



# THE ROADS AUTHORITY

## MALAWI M1 ROAD REHABILITATION PROJECT

- Section 1: From the turn off to the Kamuzu International Airport (KIA) on the outskirts of Lilongwe to Kasungu (102km)
- Section 2: From Kasungu to Jenda (85.5km)
- Section 3: From Jenda to the Mzimba turn off (46.74km) and
- Section 4: From Kacheche to Chiweta (66.5km)

## CONSULTING SERVICES FOR THE PROVISION OF FINANCIAL AUDIT

**CONTRACT NO. RA/CON/EIB/M1/2024-25/35**

## REQUEST FOR PROPOSALS

Roads Authority  
Functional Building, Paul Kagame Road  
Private Bag B346  
Lilongwe Malawi

**8<sup>th</sup> November 2024**

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## **SECTION 1: Letter of invitation**

SECTION 1: Letter of invitation

REF: Consulting Services for the provision of financial audit of four sections of the Malawi M1 Road Rehabilitation Project

**The Government of the Republic of Malawi** (hereinafter called the “Borrower”) has received financing from the European Investment Bank (EIB) (the “Bank”) in the form of a credit (hereinafter called “the credit”) in addition to a grant from the European Union (**European Development Fund under the Africa Investment Facility**) toward the cost of the rehabilitation of four sections of the M1 Road totalling a length of 301km.

The Malawi Roads Authority (RA), an Implementing Agency of the Borrower, intends to apply a portion of the proceeds of this credit to eligible payments under the contract for which this Request for Proposals is issued.

Payments under this contract will be made only at the request of the Government of the Republic of Malawi and upon approval by the Bank, and will be subject, in all respects, to the terms and conditions of the Finance Contract between the Borrower and the Bank. The Finance Contract prohibits a withdrawal from the credit account for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the knowledge of the Bank, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations. No party other than the Borrower shall derive any rights from the financing agreement or have any claims to the proceeds of the credit.

The Roads Authority now invites proposals to provide the following consultancy services (hereinafter called the “Services”): Consultancy Services for the provision of financial audit.

More details on the Services are provided in the Terms of Reference (Section 7).

This Request for Proposals (RFP) has been addressed to all interested Consultants:

A firm will be selected using Least Cost Based Selection (LCBS) procedures and in Full Technical Proposal (FTP) format as described in this RFP, in accordance with the policies of the Bank detailed in the Bank’s Procurement Guidelines which can be found at the following website:

<http://www.eib.org/en/infocentre/publications/all/guide-to-procurement.htm>.

This Request for Proposals (RFP) includes the following Sections:

- Section 1: Letter of Invitation
- Section 2: Instructions to Consultants
- Section 3: Proposal Data Sheet
- Section 4: Evaluation and Qualification Criteria
- Section 5: Proposal Forms and Covenants
- Section 6: Eligible Countries
- Section 7: Terms of Reference

[Letter of invitation](#)

Section 8: General Conditions of Contract

Section 9: Special Conditions of Contract

Section 10: Contract Forms

Please inform us in writing to:

**The Chief Executive Officer**

The Roads Authority

Functional Building

Paul Kagame Road

Private Bag B346

Lilongwe 3, Malawi

Telephone: (265) 1 753 699

Att.: The Procurement Manager

E-mail: [ipc@ra.org.mw](mailto:ipc@ra.org.mw)

Confirming that you will participate in the tender process.

Details on the Proposal's submission date, time and address are provided in Clauses 17.1 and 17.4 of the ITC.

Proposals will be opened in accordance with the procedures in ITC Clause 20 at date and time and at the address provided and in the presence of any proponents that choose to attend and, in a process, open to the public.

Yours sincerely,

Eng. Ammiel Champiti  
**CHIEF EXECUTIVE OFFICER**

## **SECTION 2: INSTRUCTIONS TO CONSULTANTS (ITC)**

## **SECTION 2: INSTRUCTIONS TO CONSULTANTS (ITC)**

### **A. GENERAL**

#### **1. Scope of Proposal**

- 1.1 The Roads Authority of Malawi (The Implementing Agency) invites technical and financial proposals for the consulting services described in Section 7, Terms of Reference (TOR). The proposal could form the basis for future negotiations and ultimately could form part of a contract between your firm and the Roads Authority.
- 1.2 The procurement reference number and a brief description of the Assignment and its objectives are given in the Proposal Data Sheet at Section 3 of this RFP.
- 1.3 The Assignment shall be implemented in accordance with the timelines indicated in the TOR. When the Assignment includes several phases, continuation of services for the next phase shall be subject to satisfactory performance of the previous phase, as determined by the Implementing Agency.

#### **2. Source of Funds**

- 2.1 The Government of Malawi has received financing from the European Investment Bank (EIB) and the European Union (EU) towards the cost of rehabilitating a total of approximately 301km of the M1 Road and intends to apply part of the agreed amount to payment under the contract for supervision of construction consultancy services of the entire 301km of the rehabilitation work. The Implementing Agency intends to use these funds to place a contract for the services for which this Request for Proposals is issued.
- 2.2 Funds for payments under this contract will be made by the Road Fund Agency from receipts paid into the designated accounts for the funding of this project by the EIB.

#### **3. Eligible Consultants**

- 3.1 A Consultant shall:
  - (a) Have the legal capacity to enter into a contract.
  - (b) Not be insolvent, in receivership, bankrupt or being wound up, not have had their business activities suspended and not be the subject of legal proceedings for any of the foregoing; and
  - (c) Have fulfilled their obligations to pay taxes according to the tax laws of their country of registration.
- 3.2 In order to demonstrate compliance with the criteria in ITC Sub-Clause 3.1, a Bidder shall submit with its Proposal appropriate documentary evidence demonstrating its compliance.
- 3.3 All bidders (including all members of a joint venture, sub consultants and personnel) shall have the nationality of an eligible country, as defined in Section 6, Eligible Countries.
- 3.4 The Consultant's attention is also drawn to Section 5 and the Covenant of Integrity which the Consultant is required to enter into, and the information required to be provided by the Consultant due to this Covenant.

### 4. Conflict of Interest

- 4.1 The Government of the Republic of Malawi (hereinafter called “the Government”) requires that Consultants provide professional, objective, and impartial advice and at all times hold the Procuring interests of the Implementing Agency paramount, strictly avoid conflicts with other assignments or their own corporate interests and act without any consideration for future work.

The EIB ‘s definition of conflict of interest is available at EIB Section 1.5 of the GtP, available at <https://www.eib.org/en/publications/guide-to-procurement> . It states that a conflict of interest is deemed to occur when the impartial and objective exercise of the functions of the Implementing Agency, or the respect of the principles of competition, non-discrimination or equality of treatment with regard to the procurement procedure or contract is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest. The concept of conflict of interest covers any situation where staff members (or consultants acting on behalf) of the Implementing Agency who are involved in the conduct of the procurement procedure or may influence the outcome of that procedure have, directly or indirectly, a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of the procurement procedure or contract execution.

Without limitation on the generality of the foregoing, Suppliers, Consultants, and any of their affiliates, shall be considered to have a conflict of interest and shall not be recruited, under any of the circumstances set forth below:

- (a) A firm and any of its affiliates that have been engaged by the Implementing Agency to provide goods, works or services, other than consulting services for the project, shall be disqualified from providing consulting services related to these goods, works or services. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, and any of its affiliates, shall be disqualified from subsequently providing goods or works or services other than consulting services resulting from or directly related to the firm’s consulting services for such preparation or implementation. For the purpose of this paragraph, services other than consulting services are defined as those leading to a measurable physical output, for example (but not limited to) surveys, exploratory drilling, aerial photography, and satellite imagery.
- (b) A Consultant (including its Personnel and Sub-Consultants) or any of its affiliates shall not be hired for any assignment that, by its nature, may be in conflict with another assignment of the Consultant to be executed for the same or for another Procuring Entity. For example, a Consultant hired to prepare engineering design for an infrastructure project shall not be engaged to prepare an independent environmental assessment for the same project, and a Consultant assisting a Procuring Entity in the privatization of public assets shall not purchase, nor advise purchasers of, such assets. Similarly, a Consultant hired to prepare Terms of Reference for an assignment cannot be hired for the assignment in question.



## Section 2: Instructions to consultants

- (c) A Consultant (including its Personnel and Sub-Consultants) that has a business or family relationship with a member of the Implementing Agency's staff who is directly or indirectly involved in any part of (i) the preparation of the Terms of Reference of the assignment, (ii) the selection process for such assignment (iii) a member of the Implementing Agency's Internal Procurement Committee, or (iv) supervision of the Contract, may not be awarded a Contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the Government throughout the procurement process and the execution of the Contract.
- 4.2 Consultants have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of the Implementing Agency, or that may reasonably be perceived as having this effect. Failure to disclose said situations may lead to the disqualification of the Consultant or the termination of its Contract.
- 4.3 No agency or current employees of the Implementing Agency shall work as Consultants under their own ministries, departments or agencies. Recruiting former government employees of the Implementing Agency to work for their former ministries, departments or agencies is acceptable provided no conflict of interest exists. Consultants should be aware that existing government employees can only be nominated as personnel in Technical Proposals in accordance with the Government of Malawi's current regulations concerning external employment for government employees.
- 4.4 If a shortlisted Consultant could derive a competitive advantage from having provided consulting services related to the assignment in question, the Implementing Agency shall make available to all shortlisted Consultants together with this RFP all information that would in that respect give such Consultant any competitive advantage over competing Consultants.

## 5. Corrupt or Fraudulent Practices

- 5.1 The Government of the Republic of Malawi and the EIB, (The Bank) requires that Procuring Entities, as well as Consultants and Suppliers under government-financed contracts, observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, the Government:
- (a) defines for the purposes of this provision, the terms set forth below as follows:
    - (i) "corrupt practice" means the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the procurement process or in contract execution.
    - (ii) "fraudulent practice" means a misrepresentation or omission of facts in order to influence a procurement process or the execution of a contract.
    - (iii) "collusive practices" means a scheme or arrangement between two or more Bidders, with or without the knowledge of the Implementing Agency, designed to establish prices at artificial, non-competitive levels; and

## Section 2: Instructions to consultants

- (iv) “coercive practices” means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process or affect the execution of a contract.
- (b) will reject a recommendation for award if it determines that the Consultant recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for the contract in question; and
- (c) will debar a Consultant from participation in public procurement for a specified period of time if it at any time determines that the firm has engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, a contract.

### 6. Ethical Conduct

Promoters, tenderers, contractors, suppliers and consultants are required to observe the highest standard of ethics during the procurement and execution of contracts. The Road Authority and the EIB reserves the Right to take all appropriate action in order to enforce this policy.

The Bank is committed to ensuring that its loans are used for the purposes intended and its operations are free from Prohibited Conduct (including but not limited to fraud, corruption, collusion, coercion, obstruction, money laundering and terrorist financing.)

