



Ministry of Finance  
**BUREAU OF PUBLIC SERVICE SYSTEM**  
3<sup>rd</sup> Floor, Executive Building, National Capitol, Ngerulmud  
P.O. Box 6011, Melekeok, Republic of Palau 96940  
Telephone: (680) 767-2415 / (680) 488-4776 Fax: (680) 767-2416  
E-Mail: bpss@palaugov.org Website: <http://www.palaugov.org/bpss>

## **REQUEST FOR PROPOSAL**

**Date of Issue: May 15, 2020**

**RFP No.: PCS-2020-012**

### **SOLICITATION INFORMATION AND SELECTION SCHEDULE**

**Solicitation (RFP) Number:** PCS-2020-012

**Solicitation Title:** Qualified Independent Certified Public Accountants for the performance of financial audits of the ROP State Government for Fiscal year 2018 and 2019.

**Date of Issue:** May 15, 2020

### **MANDATORY REQUIREMENTS AND DATES**

**Inquiries Due Date:** May 21, 2020 (Thursday) 4:00 pm Palau Time

**Answers/ Response:** May 22, 2020 (Friday) 11:00 am Palau Time

**Expression of Interest:** May 25, 2020 (Monday) 4:00 pm Palau Time

**Proposal Due Date and Time:** May 29, 2020 (Friday) 4:00 pm Palau Time

**RFP Opening Date:** June 2, 2020 (Tuesday) 10:00 am Palau Time

**Anticipated Contract Award:** July 2, 2020

*Director/Procurement Officer*

## SECTION A – RFP INFORMATION

### 1. RFP Purpose, Type, Process

- a. Purpose. The Bureau of Public Service System of the Government of Palau is soliciting and accepting sealed bids/proposals from, **Qualified Independent Certified Public Accountants for the performance of financial audits of the ROP State Government for Fiscal year 2018 and 2019.** Interested vendors may obtain copies of specifications by contacting the Bureau of Public Service System.
- b. Type of RFP. This is a *competitive negotiated contract where evaluation is based on various criteria.*
- c. Funding. This project will be fully funded by **local funding.** Award of contract is subject to the availability of funds. Offers or proposals may also be rejected and no contract may be awarded by the Procurement Officer pursuant to the Republic of Palau Procurement law.
- d. Inspection. Offeror acknowledges that the submission of a proposal provides the Republic of Palau the right to inspect at reasonable time the part of the plant or place of business of a contractor or subcontractor which is related to the performance of any contract awarded by the government. Failure to allow inspection may result in the rejection of the proposal/offer.
- e. Business Laws and Taxes. A successful contractor must comply with local business laws and shall be subject to applicable Republic of Palau taxes and fees. In order to be awarded a contract, **a vendor shall provide proof of applicable ROP Business License (Applicable Business License)** as well as be in good standing with the Bureau of Revenue and Taxation.
- f. Potential finalist interviews/demonstrations: If necessary, the Procurement Officer will notify vendors for additional information and/or discussions. However, it is required that **proposals shall be inclusive of any and all information** needed for the ROP to make a determination on the best proposal.
- g. Award. It is anticipated that a vendor will be awarded within 30 days of the Bid opening unless otherwise approved by the Procurement Officer.

### 2. Preparation/Submission of Proposal

- a. Intention to Bid. In order for your business to be considered for this RFP, you **MUST** submit a written Expression of Interest (EOI) to the Procurement Officer by **May 25, 2020** by emailing [bpss@palaugov.org](mailto:bpss@palaugov.org) or providing a written EOI to the BPSS Office located at the Ministry of Finance in Ngerulmud, Melekeok. The email or letter shall include Business or organization Name, Point of Contact or



Authorized Representative, phone number, email address, and statement of your interest to bid.

