the executives in your business or organization (the legal entity to which the DUNS number it provided belongs) through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986? (FFATA § 2(b)(1)):

Yes No

- d) Does your business or organization maintain an active registration in the System for Award Management (www.SAM.gov)?

Yes No

4. Ability to Comply

Company Name is able to comply with the proposed delivery of performance schedule having taken into consideration all existing business commitments, commercial as well as governmental.

5. Record of Performance, Integrity, and Business Ethics

Company Name record of integrity is (Instructions: Offeror should describe their record. Text could include example such as the following to describe their record: "outstanding, as shown in the Representations and Certifications. We have no allegations of lack of integrity or of questionable business ethics. Our integrity can be confirmed by our references in our Past Performance References, contained in the Technical Proposal."

6. Organization, Experience, Accounting and Operational Controls, and Technical Skills

(Instructions: Offeror should explain their organizational system for managing the subcontract, as well as the type of accounting and control procedure they have to accommodate the type of subcontract being considered.)

7. Equipment and Facilities

(Instructions: Offeror should state if they have necessary facilities and equipment to carry out the contract with specific details as appropriate per the subcontract SOW.)

8. Eligibility to Receive Award

(Instructions: Offeror should state if they are qualified and eligible to receive an award under applicable laws and regulation and affirm that they are not included in any list maintained by the US Government of entities debarred, suspended or excluded for US Government awards and funding. The Offeror should state whether they have performed work of similar nature under similar mechanisms for USAID.)

9. Commodity Procurement

(Instructions: If the Offeror does not have the capacity for commodity procurements - delete this section. If the Offeror does have the capacity, the Offeror should state their qualifications necessary to support the proposed subcontract requirements.)

10. Cognizant Auditor

(Instructions: Offeror should provide Name, address, phone of their auditors – whether it is a government audit agency, such as DCAA, or an independent CPA.)

11. Acceptability of Contract Terms

(Instructions: Offeror should state its acceptance of the proposed contract terms.)

12. Recovery of Vacation, Holiday and Sick Pay

(Instructions: Offeror should explain whether it recovers vacation, holiday, and sick leave through a corporate indirect rate (e.g. Overhead or Fringe rate) or through a direct cost. If the Offeror recovers vacation, holiday, and sick leave through a corporate indirect rate, it should state in this section the number of working days in a calendar year it normally bills to contracts to account for the vacation, holiday, and sick leave days that will not be billed directly to the contract since this cost is being recovered through the corporate indirect rate.)

13. Organization of Firm

(Instructions: Offeror should explain how their firm is organized on a corporate level and on practical implementation level, for example regionally or by technical practice.)

Signature: _____

Name: _____

One of the authorized negotiators listed in Section 2 above should sign

Title: _____

Date: _____