In pursuance of this policy as set out in the EIBs Anti- Fraud Policy, the Bank requires that Consultants sign the Covenant of Integrity as given in Section 5 of this document. This Covenant explains that Prohibited Conduct has the meaning provided in the EIB’s Anti-Fraud Policy, available from: <https://www.eib.org/en/publications/anti-fraud-policy>

If it is established, to the required standards in accordance with the EIBs Investigation Procedures, that a project related Party has engaged in Prohibited Conduct in the course of a procurement process or implementation of a contract (to be) financed, the Bank:

1. May seek appropriate remediation of the prohibited conduct to its satisfaction.
2. May declare ineligible such project related party to be awarded the contract; and/or
3. May withhold the Bank's No Objection to contract award and may apply appropriate contractual remedies which may include suspension and cancellation unless the Prohibited Conduct has been dealt with to the satisfaction of the Bank.

Furthermore, within the framework of its Exclusion Policy, the Bank may declare such project-related Party ineligible to be awarded a contract under any EIB project or to enter into any relationship with the Bank.

## **B. REQUEST FOR PROPOSALS DOCUMENT**

### **7. Sections of Request for Proposals Document**

7.1 This Request for Proposals document consist of Parts 1, 2, and 3, which include all the Sections indicated below, and should be read in conjunction with any Addenda issued in accordance with ITB Clause 8.

#### **Part 1 Procurement Procedures**

- Section 1 Letter of Invitation
- Section 2 Instructions to Consultants (ITC)
- Section 3 Proposal data Sheet (PDS)
- Section 4 Evaluation and Qualification Criteria
- Section 5 Proposal Forms and Covenants
- Section 6 Eligible Countries

#### **Part 2 Terms of Reference**

- Section 7 Terms of Reference

#### **Part 3 Conditions of Contract and Contract Forms**

- Section 8 General Conditions of Contract
- Section 9 Special Conditions of Contract
- Section 10 Contract Forms

### **8. Clarification of Request for Proposals Document**

8.1 Consultants requiring a clarification of the Request for Proposal Documents must notify the Implementing Agency, in writing, not later than fourteen (14) days before the proposal submission date. Any request for clarification shall be sent to the Implementing Agency's address indicated in the PDS. The Implementing Agency shall respond in writing to such requests, within one week and copies of the request and the response shall be sent to all invited Consultants.

### **9. Amendment of Request for Proposals Document**

9.1 At any time before the submission of proposals, the Implementing Agency may, for any reason, whether at its own initiative or in response to a clarification requested by an invited Consultant, modify the Documents by amendment. The amendment shall be sent in writing to all invited Consultants and will be binding on them. The Implementing Agency may at its sole discretion extend the deadline for the submission of proposals.

## **C. PREPARATION OF PROPOSALS**

### **10. Preparation of Proposals**

- 10.1 You are requested to submit separate technical and financial proposals.
- 10.2 In preparing the proposal, you are expected to examine all terms and instructions included in the Request for Proposal Documents. Failure to provide all requested information shall be at your own risk and may result in rejection of your proposal.
- 10.3 To obtain first-hand information on the Assignment and on the local conditions, you are encouraged to pay a visit to the Implementing Agency before submitting a proposal and attend a pre-proposal conference if specified in the PDS. Consultants must fully inform themselves of local conditions and take them into account in preparing their proposal.
- 10.4 The Implementing Agency shall provide the inputs specified in the Terms of Reference, assist the Supplier in obtaining licenses and permits needed to carry out the services, and make available relevant project data and reports.
- 10.5 Please note that the costs of preparing the proposal and of negotiating the contract, including a visit to the Implementing Agency, are not reimbursable as a direct cost of the Assignment.
- 10.6 Please note that the Implementing Agency is not bound to accept any of the proposals submitted.

### **11. Language of Proposals**

- 11.1 The proposal, as well as all correspondence and documents relating to the proposal exchanged by the Consultant and the Implementing Agency, shall be written in English.
- 11.2 Study reports must be in the Language(s) specified in the Terms of Reference. Working knowledge of the national language by the firm's implementing personnel is recommended.

### **12. Joint Ventures, Associations and Subcontracting**

- 12.1 If a Consultant considers that it does not have all the expertise for the assignment, it may obtain a full range of expertise by associating with individual consultant(s) or other firms or entities or by sub-contracting as appropriate. Consultants shall not associate with other short-listed Consultants unless otherwise specified in the PDS.
- 12.2 International Consultants for large contracts are encouraged to seek the participation of national Consultants by entering into a joint venture with, associating with or subcontracting part of the assignment to national Consultants.
- 12.3 The same sub-consultant may be included in several proposals, subject to any limitations in the PDS. Any limits on the percentage of the total proposed contract price which may be subcontracted are stated in the PDS.

### **13. Professional Staff**

- 13.1 The estimated number of key professional staff-months required for the Assignment is stated in the PDS. Your proposal should be based on a number of key professional staff-months substantially in accordance with the above number. Alternatively, for

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fixed-budget assignments, the available budget is given in Section 3, Evaluation Criteria and the Financial Proposal shall not exceed this budget.

- 13.2 It is desirable that the majority of the key professional staff proposed are permanent employees of the Consultant or have an extended and stable working relationship with the Consultant.
- 13.3 Proposed staff should have experience under conditions similar to those prevailing in the Republic of Malawi.
- 13.4 No alternative to Key Professional Staff may be proposed, and only one curriculum vitae (CV) may be submitted for each position. Each CV of a proposed Key Staff candidate must be inclusive of the signed Statement of Exclusivity stating that the candidate is available for the assignment. The Statement of Exclusivity must be endorsed by the representative of the Consultant authorized to sign the proposal on behalf of the company or joint venture.

### **14. Contents of Technical Proposals**

- 14.1 Your technical proposal shall provide the following and any additional information, using the formats included in Section 5, Proposal Forms and Covenants:
  - (a) The Technical Proposal Submission Letter (Section 5, Form T1);
  - (b) A brief description of the Consultants Organization and an outline of recent experience on assignments of a similar nature. (Section 5, Form T2). For each assignment, the outline should indicate, inter alia, the profiles of the staff provided, duration, contract amount, the client together with contact details and the specific involvement of the Consultant in the project.
  - (c) Any comments or suggestions on the Terms of Reference, including the data, services and facilities to be provided by the Implementing Agency (Section 5, Form T3).
  - (d) A description of the technical approach, methodology and work plan that the Bidder proposes to execute the services (Section 5, Form T4);
  - (e) The composition of the proposed staff team, the tasks which would be assigned to each key staff member (Section 5, Form T5);
  - (f) CVs recently signed by the proposed Key Professional Staff (Section 5, Form T6). Key information should include number of years of experience in Road construction, and degree of responsibility held in various assignments during the last ten (10) years.
  - (g) A Staffing Schedule, showing estimates of the total staff input to be provided to carry out the Assignment (Section 5, Form T7), supported by bar chart diagrams showing the time proposed for each professional staff member.
  - (h) A Work Schedule, showing the timing proposed for each activity, which must be consistent with the methodology and work plan described in the proposal (Section 5, Form T8); and
  - (i) Any additional information requested in the PDS.
- 14.2 The technical proposal shall not include any financial information.

**15. Contents of Financial Proposals**

15.1 The financial proposal shall list all costs associated with the assignment, using the following standard forms contained in Section 5, Proposal Forms:

- (a) Financial Proposal Submission Letter (Section 5, Form F1);
  - (b) Summary of Proposal (or Activity) Price (Section 5, Form F2).
  - (c) Summary of Fees (Section 5, Form F3).
  - (d) Summary of Reimbursables (Section 5, Form F4);
  - (e) Miscellaneous Expenses (Section 5, Form F5)
- and
- (f) Any additional information requested in the PDS.

15.2 The total proposal price shall include the following cost components using the appropriate forms:

- (a) Fees for staff, indicating rates for home and field work, where appropriate; and
- (b) Reimbursable expenditure, and Miscellaneous Expenses such as subsistence, transportation (international and local for mobilization and demobilization), services and equipment (vehicles, office equipment, furniture, and supplies), printing of documents, surveys etc.

Notwithstanding the above proposals must be based on lumpsum and for specific deliverables as detailed in the TORs.

15.3 The financial proposal should clearly estimate, as a separate amount, the local taxes (including social security), duties, fees, levies, and other charges imposed on the Consultant and their personnel (other than nationals of or permanent residents in the Republic of Malawi), unless the PDS specifies otherwise.

15.4 The completed financial proposal forms, adjusted if necessary during evaluation or negotiation, will be used in any resulting Agreement.

15.5 Where commissions and gratuities have or shall be paid by the Consultant in relation to the assignment these shall be listed in the Financial Proposal Submission Letter, Form F1.

**16. Currencies of Proposal**

16.1 Consultants must express the price of their services in EURO. The Implementing Agency may require Consultants to state the portion of their price representing local cost in Malawi Kwacha, if so indicated in the PDS.

## **D. SUBMISSION AND OPENING OF PROPOSALS**

### **17. Submission of Proposal**

17.1 Consultants shall submit one original technical proposal and one original financial proposal and the number of copies of each indicated in the PDS. Each proposal shall be in a separate envelope indicating original or copy, as appropriate. All technical proposals shall be placed in an envelope clearly marked "Technical Proposal," and the financial proposals in one marked "Financial Proposal." The envelope containing the financial proposal shall also bear a warning "DO NOT OPEN WITH THE TECHNICAL PROPOSAL".

These two envelopes, in turn, shall be sealed in an outer envelope bearing the address and information indicated in the PDS. The envelope shall be clearly marked: "DO NOT OPEN, EXCEPT IN THE PRESENCE OF THE CLIENT'S PROCUREMENT REPRESENTATIVE.

17.2 In the event of any discrepancy between the copies of the proposals, the original shall govern. The original and each copy of the technical and financial proposal shall be prepared in indelible ink and shall be signed by the authorized representative of the proposing Consultant. The representative's authorization shall be confirmed by a written power of attorney accompanying the proposals, unless otherwise indicated in the PDS. All pages of the technical proposal shall be initialed by the person or persons signing the proposal.

17.3 The proposal shall contain no interlineation or overwriting except as necessary to correct errors made by the Consultants themselves. Any such corrections shall be initialed by the person or persons signing the proposal.

17.4 The completed technical and financial proposals shall be delivered on or before the time and date stated in the PDS to the address indicated in ITC Sub-Clause 17.1. The Implementing Agency shall not consider any proposal that arrives after the deadline for submission of proposal. Any proposal received by the Implementing Agency after the deadline for submission of proposals shall be declared late, rejected, and returned unopened to the Consultant.

### **18. Validity of Proposal**

18.1 The proposals shall be valid for the number of days stated in the PDS from the date of the deadline for submission. During this period, Consultants shall keep available the professional staff proposed for the assignment. The Implementing Agency shall make its best effort to complete negotiations within this period.