- b. Vendors are invited to participate in the competitive selection process for the Services outlined in this RFP. Responding parties shall review their Proposal submissions to ensure the following requirements are met.
- c. Required Submittal Details and Quantities. ***Proposals must be submitted in electronic format (in a USB/thumb drive) of the finalized proposal, one (1 original printed proposal and five (5) hard copies). Proposals must be enclosed in an envelope and addressed to the above address with the RFP No. indicated on the envelope.*** In addition to the hard copies of the proposal, one complete and exact copy of the entire proposal on CD-ROM or Flash Drive in Microsoft Office or Microsoft Office compatible format or PDF format shall also be submitted. The electronic copy must be a mirror image of the hard copy. Proposals must be received by the Bureau of Public Service System Office in Koror or Capitol by **4:00pm (Palau Time) on May 29, 2020** which is the closing date of this RFP. Proposals received before the issuance date and after the closing date of this RFP will not be considered.
- d. Proposal Format. Please comply with the following format:
  - i. Section 1 – Provide the Company Information – Name and contact information of authorized representative, copy of Business License, other information relevant to the service.
  - ii. Section 2 – Description services, schedules, etc.
  - iii. Section 3 – Total Cost of Proposal.
- e. Vendor Responsibilities. All Vendors shall:
  - i. examine the entire RFP,
  - ii. seek clarification of any item or requirement that may not be clear,
  - iii. check all responses for accuracy before submitting a Proposal and,
  - iv. submit the entire Proposal by the Proposal Due Date and Time.
- f. Cost of Proposal Preparation. The ROP does not reimburse the cost of developing, presenting or providing any response to this solicitation. Proposals submitted for consideration should be prepared simply and economically, providing adequate information in a straightforward and concise manner. The Vendor is responsible for all costs incurred in responding to this RFP. All materials and documents submitted in response to this RFP become the property of the ROP and will not be returned.

### 3. Inquiries

- a. All Inquiries and Clarification shall be received by BPSS email no later than 4 pm (Palau Time) May 21, 2020.
- b. Answers/Responses to Inquiries shall be available online at <http://palaugov.pw/executive-branch/ministries/finance/bpss/rfp-bids/> - COB on May 22, 2020.

### 4. RFP Timeline:

Bidding Period	May 15, 2020 – May 29, 2020
Inquiries/Clarification Due	May 21, 2020 (4pm Palau Time)
Answers Responses will be Posted After	May 22, 2020 (11am Palau Time)
Expression of Interest	May 25, 2020 (4pm Palau Time)
RFP Closing Date	May 29, 2020 (4pm Palau Time)
RFP Opening Date	June 2, 2020 (11am Palau Time)
Anticipated Contract Award	July 2, 2020

### Evaluation Criteria:

The maximum possible total combined score for a proposal is 5 weighted points. Each Major category is assigned a weight, and each evaluator will rate the categories with the following points:

Points	Description
0	Fails
1	Poor
2	Fair
3	Good
4	Very Good
5	Excellent

Proposals will be evaluated based on the following formula:

*Criteria 1 Points x Weight % = Criteria 1 Score*

*Criteria 2 Points x Weight % = Criteria 2 Score*

*Criteria 3 Points x Weight % = Criteria 3 Score*

**Criteria 1 + Criteria 2 + Criteria 3 = TOTAL SCORE**

## **SECTION B – SCOPE OF WORK**

### **1. Entity to be Audited**

The entities to be audit are the Fourteen (14) State Governments of the Republic of Palau as follows: Aimeliik, Angaur, Hatohobei, Kayangel, Melekeok, Ngaraard, Ngarchelong, Ngardmau, Ngatpang, Ngeremlengui, Ngchesar, Ngiwal, Peleliu, and Sonsorol.

### **2. Organization**

Each State Government is constitutionally established as a separate governing entity with an elected Governor and a Legislature, with the Council of Chiefs providing advice on traditional matters. The Governor is responsible for introducing the State budget for approval by the legislature. The State Legislature enacts State laws.

### **3. Accounting System**

Each State maintains book of accounts using QuickBooks accounting software. The States use the QuickBooks primarily to record cash receipts and disbursements.

Except, Peleliu State Government which maintains separate accounting systems for Governor and Legislature, all other States have centralized accounting system manage by the Governor.

### **4. Fiscal Year**

All State Governments use the same fiscal year as the National Government, October 1-September 30.

### **5. Procurement**

Each State is responsible for the administration of its procurements; however, it must adhere to the Republic of Palau Procurement Law and Regulations.

### **6. Payroll**

State Governments process their payroll through National Treasury, which estimates the States' payroll for the fiscal year and withholds the amount from their annual appropriations by the national congress.

Any amounts appropriated in excess of payroll costs are disbursed to the State in periodic allotments to fund State operations.