### **19. Withdrawal, Substitution and Modification of Proposals**

19.1 A Consultant may withdraw, substitute, or modify its proposal after it has been submitted by sending a written notice, duly signed by an authorized representative, and shall include a copy of the authorization in accordance with ITC Sub-Clause 17.2. The corresponding substitution or modification of the proposal must accompany the respective written notice. All notices must be:

(a) Submitted in accordance with ITC Clause 17 (except that withdrawals notices do not require copies), and in addition, the respective envelopes shall be clearly marked "Withdrawal," "Substitution," or "Modification;" and

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- (b) Received by the Implementing Agency prior to the deadline prescribed for submission of proposals, in accordance with ITC Sub-Clause 17.4.
- 19.2 Proposals requested to be withdrawn in accordance with ITC Sub-Clause 19.1 shall be returned unopened to the Consultant.
- 19.3 No proposal may be withdrawn, substituted, or modified in the interval between the deadline for submission of proposals and expiry of the period of proposal validity specified by the Consultant on the Technical Proposal Submission Sheet or any extension thereof.
- 20. Proposal Opening**
- 20.1 The Implementing Agency shall conduct the proposal opening in the presence of Consultants' designated representatives who choose to attend, and at the address, date and time specified in the PDS.
- 20.2 First, envelopes marked "WITHDRAWAL" shall be opened and read out and the envelope with the corresponding proposal shall not be opened but returned to the Consultant. Next, envelopes marked "SUBSTITUTION" shall be opened and read out and exchanged with the corresponding proposal being substituted, and the substituted proposal shall not be opened, but returned to the Consultant. Envelopes marked "MODIFICATION" shall be opened and read out with the corresponding proposal. No proposal withdrawal, substitution or modification shall be permitted unless the corresponding notice contains a valid authorization to request the withdrawal, substitution or modification and is read out at proposal opening. Only envelopes that are opened and read out at proposal opening shall be considered further.
- 20.3 All other outer envelopes shall be opened one at a time, the technical proposals within them opened, reading out: the name of the Consultant and any other details as the Implementing Agency may consider appropriate.
- 20.4 No proposal shall be rejected at proposal opening except for late proposals, in accordance with ITC Sub-Clause 17.4. Only proposals that are opened and read out at the proposal opening shall be considered further.
- 20.5 The financial proposals shall remain sealed until the time and date notified for the opening of the financial proposals. Evaluators of technical proposals shall have no access to the financial proposals until the technical evaluation is concluded, and the result established.
- 20.6 The Implementing Agency shall prepare a record of the proposal opening that shall include, as a minimum: the name of the Consultant and whether there is a withdrawal, substitution, or modification. The Consultants' representatives who are present shall be requested to sign the record. The omission of a Consultant's signature on the record shall not invalidate the contents and effect of the record. A copy of the record shall be distributed to all Consultants who formally request a copy.



## **E. EVALUATION OF PROPOSALS**

### **21. Confidentiality**

- 21.1 Information relating to the examination, evaluation and comparison of proposals, and recommendation for contract award, shall not be disclosed to Consultants or any other persons not officially concerned with such process until information on Contract award is communicated to all Consultants.
- 21.2 Any effort by a Consultant to influence the Implementing Agency in the examination, evaluation and comparison of the proposals or Contract award decisions shall result in the rejection of its proposal.

### **22. Clarification of Proposals**

- 22.1 To assist in the examination, evaluation and comparison of the proposals, the Implementing Agency may, at its discretion, ask any Consultant for a clarification of its proposal. Any clarification submitted by a Consultant in respect to its proposal that is not in response to a request by the Implementing Agency, shall not be considered. The Implementing Agency's request for clarification and the response shall be in writing. No change in the prices or substance of the proposal shall be sought, offered, or permitted, except to confirm the correction of arithmetic errors discovered by the Implementing Agency in the financial evaluation of the proposals, in accordance with ITC Clause 27.

### **23. Responsiveness of Proposals**

- 23.1 The Implementing Agency's determination of a proposal's responsiveness is to be based on the contents of the proposal itself.
- 23.2 A substantially responsive proposal is one that conforms to all the terms, conditions, and requirements of the Request for Proposals without material deviation, reservation, or omission. A material deviation, reservation, or omission is one that:
- (a) affects in any substantial way the scope, quality, or performance of the Consultancy Services specified in the Contract; or
  - (b) limits in any substantial way, inconsistent with the Request for Proposals, the Implementing Agency's rights or the Consultant's obligations under the Contract; or
  - (c) if rectified would unfairly affect the competitive position of other Consultants presenting substantially responsive proposals.
- 23.3 If a proposal is not substantially responsive to the Request for Proposals, it shall be rejected by the Implementing Agency and may not subsequently be made responsive by the Consultant by correction of the material deviation, reservation, or omission.

### **24. Nonconformities, Errors and Omissions**

- 24.1 Provided that a proposal is substantially responsive, the Implementing Agency may waive any non-conformities or omissions in the proposal that do not constitute a material deviation.
- 24.2 Provided that a proposal is substantially responsive, the Implementing Agency may request that the Consultant submit the necessary information or documentation, within a reasonable period of time, to rectify nonmaterial nonconformities or omissions in the

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proposal related to documentation requirements. Such omission shall not be related to any aspect of the price of the proposal. Failure of the Consultant to comply with the request may result in the rejection of its proposal.

### **25. Preliminary Examination of Proposals**

- 25.1 The Implementing Agency shall examine the proposals to confirm that:
- (a) the Consultant meets the eligibility criteria defined in ITC Clause 3;
  - (b) the proposal has been properly signed;
  - (c) all documents and information requested in ITC Clause 14 have been provided; and;
  - (d) the proposal is substantially responsive to the requirements of the RFP document.
- 25.2 The Implementing Agency shall confirm that the following documents and information have been provided:
- (a) Technical Proposal Submission Sheet, including a brief description of the services offered and the proposal validity period;
  - (b) Separately sealed financial proposal;
  - (c) Written confirmation of authorization to commit the Consultant; and
  - (d) Any other documentation as may be required by the Implementing Agency.
- 25.3 If the proposal fails to meet the criteria specified in ITC Sub-Clause 25, it shall be rejected.

### **26. Technical Evaluation of Proposals**

- 26.1 The Implementing Agency shall technically evaluate the proposals on the basis of the Consultant's responsiveness to the Terms of Reference, applying the evaluation criteria, sub-criteria and maximum points specified in Section 4, The Evaluation and Qualification Criteria. Each responsive proposal will be given a technical score. A proposal shall be rejected at this stage if it does not respond to important aspects of the Terms of Reference or if it fails to achieve any minimum technical score indicated in Section 4.
- 26.2 The proposals proceeding to the financial evaluation shall be determined in accordance with the methodology and criteria specified in Section 4.

### **27. Financial Proposal Opening**

- 27.1 After the technical evaluation is completed, the Implementing Agency shall notify those Consultants whose proposals will not pass to the financial evaluation, indicating that their financial proposals will be returned unopened after completing the evaluation process. The Implementing Agency shall simultaneously notify the Consultant(s) whose proposals will proceed to the financial evaluation indicating the date and time set for opening the financial proposal(s). The opening date shall not be sooner than one week after the notification date. The notification will be sent in writing.
- 27.2 The financial proposal(s) shall be opened in public and in the presence of the Consultants' representatives who choose to attend. The name of the Consultant, the

## Section 2: Instructions to consultants

technical quality score and the proposal price(s) shall be read aloud and recorded when the financial proposal(s) are opened. The Implementing Agency shall prepare minutes of the public opening.

### **28. Financial Evaluation of Proposals**

- 28.1 The Implementing Agency shall financially evaluate each financial proposal that has been opened in accordance with ITC Clauses 27.1 and 27. 2.
- 28.2 The Implementing Agency will determine whether the financial proposals are complete. In the case of lumpsum contracts, if Consultants have not costed all items of the corresponding technical proposals, the Implementing Agency will reserve the right to cost them and add their cost to the initial price.
- 28.3 The Implementing Agency will correct any arithmetical errors on the following basis:
- (a) if there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected, unless in the opinion of the Implementing Agency there is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price shall be corrected;
  - (b) if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail, and the total shall be corrected; and
  - (c) if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) and (b) above.

If the Consultant that submitted an evaluated financial proposal does not accept the correction of errors, its proposal shall be disqualified.

- 28.4 Where an activity or line item is quantified in the Financial Proposal differently from the Technical Proposal the Implementing Agency shall correct the quantification indicated in the Financial Proposal so as to make it consistent with that indicated in the Technical Proposal, apply the relevant unit price included in the Financial Proposal to the corrected quantity and correct the total Proposal price.
- 28.5 The Implementing Agency shall convert all proposal prices expressed in various currencies into the single currency specified in the PDS, using the official selling exchange rate established by the source fourteen (14) calendar days prior to the date of submission of the proposals as specified in the DS.
- 28.6 The evaluation shall include estimated taxes, duties, fees, levies, and other charges imposed under the applicable law; and to be applied to foreign and non-permanent resident consultants (and to be paid under the contract, unless the consultant is exempted), and estimated in accordance with ITC Sub-Clause. 15.3, unless otherwise indicated in the PDS.

### **29. Comparison of Proposals**

- 29.1 The Implementing Agency shall compare all substantially responsive proposals to determine the best evaluated proposal, in accordance with the methodology specified in Section 4, Evaluation and Qualification Criteria.

## Section 2: Instructions to consultants

### **30. Negotiations**

- 30.1 Prior to the expiry of proposal validity, the Implementing Agency shall notify the successful Consultant in writing and invite it to negotiate the Contract at the location indicated in the PDS.
- 30.2 The aim is to reach agreement on all points and initial a draft contract by the conclusion of negotiations.
- 30.3 Negotiations shall commence with a discussion of the technical proposal, including the proposed methodology, work plan, staffing and any suggestions to improve the TOR. Agreement shall then be reached on the final TOR, the staffing, and work schedules, which shall indicate activities, staff, periods in the field and in the home office, staff months, logistics and reporting. Special attention shall be paid to optimizing the required outputs from the Consultant within the available budget and to defining clearly the inputs required from the Implementing Agency to ensure satisfactory implementation of the Assignment.
- 30.4 Changes agreed upon shall then be reflected in the financial proposal, using proposed unit rates. The fee rates will not be subject to negotiation, except in the case of Quality Based Selection.
- 30.5 Having selected the lowest evaluated Proposal on the basis of, among other things, an evaluation of proposed key professional staff, the Implementing Agency expects to negotiate a contract on the basis of the staff named in the proposal. Prior to contract negotiations, the Implementing Agency shall require assurances that the staff members will be actually available. The Implementing Agency shall not consider substitutions during contract negotiations except in cases of unexpected delays in the starting date or incapacity of key professional staff for reasons of health.
- 30.6 The negotiations shall be concluded with a review of the draft form of the contract. The Implementing Agency and the Bidder shall finalize the contract to conclude negotiations. If negotiations fail, the Implementing Agency shall invite the next ranked Consultant to Contract negotiations.

## **F. AWARD OF CONTRACT**

### **31. Award of Contract**

- 31.1 The Implementing Agency shall award the Contract to the Consultant whose proposal has been determined to be the best evaluated proposal on the basis of substantially responsive tender to the Request for Proposals, subject to satisfactory negotiations and provided that such Consultant has been determined to be eligible in accordance with the provisions of ITC Clause 3.
- 31.2 Notwithstanding ITC Sub-Clause 30.1, the Implementing Agency reserves the right to accept or reject any proposal, and to cancel the procurement process and reject all proposals, at any time prior to the award of Contract, without thereby incurring any liability to the affected Consultant or Consultants or any obligation to inform the affected Consultant or Consultants of the grounds for the Implementing Agency's action.
- 31.3 The Consultant whose proposal has been accepted will be notified of the decision to award in writing by the Implementing Agency prior to expiration of the proposal validity period. Following contract award, the Implementing Agency shall promptly inform the other Consultants that their proposals have not been selected together with a summary of the reasons for that decision.
- 31.4 Following the notification of the intention to award the contract, the implementing agency shall observe a standstill period of 10 days during which unsuccessful proponents have the opportunity to request a debriefing by the Implementing Agency through which reasons for their proposal not being successful can be clarified.
- 31.5 The Implementing Agency shall publish in the Malawi Government Gazette the results of the award of contract, as required by the Public Procurement Regulations.

**SECTION 3: PROPOSAL DATA SHEET**

## SECTION 3: PROPOSAL DATA SHEET

<b>(ITC) Clause Reference</b>	<b>Data Relevant to the ITC Clause</b>
<b>A. General</b>	
ITC 1.1	The Implementing Agency is: The Roads Authority of Malawi
ITC 1.2	<p>The procurement reference number is: RA/CON/2024-2025/35</p> <p>The assignment is: Consultancy services for the Provision of Financial Audit:</p> <p><b>Section 1:</b> From the turn off to the Kamuzu International Airport (KIA) on the outskirts of Lilongwe to Kasungu (102km)</p> <p><b>Section 2:</b> From Kasungu to Jenda (85.5km)</p> <p><b>Section 3:</b> From Jenda to the Mzimba turn off (46.74km) and</p> <p><b>Section 4:</b> From Kacheche to Chiweta (66.5km)</p>
ITC 3.1	<p>Add the following sub clauses:</p> <p>(d) Firms that are at least 51% owned by Malawians must present:</p> <p style="padding-left: 40px;">(i) Registrar General’s Business Certificate or Articles of Association for a limited company and evidence of share -holding from the Registrar General;</p> <p style="padding-left: 40px;">(ii) A National Construction Industry Council (NCIC) Registration Certificate;</p> <p style="padding-left: 40px;">(iii) Proof of Tax compliance for the past 2 financial years.</p> <p>(e) Any non-compliant proposal will be rejected.</p>
ITC 6	<p><b>Add the following:</b></p> <p>The Bank and auditors appointed by either of them, as well as any authority or European Union Institution or body having competence under European Union law, has the right to inspect and copy the books and records of the tenderer, contractor, supplier or consultant in connection with any Bank-financed contract.</p>
<b>B. Request for Proposals Document</b>	
ITC 8.1	<p>For clarification purposes only, the Implementing Agency’s address is:</p> <p><b>The Chief Executive Officer Roads Authority Functional Building Paul Kagame Road Private Bag B346 Lilongwe 3 Country: MALAWI</b></p>

## Section 2: Instructions to consultants

	<p>Att.: The Procurement Manager E-mail: <a href="mailto:ipc@ra.org.mw">ipc@ra.org.mw</a></p> <p>Requests for clarifications should be received by the Implementing Agency no later than 16.00 hours on 7th April 2023</p>								
ITC 8.1	The consultant should alert the Implementing Agency in writing, with a copy to the European Investment Bank to <a href="mailto:procurementcomplaints@eib.org">procurementcomplaints@eib.org</a> , in case they should consider that certain clauses or provisions of the RFP might limit international competition or introduce an unfair advantage to some consultants.								
<b>C. Preparation of Proposals</b>									
ITC 10.3	<p>A pre-proposal meeting shall not be held</p> <p>The time for the meeting is: NA</p> <p>Date: <b>NA</b></p> <p>Time (local time): <u>NA</u></p>								
ITC 11.2	The language of the proposal, the project and all Study Reports is English.								
ITC 12.1	Consultant may form associations with other consultants								
ITC12.3	Consultants may subcontract any part of the services								
ITC 13.1	<p>The estimated man months for the key professional staff are:</p> <table style="margin-left: 40px;"> <tr> <td>Audit manager</td> <td style="text-align: right;">1</td> </tr> <tr> <td>Team leader</td> <td style="text-align: right;">1</td> </tr> <tr> <td>Procurement specialist</td> <td style="text-align: right;">1</td> </tr> <tr> <td>An assistant auditor</td> <td style="text-align: right;">1</td> </tr> </table>	Audit manager	1	Team leader	1	Procurement specialist	1	An assistant auditor	1
Audit manager	1								
Team leader	1								
Procurement specialist	1								
An assistant auditor	1								
ITC 14.1 (i)	<p>The technical proposal shall include the following additional information:</p> <ol style="list-style-type: none"> <li>1. The proposal must include the signed Covenant of Integrity as included in Section 5 (Proposal Forms) of this Request for Proposals and comply with all aspects of the Covenant. The Covenant of Integrity must be signed by all consultants (including all Joint Venture / consortium members)</li> <li>2. The proposal must include the signed Environmental and Social Covenant as included in Section 5 (Proposal Forms) of this Request for Proposals, and comply with all aspects of the Covenant. The Environmental and Social Covenant must be signed by all consultants (including all Joint Venture / consortium members)</li> <li>3. The proposal must comply in all respects with EIB's environmental and social safeguards available on:  <a href="https://www.eib.org/en/publications/environmental-and-social-standards">https://www.eib.org/en/publications/environmental-and-social-standards</a></li> </ol>								
ITC 15.1 (f)	<p>The financial proposal shall include the following additional information:</p> <p><b><u>Any costs associated with the Consultants requirement to register with the National Construction Industry Council of Malawi (NCIC)</u></b></p>								
ITC 15.2 (a)	The Financial Proposal shall list all costs associated with the assignment and may include:								



## Section 2: Instructions to consultants

	<ul style="list-style-type: none"> <li>(i). a per diem allowance, including hotel, for experts for every day of absence from the home office for the purposes of the Services;</li> <li>(ii). cost of travel by the most appropriate means of transport and the most direct practicable route;</li> <li>(iii). cost of office accommodation, including overheads and back-stop support;</li> <li>(iv). communications costs;</li> <li>(v). cost of purchase or rent or freight of any equipment required to be provided by the Consultants;</li> <li>(vi). cost of reports production (including printing) and delivering to the Client;</li> <li>(vii). other allowances where applicable and provisional or fixed sums (if any)]</li> <li>(viii). any relevant type of expenses, if/as applicable</li> </ul> <p>Proponents are to include all of the above in the fee rates proposed for staff members assigned to the positions required for the assignment. Separate payment for the miscellaneous costs listed will not be made.</p>
ITC 15.3	The project is considered to be free of VAT and import duties.
ITC 16.1	Bidders can <b>only</b> express the price of their services in EURO
<b>D. Submission and Opening of Proposals</b>	
ITC 17.1	<p>In addition to the original of the technical proposal, the number of copies required is:</p> <ul style="list-style-type: none"> <li>1) <u>Three (3) Hard Copies</u></li> <li>2) <u>A Soft Copy of the whole technical proposal document in pdf format on a Memory Stick clearly labelled with the Company Name and Contract Number</u></li> </ul> <p><i>(The financial proposal must not be on the Memory Stick)</i></p>
ITC 17.1	<p>The <u>address for proposal submission</u> is:</p> <p><b>The Chief Executive Officer Roads Authority Functional Building Off Paul Kagame Road Private Bag B346 Lilongwe 3</b></p> <p><b>Telephone: (265) 01 753 699</b></p> <p>In addition to the address, the outer envelope shall bear the following information:</p> <ul style="list-style-type: none"> <li>(a) the procurement reference number;</li> <li>(b) the title of the assignment; and</li> <li>(c) the name and address of the Consultant.</li> </ul>
ITC 17.2	The representative's authorisation shall be confirmed by a written <u>Power of Attorney</u> .
ITC 17.4	The deadline for proposal submission is:

Section 2: Instructions to consultants

	<p>Date: <b>13<sup>th</sup> December 2024</b></p> <p>Time (local time): <b><u>10.00 Hrs Central African Time</u></b></p>
ITC 18.1	The proposal validity period shall be <u>(90)</u> days.
ITC 20.1	<p>For <u>proposal opening purposes</u> only, the Implementing Agency's address is:</p> <p style="text-align: center;"><b>The Chief Executive Officer Roads Authority Functional Building Off Paul Kagame Road Private Bag B346 Lilongwe 3</b></p> <p>The time for proposal opening is:</p> <p>Date: <b>13<sup>th</sup> December 2024</b></p> <p>Time (local time): <b>10.30 Hrs.</b></p>
<b>E. Evaluation of Proposals</b>	
ITC 28.5	<p>The currency that shall be used for proposal evaluation and comparison purposes is: <b>EURO</b></p> <p><b>See PDS Clause 16.1</b></p>
ITC 28.6	<p>The Financial evaluation shall not include <u>VAT</u>.</p> <p>The Client has secured an exemption from all duties and taxes on goods, services and works in connection with the project. This exemption cannot be extended to third parties and the Consultant must engage with the Malawi Revenue Authority to determine the tax obligation in respect of its employees engaged on the project</p>
ITC 30.1	<p>For <u>negotiations purposes</u> only, the Implementing Agency's address is:</p> <p style="text-align: center;"><b>The Chief Executive Officer Roads Authority Functional Building Off Paul Kagame Road Private Bag B346 Lilongwe 3</b></p> <p style="text-align: center;"><b>Telephone: (265) 01 759156</b></p> <p>The attention of Proposing Consultants is drawn to the comments under ITC 10.3 of this PDS.</p>
ITC 30.5	The Implementing Agency reserves the right to interview the candidates for the Supervisor / Team Leader. Such interviews may be held through virtual means (e.g. SKYPE or TEAMS or ZOOM) at the sole discretion of the Implementing Agency.

## Section 2: Instructions to consultants

ITC 31.4	<p>Following the notification of decision to award there will be a standstill period of 10 days to facilitate the submission of any complaints concerning the procurement process. Complaints procedures will be in compliance with the "Procurement Complaints Procedures" as set out in Annex 8 to the EIB Guide to Procurement.</p> <p>Any complaints will be addressed following the directions set out in Part IX - Administrative Review and Appeal, of the Malawi Government Public Procurement and Disposal of Public Assets Act, 2016,</p> <p>This Act is available online at: <a href="https://www.ppda.mw/wp-content/uploads/2019/11/public_procurement_and_asset_disposal_act.pdf">https://www.ppda.mw/wp-content/uploads/2019/11/public_procurement_and_asset_disposal_act.pdf</a></p>
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**SECTION 4: EVALUATION AND QUALIFICATION CRITERIA**

## SECTION 4: EVALUATION AND QUALIFICATION CRITERIA

### 4.1. EVALUATION METHODOLOGY

The methodology for the evaluation of proposals will be Quality and Cost Based Selection (QCBS). The attention of all proponents is drawn to the following aspect of the evaluation methodology to be adopted:

- 4.1.1. In each of the fields relevant to this work, the proponent is required to have professionally qualified staff who are experienced for the assignment. These are Supervisor / Team Leader, Coordinator, Community Liaison/Gender Officer, Child Care and Protection officer/Counsellor and Supporting Staff.