### **7. Revenues and Expenditures**

Scheduled below are revenues and expenditures information for each State:



	State	Status	Fiscal Year 2017		Fiscal Year 2016	
			Revenues	Expenditures	Revenues	Expenditures
1.	Aimeliik	Unaudited	\$589,313	\$917,570	\$1,349,138	\$865,361
2.	Angaur	Audited	\$479,362	\$589,658	\$844,274	\$531,254
3.	Hatohobei	Audited	\$589,613	\$623,983	\$565,814	\$538,395
4.	Kayangel	Unaudited	\$495,200	\$569,153	\$509,272	\$605,894
5.	Melekeok	Audited	\$624,640	\$820,322	\$798,587	\$634,047
6.	Ngaraard	Audited	\$752,729	\$909,840	\$1,013,740	\$828,104
7.	Ngarchelong	Unaudited	\$475,193	\$655,636	\$408,685	\$680,145
8.	Ngardmau	Unaudited	\$337,388	\$375,299	\$513,330	\$363,484
9.	Ngatpang	Unaudited	\$651,732	\$624,234	\$600,693	\$547,989
10.	Ngchesar	Audited	\$489,448	\$530,655	\$659,480	\$639,889
11.	Ngeremlengui	Unaudited	\$616,677	\$641,161	\$652,337	\$519,388
12.	Ngiwal	Unaudited	\$465,182	\$493,987	\$496,569	\$508,444
13.	Peleliu	Unaudited	\$798,227	\$1,040,547	\$725,690	\$618,206
14.	Sonsorol	Unaudited	\$434,023	\$408,758	\$471,681	\$521,290

**Note:** The above expenditure figures do not include payroll costs, which are processed through National Treasury.

## 8. Scope of Audit

The scope of the audit will cover combined Fiscal Years 2018 and 2019.

The financial audit will only cover the Revenues and Expenditures statement, Cash-Basis, as prescribed under the aforementioned Financial Reporting Framework, and will not require a separate statement or schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual.

## 9. Financial Reporting Framework

The financial audit of State Governments shall be conducted using the AICPA's practice guide entitled "Applying Special Purpose Frameworks in State and Local Governmental Financial Statements." The Special Purpose framework shall use the "Cash Basis" of Accounting: cash receipts and disbursements.

The successful contractor shall discuss with the Office of the Public Auditor other modifications to be included in the supplementary information to the special purpose reporting framework.

## 10. Requirements of the Independent Auditor

- a. An affirmation that the auditor is properly licensed for public practice as a certified public accountant or a public accountant.
- b. An affirmation that the auditor meets the independence requirements of Government Auditing Standards, 2011 revisions.

#### **11. Entrance Conference**

The auditor shall hold an Entrance Conference with the Minister of Finance, Director of National Treasury and the Public Auditor to discuss plans for the audit, the approach, and other efforts necessary to ensure that audits are completed and issued by the set timetable (deadline).

#### **12. Interim Meetings**

The auditor shall hold meetings from time to time with the Minister of Finance, or his designee, and the Public Auditor to discuss the progress of the audit and any potential problems or issues that could hinder or delay the progress of the audit.

#### **13. Status Reports**

The auditor shall provide quarterly status reports to the Public Auditor on the progress of the audit and report or discuss any problems or issues that may be hindering the progress of the work.

#### **14. Timetable**

All audits for each State Government covering fiscal Years 2018 and 2019 should be completed by **December 31, 2020**.

#### **15. Report Review, Timing and Distribution**

**Draft Audit Report:** The Draft shall be sent electronically to the Governor for his review and comments. Pursuant to the Public Auditing Act (40 PNC 2), the Governor shall have 30 days to respond to the report, which response shall be incorporated into the final report. Failure to provide an adequate response within 30 days of receipt of the draft report will result in the report being finalized without the benefit of the Governor's comments.

A copy shall be sent electronically to the Public Auditor at [stewid@palauopa.org](mailto:stewid@palauopa.org)

**Final Audit Report:** An electronic copy of the Final Audit Report shall be sent to the Governor and the Public Auditor.

Twenty (20) paper copies shall be delivered to the Office of the Public Auditor. The Public Auditor shall distribute to the Governor, Speaker and recipients mandated by law within the National Government.

#### **16. Working Papers**

Working papers shall be available for examination by the Public Auditor and shall be retained for at least three (3) years.

#### **17. Fee Proposal**

The Fee Proposal should be submitted in a separate sealed envelope and should not be disclosed anywhere in the proposal. The fee proposal should separate the fee for the audit and overhead costs.

#### **18. Submission of Proposal**

Refer to Section A, 2(c) for details.

#### **19. Proposal Evaluation and Selection Process**

Proposals shall be evaluated by the Minister of Finance, Director of National Treasury and the Public Auditor. The proposal shall be evaluated using the following criteria:

- Qualification of the audit firm,
- Qualifications of the individuals,
- Scope of Services and Fee Proposal

The results of the evaluation will be documented and used as basis in the selection of the auditor. The Procurement Officer will make the final determination of which proposal is the most advantageous to the Government of the Republic of Palau.

All firms or individuals submitting proposals will be promptly notified of the determination of the Procurement Officer. Proposals will become the property of the Government of the Republic of Palau and will not be returned.