The submission of these staff, the organisation of the service provider and their understanding of and ability to provide back-up support will be evaluated. A score based upon this evaluation will be taken to table 4.5.4 below.

- 4.1.2. The Consultant is required to provide the following staff as stipulated in Section 7, the Terms of Reference of this Request for Proposals:

- (a) Audit manager
- (b) Team leader
- (c) Procurement specialist
- (d) An assistant auditor

- 4.1.3. The Implementing Agency's reasoning for this methodology is that the key personnel for the Consultancy are the Audit manager, Team leader, Procurement specialist and An assistant auditor. These key personnel will be responsible for ensuring that any other positions considered necessary by the service provider are filled by candidates that will enable a satisfactory delivery of the required services.

### 4.2. ELIGIBILITY CRITERIA

- 4.2.1. **Eligibility** criteria are stated in Section 2, ITC Clause A3

### 4.3. CONFLICT OF INTEREST

- 4.3.1. **Conflict** of Interest information and instructions are stated in Section 2, ITC clause A4

### 4.4. CORRUPT OR FRAUDULENT PRACTICES

- 4.4.1. **Corrupt** or Fraudulent Practices information and requirements are stated in Section 2, ITC clause A5

#### 4.5. TECHNICAL EVALUATION CRITERIA

##### 4.5.1. The Consultant is required to provide a team comprising the following:

- (a) Audit manager
- (b) Team leader
- (c) Procurement specialist
- (d) An assistant auditor

##### 4.5.2. **The** technical scoring for qualification will be carried out only on the listed key experts.

The appointment and competency of the for all positions is the responsibility of the Consultant. These will be assessed by the Promoter for compliance with the qualification and experience requirements, as stated in RFP Section 7 (Terms of Reference).

The Implementing Agency reserves the right to interview the candidates for the positions of A Audit Manager / Team Leader. Such interviews maybe carried out using virtual means such as Skype. This is at the sole discretion of the Implementing agency.

Any appointed person found not to be performing adequately must be replaced at no cost to the Implementing Agency.

## Section 2: Instructions to consultants

### 4.5.3. The Allocation of Points in the Scoring will be as follows:

**Table 4.5.1 Allocation of Points For each expert**

Technical criteria and maximum number of points to be given under each category

**Table 4.5.1 For the team Leader**

	Criteria	Maximum % of the available points
a)	General Qualifications	30
b)	Adequacy of Experience for the assignment	60
c)	Experience in Region and Language	10
d)	Total Percentage	100%

The percentage scores of the four staff proposed team member to be evaluated will be added together. This average score of the will be used in the final scoring as a percentage of the Maximum Points available

**Table 4.5.3 Scoring for each Section team**

Criteria for each team	Maximum Points % of the available points
Audit manager	25
Team leader	20
Procurement specialist	15
An assistant auditor	15
<b>Total Points to be carried forward to Table 4.5.4</b>	<b>75</b>

**SUMMARY OF SCORES**

The total of any submission scoring less than 75% of the maximum will be rejected.

**Table 4.5.3 FINAL POINTS ALLOCATION**

<b>CRITERIA</b>		<b>MAX SCORE</b>
Consultants experience in relevant fields. Consultants understanding of back-up support and ability to provide it.		<b>10</b>
Adequacy of the proposed work plan and methodology divided into;		<b>15</b>
(i) Approach and methodology	10	
(ii) Work plan	5	
Qualifications and competence of the key staff		<b>75</b>
<b>TOTAL</b>		<b>100</b>

**4.5.4. The proposals proceeding to the financial evaluation within the LCBS shall be:**

All proposals reaching the minimum technical score of 75 out of 100



**4.6. FINANCIAL EVALUATION AND COMPARISON OF PROPOSALS**

- 4.6.1. Financial proposals will be checked in accordance with ITC Clause 28. They will be checked for arithmetic errors and any such errors found will be corrected by the Implementing agency using the principle that the proposed unit rates will take precedence over the final amount for any calculation and the final amount will be corrected by applying the proposed unit rate to the quantity.

Proposals will be compared using the following methodology to determine the best evaluated proposal:

- 4.6.2. To determine financial score for each proposal, the lowest priced proposal shall be recommended for award of the contract.

Proposals will be ranked and the proposal achieving the highest total score will be recommended for contract award, subject to satisfactory negotiations.

## **SECTION 5: PROPOSAL FORMS**

## **SECTION 5: PROPOSAL FORMS**

### **List of Forms**

#### **Technical Proposal – Standard Forms**

- T1 Technical Proposal Submission Letter.
- T2 Consultant's Organization, Experience and Back Up staff.
- T3 Comments and Suggestions on the Terms of Reference.
- T4 Description of the Approach, Methodology and Work Plan for performing the Assignment.
- T5 Team Composition and Task Assignments.
- T6 Curriculum Vitae for Proposed Professional Staff.
- T7 Staffing Schedule.
- T8 Work Schedule.

Environmental and Social Covenant

Covenant of Integrity

#### **Financial Proposal - Standard Forms**

- F1 Financial Proposal Submission Letter.
- F2 Summary of Proposal (or Activity) Price.
- F3 Summary of Fees.
- F4 Summary of Reimbursables.
- F5 Miscellaneous Expenses

## TECHNICAL PROPOSAL

*Note to Consultants: This Technical Proposal Submission Sheet should be on the letterhead of the Consultant and should be signed by a person with the proper authority to sign documents that are binding on the Consultant. It should be included by the Consultant in its technical proposal.*

### T1 TECHNICAL PROPOSAL SUBMISSION LETTER (On the Consultant's Letterhead)

Procurement of Consulting Services for provision of financial audit of the Construction for the Rehabilitation of Four Sections of the M1 Road in Malawi

Date: **[insert date (as day, month and year) of proposal submission]**

Procurement Reference No: **RA/CON/2024-2025/35**

To: The Chief Executive Officer  
Roads Authority  
Functional Building  
Off Paul Kagame Road  
Private Bag B346  
Lilongwe 3, Malawi  
Telephone: (265) 01 753 699

We, the undersigned, declare that:

- (a) We have examined and have no reservations to the Request for Proposals, including Addenda No.: **[insert the number and issuing date of each Addenda]**;
- (b) We offer to provide the consulting services for **provision of financial audit of the Construction for the Rehabilitation of Four Sections of the M1 Road in Malawi** in conformity with your Request for Proposals and our proposal;
- (c) We hereby submit our proposal which includes this technical proposal, and a financial proposal sealed under a separate envelope;
- (d) Our proposal shall be valid for a period of 90 days from the date fixed for the proposal submission deadline in accordance with the Request for Proposals, and it shall remain binding upon us and may be accepted at any time before the expiration of that period;
- (e) We, including any associates, Joint Venture partners or Sub-consultants for any part of the contract, have nationals from eligible countries **[insert the nationality of the Consultant, including that of all parties that comprise the Consultant, if the Consultant is a Joint Venture, consortium or association, and the nationality of each sub consultant]**;
- (f) We do not have any conflict of interest as defined in ITC Clause 4;
- (g) We, our affiliates or subsidiaries – including any sub-consultants for any part of the assignment - are not suspended, or excluded from participation in any public procurement exercise by the Office of the Director of Public Procurement in Malawi in accordance with ITC Sub-Clause 5.1(c);
- (h) We are not under investigation by the Anti- Corruption Bureau or any other law enforcement body in Malawi relating to participation in any public procurement tender

Section 2: Instructions to consultants

exercise or execution of any public procurement contract relating to the purchase of goods, works and services by any Procuring Entity.

- (i) The names and physical addresses of the Directors of our firm are provided in the table below or we enclose a copy of our latest Audited Accounts (issued within the last twenty-four (24) months):

Name	Address

- (j) Our Proposal is binding upon us, subject to modifications agreed during any contract negotiations, and we undertake to negotiate on the basis of the staff proposed in our proposal;
- (k) We understand that this proposal, together with your written acceptance thereof, shall constitute a binding contract between us, until a formal contract is prepared and executed;
- (l) We understand that you are not bound to accept any proposal that you may receive;

Name: ***[insert complete name of person signing the proposal]***  
In the capacity of ***[insert legal capacity of person signing the proposal]***  
Signed: ***[signature of person whose name and capacity are shown above]***  
Duly authorized to sign the proposal for and on behalf of: ***[insert complete name of Consultant]***  
Dated on \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ ***(insert date of signing)***

**T2 CONSULTANT’S ORGANISATION AND EXPERIENCE**

**CONSULTANT’S ORGANISATION**

*[Provide a brief (approximately two pages) description of your firm/entity (and each associate for the assignment) – background, organization etc.]*

**CONSULTANT’S EXPERIENCE**

*[Using the format below, provide information on relevant assignments carried out in the last ten years which best illustrate your experience, where your firm/entity provided services similar to the ones requested under this assignment.] Proponents are to provide details including those on which the preliminary qualification was based namely services on a minimum of 2 similar assignment on road related contracts. Evidence in the form of a statement from the client(s) and a copy of the relevant signed agreement must be submitted.*

*In the case on Joint Ventures, Associations or Consortiums the following Forms must be separately completed by each member of the Joint Ventures, Association or Consortium.*

Consultant’s Experience for in similar conditions						
Project Name	Location (Country)	Client	Project Value EUR	Year of Execution	Contract Value EUR	Description of Services Provided
Consultant’s Current Contractual Commitments						
Project Name	Location	Client	Project Value	Expected Completion Date	Contract Value EUR	Description of Services Provided

*Provide an outline of how the organisation will provide back-up support for the staff in Malawi. Include any corporate procedures and tools used. Outline should be not more than one page in length.*

## Section 2: Instructions to consultants

*Note to Consultants: The information requested is required in the format provided below and should be included by the Consultant in its technical proposal. If none, include form and state "None".*

### **T3 COMMENTS AND SUGGESTIONS ON THE TERMS OF REFERENCE**

*(Including the data, services and facilities to be provided by the Implementing Agency)*

***[Give any comments, suggestions or proposed improvements to the terms of reference e.g. deleting unnecessary activities, proposing additional activities, proposing different phasing etc. Any comments should be incorporated in your proposal.]***

***Also give any comments on the data, services and facilities to be provided by the Implementing Agency e.g. administrative support, office space, local transportation, equipment, data, counterpart staff etc.]***

#### **T4 DESCRIPTION OF APPROACH, METHODOLOGY AND WORK PLAN AND ORGANISATION AND STAFFING FOR PERFORMING THE ASSIGNMENT**

*It is suggested that you present your Technical Proposal divided into the following three chapters:*

- a) TECHNICAL APPROACH AND METHODOLOGY,
- b) WORK PLAN, AND
- c) ORGANISATION AND STAFFING,

##### **a) TECHNICAL APPROACH AND METHODOLOGY.**

*In this chapter you should explain your understanding of the objectives of the assignment, approach to the services, methodology for carrying out the activities and obtaining the expected output, and the degree of detail of such output. You should highlight the anticipated problems being addressed and their importance and explain the technical approach you would adopt to address them. You should also explain the methodologies you propose to adopt and highlight the compatibility of those methodologies with the proposed approach. You should propose implementation of Quality Management and Document Control systems and explain how they will produce satisfactory control, and records.*

##### **b) WORK PLAN.**

*In this chapter you should propose the main activities of the assignment, their content and duration, phasing and interrelations, milestones (including interim approvals by the Implementing Agency), and delivery dates of the reports. The proposed work plan should be consistent with the technical approach and methodology, showing understanding of the TOR and ability to translate them into a feasible working plan. A list of the final documents, including reports, drawings, and tables to be delivered as final output, should be included here. The work plan should be consistent with the Work Schedule of Form T8.*

##### **c) ORGANISATION AND STAFFING.**

*In this chapter you should propose the structure and composition of your team. You should list the main disciplines of the assignment, the key expert responsible, and proposed technical and support staff. The contents should be consistent with the information shown in Forms T5 and T7*

*It is recommended that the approach, methodology and work plan, inclusive of charts and diagrams, should be no more than 50 pages.*



## Section 2: Instructions to consultants

### T5 TEAM COMPOSITIONS AND TASK ASSIGNMENTS

<b>Name</b>	<b>Area of Expertise</b>	<b>Position</b>	<b>Tasks Assigned</b>
TO BE INSERTED		Audit manager	
TO BE INSERTED		Team leader	
TO BE INSERTED		Procurement specialist	
TO BE INSERTED		An assistant auditor	

Need one Table for each Section team

**T6 CURRICULUM VITAE FOR PROPOSED KEY PROFESSIONAL STAFF**

Each CV for the Key project staff must be accompanied by a signed statement of Exclusivity. Maximum Page Count for CV and Statements – 4 pages A4.

1. Proposed Position: [*only one candidate for each position*]
2. Name of Firm:
3. Name of Staff Member:
4. Date of Birth:                      Nationality:
5. Education: [*indicate college/university and other specialized education, giving names of institutions, degrees obtained and dates of obtained*] [*\*Include copies of all certificates mentioned in the Curriculum Vitae*]
6. Membership of Professional Associations:
7. Other Training: [*indicate other significant training not included under Education*]
8. Countries of Work Experience: [*list countries of work experience in the last ten years*]
9. Languages: [*indicate proficiency in each language as good, fair or poor for speaking, reading and writing*]

Language	Speaking	Reading	Writing

10. Employment Record: [*starting with present position, list every employment held since graduation, stating dates of employment, employing organization and positions held*]

From: [*year*] \_\_\_\_\_ To: [*year*]

Employer:

Positions held:

Detailed Tasks Assigned:

11. Work Undertaken that Best Illustrates Capability to Handle the Tasks Assigned:

[*list all tasks to be performed under this assignment*]

[*indicate the following information for those assignments that best illustrate the member of staff's capability to handle the tasks listed under point 11*]

Name of assignment or project:

Year:

Location:

Client:

Section 2: Instructions to consultants

Contact details of the Client

Main project features:

Position held:

Activities performed:

**12. Certification:**

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

\_\_\_\_\_  
Signature of Candidate Date: \_\_\_\_\_  
Day/Month/Year

Full name of authorized representative of the Consultant: \_\_\_\_\_

Signature of authorized representative of the Consultant: \_\_\_\_\_

**13. Statement of Exclusivity**

I...(***Insert name of candidate***).....confirm that I am available to and committed to take up the position of ...(***Insert position for which candidate is proposed***) .....in the event that ...(***Insert name of Consultant***).....is selected for the Consultancy for the Supervision of Construction on the Rehabilitation and Widening of the M1 Road in Malawi.

\_\_\_\_\_  
Signature of Candidate Date: \_\_\_\_\_  
Day/Month/Year

Full name of authorized representative of the Consultant: \_\_\_\_\_

Signature of authorized representative of the Consultant: \_\_\_\_\_

## Section 2: Instructions to consultants

*Note to Consultants: The information requested is required in the format provided below and should be included by the Consultant in its technical proposal.*

*Staff input should be counted from the start date of the assignment and indicated in weeks or months, as appropriate. Professional staff should be indicated individually by name; support staff should be indicated by category e.g. clerical staff. Input should be indicated separately for input at home and in the field and for foreign and national staff, for the purpose of calculating travel, subsistence etc. All listed staff as required are to be permanently based in Malawi either in the Consultants Lilongwe Office or on one of the Section sites. No payment will be made for time spent in other locations.*

### **T7 STAFFING SCHEDULE**

Position	Section(s)	Name(s)	Months
			Overall duration of service
Audit manager	All	To Be Inserted	1
Team leader	All	To Be Inserted	1
Procurement specialist	All	To Be Inserted	1
An assistant auditor	All	To Be Inserted	1

## ENVIRONMENTAL AND SOCIAL COVENANT

We the undersigned, commit to comply with-and ensuring that all of our sub-contractors comply with-all labour laws and regulations applicable in the country of implementation of the contract, as well as all national legislation and regulations and any obligation in the relevant international conventions and multilateral agreements on environment applicable in the country of implementation of the contract.

*Labour standards.* We further commit to the principles of the eight Core ILO standards pertaining to: child labour, forced labour, non-discrimination and freedom of association and the right to collective bargaining. We will (i) pay rates of wages and benefits and observe conditions of work (including hours of work and days of rest) which are not lower than those established for the trade or industry where the work is carried out; and (ii) keep complete and accurate records of employment of workers at the site.

*Workers relations:* We therefore commit to developing and implementing a Human Resources Policy and Procedures applicable to all workers employed for the project in line with Standard 8 of the EIB's Environmental and Social Handbook. We will regularly monitor and report on its application to the Road Authority of Malawi as well as on any corrective measures periodically deemed necessary.

*Occupational and Public Health, safety and Security:* We commit to (i) complying with all applicable health and safety at work laws in the country of implementation of the contract; (ii) developing and implementing the necessary health and safety management plans and systems in accordance with the measures defined in the Project's Environmental and Social Management Plan (ESMP) or other relevant Environmental Documentation relating to the project including the EIB's Environmental and Social Standards and the ILO Guidelines on occupational safety and management systems; (iii) providing workers employed for the project access to adequate, safe and hygienic facilities as well as living quarters in line with the provisions of Standard 9 of the EIB's Environmental and Social Handbook for workers living on-site and (iv) using security management arrangements that are consistent with international human rights standards and principles, if such arrangements are required for the project.

*Protection of the Environment:* We commit to taking all reasonable steps to protect the environment on and off the site and to limit the nuisance to people and property resulting from pollution, noise, traffic and other outcomes of the operations. To this end, emissions, surface discharges and effluent from our activities will comply with the limits, specifications or stipulations as defined in the project ESMP and the international and national legislation and regulations applicable in the country of implementation of the contract.

*Environmental and social performance:* We commit to (i) submitting monthly environmental and social monitoring reports to the Malawi Road Authority and (ii) complying with the measures assigned to us as set forth in the environmental permits and any corrective or preventative actions set forth in the annual environmental and social monitoring report. To this end, we will develop and implement an Environmental and Social Management System commensurate to the size and complexity of the contract and provide the Malawi Road Authority with the details of the (i) plans and procedures, (ii) roles and responsibilities and (iii) relevant monitoring and review reports.

We hereby declare that our tendered price as offered for this contract includes all costs related to our environmental and social performance obligations as part of this contract. We commit to (i) reassessing in consultation with the Malawi Road Authority any changes to the project

## Section 2: Instructions to consultants

design that may potentially cause negative environmental or social impacts; (ii) providing the Malawi Road Authority with a written notice and in a timely manner of any unanticipated environmental or social risks or impacts that arise during the execution of the contract and the implementation of the project previously not taken into account; and ((iii) in consultation with the Malawi Road Authority adjusting environmental and social monitoring and mitigation measures as necessary to assure compliance with our environmental and social obligations.

*Environmental and social staff:* We shall facilitate the contracting authority's ongoing monitoring and supervision of our compliance with the environmental and social obligations described above. For this purpose, we shall appoint and maintain in office until the completion of the contract an Environmental and Social Management Team (scaled to the size and complexity of the contract) that shall be reasonably satisfactory to the Contracting Authority and to whom the Contracting Authority shall have full and immediate access, having the duty and the necessary powers to ensure compliance with this Environmental and Social Covenant.

We accord the Contracting Authority and the EIB and auditors appointed by either of them, the right of inspection of all our accounts, records, electronic data and documents related to the environmental and social aspects of the current contract, as well as all those of our sub-contractors.

Name: \_\_\_\_\_ in the capacity of:

Signed

Duly authorized to sign the contract for and on behalf of

Date

## COVENANT OF INTEGRITY

We declare and covenant that neither we nor anyone including any of our directors, employees, agents, joint venture partners or sub -contractors, where these exist, acting on our behalf with due authority or with our knowledge or consent, or facilitated by us, has engaged or will engage, in any Prohibited Conduct (as defined below) in connection with the tendering process or in the execution or supply of any works, goods or services for " **Provision of Financial Audit** " (the "**Contract**") and covenant to so inform you if any instance of any such Prohibited Conduct shall come to the attention of any person in our organization having responsibility for ensuring compliance with this Covenant.

We shall, for the duration of the tender process and, if we are successful in our tender, for the duration of the Contract, appoint and maintain in office an officer, who shall be a person reasonably satisfactory to you and to whom you shall have full and immediate access, having the duty and the necessary powers, to ensure compliance with this Covenant.

We declare and covenant that neither we nor anyone including any of our directors, employees, agents, joint venture partners or sub -contractors, where these exist, acting on our behalf with due authority or with our knowledge or consent, or facilitated by us, (i) is listed or otherwise subject to EU/UN Sanctions and (ii) in connection with the execution or supply of any works, goods or services for the Contract, will act in contravention of EU/UN Sanctions. We covenant to so inform you if any instance of any such Prohibited Conduct shall come to the attention of any person in our organization having responsibility for ensuring compliance with this Covenant.

If (i) we have been, or any such director, employee, agent or joint venture partner, where this exists, acting as aforesaid has been , convicted in any court or sanctioned by any authority of any offence involving a Prohibited Conduct in connection with any tendering process or provision of works, goods or services during the five years immediately preceding the date of this Covenant, or (ii) any such director, employee, agent or representative of a joint venture partner, where this exists, has been dismissed or has resigned from any employment on the grounds of being implicated in any Prohibited Conduct, or (iii) we have been, or any of our directors, employees, agents or joint venture partners, where these exist acting as aforesaid has been excluded or otherwise sanctioned by the EU institutions or any major Multi-lateral Development Bank (including World Bank Group, African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, European Investment Bank or Inter-American Development Bank) from participation in a tendering procedure on the grounds of Prohibited Conduct, we give details of that conviction, dismissal or resignation, or exclusion below, together with the detail of the measures that we have taken, or shall take, to ensure that neither this company nor any of its directors, employees or agents commits any Prohibited Conduct in connection with the Contract.

We acknowledge that if we are subject to an exclusion decision by the European Investment Bank (EIB), we will not be eligible to be awarded a contract to be financed by the EIB.

We grant the Malawi Road Authority, the European Investment Bank and auditors appointed by either of them, as well as any authority or European Union institution or body having competence under European law, the right to inspect and copy our books and records and those of all our sub-contractors under the Contract. We accept to preserve these books and records generally in accordance with applicable law but in any case for at least six years from the date of tender submission and in the event we are awarded the Contract, at least six years from the date of substantial performance of the Contract.

## Section 2: Instructions to consultants

For the purpose of this Covenant, Prohibited Conduct has the meaning provided in the EIBV's Anti-Fraud Policy.

Name: \_\_\_\_\_ in the capacity of:

Signed

Duly authorized to sign the contract for and on behalf of

Date



## FINANCIAL PROPOSAL

*Notes to Consultants: The Financial Proposal Submission Letter should be on the letterhead of the Consultant and should be signed by a person with the proper authority to sign documents that are binding on the Consultant. It should be included by the Consultant in its financial proposal.*

*Consultants may reproduce the forms and letters given here in any format, but are responsible for their accurate reproduction.*

*Complete these forms for the total proposal or for each activity as appropriate.*

### F1 FINANCIAL PROPOSAL SUBMISSION LETTER

Date: ***[insert date (as day, month and year) of proposal submission]***

Procurement Reference No:

To: **The Chief Executive Officer**  
**Roads Authority**  
**Functional Building**  
**Off Paul Kagame Road**  
**Private Bag B346**  
**Lilongwe 3**  
**Malawi**  
**Telephone: (265) 01 753 699**

We, the undersigned, declare that:

- (a) We offer to provide the consulting services for ***[insert a brief description of the Services]*** in conformity with your Request for Proposals and our technical and financial proposals;
- (b) The total price of our proposal is: ***[insert the total proposal price in words and figures, indicating the various amounts and the respective currencies], inclusive of local taxes [amend if local taxes are not required to be included];***
- (c) Our proposal shall be valid for a period of 90 days from the date fixed for the proposal submission deadline in accordance with the Request for Proposals, and it shall remain binding upon us, subject to any modifications resulting from negotiations, and may be accepted at any time before the expiration of that period;
- (d) The following commissions, gratuities, or fees have been paid or are to be paid with respect to the bidding process or execution of the Contract: ***[insert complete name of each Recipient, its full address, the reason for which each commission or gratuity was paid and the amount and currency of each such commission or gratuity. If none has been paid or is to be paid, indicate "none"];***

Name and address of Recipient	Purpose Reason	Currency and Amount

Section 2: Instructions to consultants

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(e) We understand that you are not bound to accept any proposal that you receive;

Name: [***insert complete name of person signing the proposal***]

In the capacity of [***insert legal capacity of person signing the proposal***]

Signed: [***signature of person whose name and capacity are shown above***]

Duly authorized to sign the proposal for and on behalf of: [***insert complete name of Consultant***]

Dated on \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ [***insert date of signing***]

Section 5: Proposal Forms

**F2 SUMMARY OF PROPOSAL PRICE**

State activity name or total proposal: \_\_\_\_\_

<b>Cost item</b>	<b>Cost (EUR)</b>
Fees	
Reimbursable	
Miscellaneous	
Summary of Proposal	

*Note to Consultants: Complete this form for the total proposal*

Please note that the total of the breakdown from the “Summary of Proposal” in the above Table is to be included in the final fee rates submitted.

Section 5: Proposal Forms

**F3 SUMMARY OF FEES<sup>1</sup>**

*Fee rates for staff must include all costs associated with the provision of staff including (for example) Insurances, Subsistence, International Flights, Excess baggage, visas, and mobilisation costs. (See note in F2)*

State total proposal: \_\_\_\_\_ Currency: EURO \_\_\_\_\_

Name(s)	Position	Quantity	Unit	Unit Rate	Total
	Audit manager	1	Man-months		
	Team leader	1	Man-months		
	Procurement specialist	1	Man-months		
	An assistant auditor	1	Man-months		
	<b>Total</b>				

\_\_\_\_\_

<sup>1</sup> Payment will be made as a lumpsum

**F4 SUMMARY OF REIMBURSABLES**

State activity name or total proposal: \_\_\_\_\_ Currency: EURO \_\_\_\_\_

Description of Cost	Quantity Per position	Unit	Total Quantity	Unit Price	Total Price

*See note in F2*

**F5 MISCELLANEOUS EXPENSES**

State activity name or total proposal: \_\_\_\_\_ Currency: EURO

Description of Cost	Estimated Quantity	Unit	Unit Price	Total Price
<b>Total</b>				

See note in F2)

## **SECTION 6: ELIGIBLE COUNTRIES**

## **SECTION 6: ELIGIBLE COUNTRIES**

"Firms originating from all countries of the world are eligible to tender for works, goods and services contracts." (EIB GtP §1.2)

Bidders from all countries are eligible.



## **SECTION 7: TERMS OF REFERENCE (TOR)**

**TERMS OF REFERENCE**

**M1 Road rehabilitation  
Consultancy services for the provision of financial audit**

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### 1. BACKGROUND

The Government of Malawi has received financing from the European Investment Bank (EIB, or The Bank), the European Union (EU) and the World Bank towards the cost of the rehabilitation of five (5) sections totaling about 347km of the M001 Road between Songwe on the border with Tanzania to the turn-off to the Kamuzu International Airport (KIA) in Lilongwe.

The five sections are KIA turn-off in Lilongwe to Kasungu being a total of 102km designated as LOT 1, Kasungu to Jenda a total of 85.5km designated as LOT 2, Jenda to the Mzimba turn-off a total of 46.5km designated as LOT 3, Kacheche to Chiweta a total of 66.5km designated as LOT 4 and Karonga to Songwe a total of 46km. The Karonga – Songwe section of the M001 Road was completed in 2019 and remains the subject of a pre-takeover investigation due to the continuing rate of deterioration of the pavement.

The project includes five distinct sections from north to south as follows:

1.
  - (i) Karonqa-Songwe 46km (Excluded from this audit):
  - (ii) Kecheche-Chiweta 66.5km:
  - (iii) Jenda-Mzimba 46.5km;
  - (iv) Kasunqu-Jenda 85.5 km;
  - (v) Kamuzu International Airport (KIA) - Kasungu 102km;

2.

The project includes two TA components and the construction supervision team as follows.

3.

#### **(a) Implementation support**

Strengthening of Promoter's implementation capacity for the project, in particular in the areas of public procurement, contract management, environmental and social management, road safety, communication and reporting, as well as assistance in defining gender aspects for considerations in the project based on the outcomes of the sector gender analysis currently being undertaken by the EU Delegation in Malawi.

4.

#### **(b) Monitoring and Evaluation**

Periodic independent audits covering technical aspects, environmental and social, project management and road safety issues.

#### **(c) Construction supervision**

The services include the supervision of the rehabilitation and widening works on all four sections of the works including technical and financial supervision, contract management and to ensure that the works are carried out in accordance with the respective contract specifications and to the satisfaction of the implementing agency.

### 2. OBJECTIVE OF THE AUDIT

- 2.1. the objective of the audit of the Project Financial Statements (PFSs) is to enable the auditors to express an independent<sup>2</sup> professional opinion on the financial position of the Project and whether the funds granted to the Project through both the EIB loan and the EU Grant have been used for their intended and eligible purposes.

## Section 8: General Conditions of Contract

- 2.2. The project books of accounts provide the basis for preparation of the PFSs by the project implementing unit and are established to reflect the financial transactions in respect of the project. The Project Implementation Unit (PIU) maintains adequate internal controls and supporting documentation for transactions.

### 3. RESPONSIBILITY FOR PREPARATION OF FINANCIAL STATEMENTS

- 3.1. The Contract for the audit services will be entered into with the Promoter, the Roads Authority (RA), and the responsibility for the preparation of PFSs lies with the Roads Fund Administration (RFA) which is also responsible for:
  - (a) The selection and application of accounting policies. The RFA will prepare the PFSs in accordance with applicable accounting standards-either the International Public Sector Accounting Standards (IPSASs), International Financial Reporting Standards (IFRs), or National Accounting Standards that comply with IPSASs or IFRs in all material respects; and
  - (b) Implementing accounting, administrative and financial procedures documented in manuals.
- 3.2. The auditors are responsible for the formulation of an opinion on the PFSs based on their audit conducted in accordance with ISAs (International Standards on Auditing) issued by the IFAC (International Federation of Accountants) or ISSAIs (International Standards of Supreme Audit Institutions) issued by the INTOSAI. National Auditing Standards that comply with ISAs or ISSAIs in all material respects will also be accepted. In accordance with these standards, the auditors will request the RA for an Engagement/Confirmation Letter committing the RFA's management to the preparation of the PFSs and maintenance of proper internal control systems as well as acceptable documentation for all financial transactions.

### 4. SCOPE OF THE AUDIT

- 4.1. The audit will be carried out in accordance with the Standards specified in 3.2 above and will include such tests and controls as the auditors consider necessary under the circumstances. In conducting the audit, special attention should be paid to the following:
  - (a) All Bank funds have been used for Qualifying Expenditure<sup>3</sup>, in accordance with the conditions of the Loan/Grant agreements, with due attention to economy and efficiency and only for the purposes for which the funds were provided;
  - (b) Counterpart funds (Government budget) and external funds (in case of co-financing) have been provided and used in accordance with the conditions of the grant agreement, with due attention to economy and efficiency and only for the purposes for which they were provided;

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<sup>3</sup> “**Qualifying Expenditure**” means expenditure (including costs of design and supervision, if relevant, and net of taxes and duties payable by the Financial Administrator) incurred, or to be Incurred pursuant to a contractual commitment, by the Promoter in respect of works, goods and services in respect of items specified in the Project's Technical Description as eligible for financing under the Loan/Grant , which contract or contracts shall have been executed on terms satisfactory to the Bank, having regard to the most recent edition of the Guide to Procurement.

## Section 8: General Conditions of Contract

- (c) Goods, works and services financed have been procured in accordance with the loan and grant agreements, and in accordance with the Bank's rules and procedures<sup>4</sup>; and have been properly accounted for;
  - (d) Appropriate supporting documents, records and books of accounts relating to all project activities have been kept. Clear linkages should exist between the books of accounts and the financial statements presented to the Bank;
  - (e) Special accounts have been maintained in accordance with the provisions of the Loan/ Grant agreements and in accordance with the Bank's disbursement rules and procedures.
  - (f) The financial statements have been prepared by project management in accordance with applicable accounting standards mentioned (ref. section 3 above) and give a true and fair view of the financial position of the Project as at mid-term or at post-completion and of its receipts and expenditures for the period ended on that date;
  - (g) Comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal control system to monitor expenditures and other financial transactions and ensure safe custody of project-financed assets and that they are being used for the intended purposes;
  - (h) Project's fixed assets are real and properly evaluated and project property rights or related beneficiaries' rights are established in accordance with grant conditions; and
  - (i) Ineligible expenditures identified during the audit will be reflected in a separate paragraph of the audit report and if material, the point should be reflected in the auditors' opinion.
- 4.2. In accordance with International Standards on Auditing, the auditors shall pay attention to the following:
- (a) **Fraud and Corruption:** In accordance with **ISA 240 (The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements)** the auditors shall identify and evaluate risks related to fraud, obtain or provide sufficient evidence of analysis of these risks and assess properly the risks identified or suspected;
  - (b) **Laws and Regulations:** In preparing the audit approach and in executing the audit procedures, the auditors shall evaluate the PIU's compliance with the provisions of laws and regulations that might impact significantly the PFSs as required by **ISA 250 (Considerations of Laws and Regulations in an Audit**

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<sup>4</sup> Depending on the complexity of certain procurement activities, the Auditors may integrate, in the audit team, technical experts during the period of the contract. In such a case, the Auditors will conform to **ISA 620: (Using the Work of an Auditor's Expert)**. The necessity for the use of an expert's works should be brought to the attention of the Borrower and the Bank for a mutual agreement and appropriate decisions.

**of Financial Statements);**

- (c) **Governance:** Communicate with the PIU's Management responsible for **Governance** regarding significant audit issues related to governance in accordance with **ISA 260: (Communication with those charged with Governance)**; and
- (d) **Risks:** With a view to reducing audit risks to a relatively low level, the auditors will apply **appropriate** audit procedures and handle anomalies/risks identified during their evaluation. This is in accordance with **ISA 330 (The Auditor's Responses to Assessed Risks)**.

**5. FINANCIAL STATEMENTS**

5.1. The auditors will ensure that the PFSs are prepared in accordance with the standards mentioned above (ref. section 3 above) and give a true and fair view of the financial position of the project as at the fiscal year end and its receipts and expenditures for the financial year ended on that date.

5.2. The project financial statements prepared by project management shall include:

- (a) Non-Revenue Earning Projects
  - i. Statement of Receipts<sup>5</sup> (funds received from the Bank, counterpart funding and where applicable, co-financiers' funding) and Expenditures (expenditures incurred for both the current year and accumulated to-date) showing separately Bank's funding, those of counterparty and co-financiers if applicable and cash balances;
  - ii. Statement of Special Account;
  - iii. Statements of Expenditures
  - iv. Notes to the Financial Statements describing the applicable accounting principles in place and a detailed analysis of the main accounts.

5.3. As an annex to the financial statements mentioned above, the audit report should include:

- (a) A reconciliation between the amount shown as "received from the Bank" and that shown as having been disbursed by the Bank. The reconciliation should indicate the methods used for disbursement, i.e. special account, direct payment or reimbursement guarantee, reimbursement methods with those recommended in the appraisal report and the disbursement letter; and
- (b) A comprehensive list of all fixed assets purchased, with given dates, values and condition of the assets.

**6. STATEMENT OF EXPENDITURES**

In conjunction with the audit of the PFSs, the auditors should apply such tests and controls as they consider necessary to:

\_\_\_\_\_

<sup>5</sup> Any revenue generated by the Project e.g. sale of bid documents, disposal of project assets, bank credit interests earned in the special account and fees earned should be accounted for and disclosed.

## Section 8: General Conditions of Contract

- (a) Audit all Statements of Expenditures (SOEs) used as a basis for the submission of withdrawal applications to the Bank by the project;
- (b) Determine the eligibility of expenditures in accordance with the grant agreement and appraisal report. Where ineligible expenditures are identified as having been included in the withdrawal applications and replenished, these should be noted separately by the auditors; and;
- (c) Annex to the PFSs a schedule listing withdrawal application submitted on the basis of SOEs with their reference number and the amount involved.

### **7. SPECIAL ACCOUNT**

- 7.1. In conjunction with the audit of the PFSs, the auditors are also required to review the activities of the special account associated with the project. The auditors should examine the :
- (a) Eligibility and correctness of financial transactions during the period under review and fund balance at the end of such period;
  - (b) Operations and use of the special account in accordance with Loan/Grant Agreement/Disbursement Letter; and
  - (c) Adequacy of internal controls for this type of disbursement mechanism.
- 7.2. The Special Account usually comprises:
- (a) Initial deposit and subsequent replenishments received from the Bank;
  - (b) Withdrawals related to project expenditures;
  - (c) Interest that may be earned on the account balance; and
  - (d) The remaining balance at the end of the period.

### **8. AUDIT REPORT**

- 8.1. The audit report will comprise
- (i) the auditors' opinion on the project financial statements, and
  - (ii) a complete set of project's financial statements and other relevant statements as mentioned in section 5.2 above.
- 8.2. All ineligible expenditures will be disclosed in an annex to the audit report.
- 8.3. Each audit report shall be signed before submitting to the Bank and other key stake holders such as National Audit Office, Treasury, Roads Funds Administration, Roads Authority.

### **9. MANAGEMENT LETTER**

- 9.1. In addition to the audit report, the auditors will prepare a "management letter" in which they will:
- (a) Give comments and observations on the accounting records, procedures,

## Section 8: General Conditions of Contract

systems and controls that were examined during the course of the audit;

- (b) Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement;
- (c) Report on the degree of compliance with each of the financial covenants on the Loan/Grant agreement and give comments, if any, on internal and external matters affecting such compliance;
- (d) Report on the implementation status of recommendations pertaining to previous period audit reports;
- (e) Communicate matters that have come to their attention during the audit which might have a significant impact on the implementation and sustainability of the project; and
- (f) Bring to the borrower's attention any other matters that the auditors consider pertinent.

9.2. Ideally, the management letter will include reactions/comments from PIUs on the weaknesses noted by the auditors.

### 10. GENERAL INFORMATION

10.1. The signed audit report including the financial statements, the management letter including the RFA's responses should be received by the Bank within four (4) weeks after the date of notification of commencement of the audit. A revised report (if required) shall be issued within one (1) week after the date of sending of the comments by the RFA

10.2. The auditors should be given access to all legal documents, correspondence and any other information associated with the project and deemed necessary by them. Confirmation of amounts disbursed and outstanding at the Bank should also be obtained. The project task manager at the Bank can assist in obtaining these confirmations.

10.3. It is recommended that the auditors become familiar with the following documents that may have been prepared by the Bank,

- (a) General Conditions Applicable to Loan, Guarantee and Grant Agreements;
- (b) Loan/Grant Agreement;
- (c) Project Appraisal Report;
- (d) Guidelines for Financial Management and Financial Analysis of projects;
- (e) Disbursement Handbook;
- (f) Aide Memoires and official communications with the Bank; and
- (g) Procurement rules and procedures for works, goods and services.

### 11. AUDITORS EXPERIENCE AND QUALIFICATIONS

11.1. The audit firm should be registered and have a license from a national or regional professional Accountancy Body. The firm should have relevant experience in accounting and auditing of development projects, especially donor-funded operations.

11.2. The key audit team will comprise, at least:

- (a) An audit manager with at least 10 years' experience in auditing and with a



## Section 8: General Conditions of Contract

sound knowledge of donor-financed projects. In addition, he/she should be a member of a recognized accountancy professional body;

- (b) A team leader with at least a Master's degree in auditing/accounting or equivalent with a minimum of 5 years' experience in auditing;
- (c) A procurement specialist; and
- (d) An assistant auditor with adequate experience and professional qualifications.

### **12. TIMEFRAME**

**12.1.** Each audit report shall be submitted within four weeks after the notification of the commencement date of the audit by the Bank. The final report, shall be submitted within one (1) week of receipt of the RFA's comments.

**12.2.** The Consultancy shall be carried out within a period of 1 month.

**SECTION 9: SPECIAL CONDITIONS OF CONTRACT**

## SECTION 9: SPECIAL CONDITIONS OF CONTRACT

The following Special Conditions of Contract (SCC) shall supplement the General Conditions of Contract (GCC). Whenever there is a conflict, the provisions herein shall prevail over those in the GCC.

GCC Clause	Special Conditions of Contract
GCC 1.1	The Procurement Reference Number for the contract is: <b>RA/CON/2024-2025/35</b>
GCC 1.1	The Eligible Countries are those described in Section 6 of the Request for Proposals document.
GCC 3.1(e)	Other documents forming part of the contract are: <b>Letter of award</b> <b>Minutes of Contract negotiations</b> <b>Technical Proposal with Standard Forms T4, T5, T6, T7 and T8</b> <b>Financial Proposal with Standard Forms F2, F3, F4 and F5</b> <b>Section 6 of the Request for Proposals Document</b>
GCC 4.1	The Contract shall be governed by the laws of <b>Malawi</b>
GCC 5.1	The language of the contract shall be <b>English</b> .
GCC 6.1	The addresses for Notices are: For the Client: <b>Roads Authority</b> <b>Functional Building</b> <b>Off Paul Kagame (Chilambula) Road</b> <b>Private Bag B346</b> <b>Lilongwe 3</b> <b>Telephone: 265 ( 01) 753 699</b> <b>Fax: 265 ( 01) 750 307</b>  <b>Attention: The Chief Executive Officer</b> <b>E mail: <a href="mailto:ra@ra.org.mw">ra@ra.org.mw</a></b>  For the Consultant: <i>(Insert Name)</i> Street Address: <i>(Insert)</i> Town/City: <i>(Insert)</i> Country: <i>(Insert)</i> Telephone: ..... Email:.....
GCC 8.1	The Authorised Representatives are: for the Roads Authority <b><u>Eng. Ammiel Champiti, Chief Executive Officer</u></b>  for the Consultant: <i>(Insert Name and position)</i>
GCC 11.1	Date of signing of the contract by both parties <i>(Insert)</i>

## Section 9: Special Conditions of Contract

GCC 12.1	The Consultant shall confirm availability of Key Experts and begin carrying out the Services not later than thirty (10) days after the date the contract becomes effective.
GCC 13.1	The period for expiration of the contract is: <b>1 month after the Effective Date.</b>
GCC 17.1	<p><i>Add the following to this clause:</i></p> <p>In order to satisfactorily perform the site supervision of road works it is a requirement that site supervision staff are physically present on site at all times while the works are in progress.</p> <p>Non-compliance with these minimum requirements will be considered by the RA as violation of the contract. Consequently, days of non-attendance will be deducted from the Consultant's Invoice proportionately to the tendered rates of the man-months.</p> <p>Costs of wrong instructions of consultants' site supervision staff to the contractor that lead to damage or reduced quality in workmanship of activities will be claimed from the consultant and have to be covered by the Professional Indemnity Insurance of clause SCC 20.1</p> <p>Cost of contractor's claims resulting from delayed instructions of consultants' site supervision staff have to be covered by the Professional Indemnity Insurance of clause SCC 20.1.</p>
GCC 18.3(b)	The following activities are prohibited: <b><u>N/A</u></b>
GCC 20.1	<p>The risks and coverage shall be:</p> <p>(i) Employer's liability and workers' compensation- <b>50 Million Malawi Kwacha</b></p> <p>(ii) Professional Indemnity Insurance- <b>The value of the Consultancy fees</b></p>
GCC 21.1(a)	<p>The Client's prior approval is also required for:</p> <ul style="list-style-type: none"> <li>• <u>Use of all reports or documents generated as part of the services</u></li> </ul>
GCC 22	<p>The Section Coordinator shall submit comprehensive Monthly Reports on the progress of the works as well as the Contractors' Performance Assessment Reports by the 7th of the month following the month reported. Non-compliance with that requirement will attract a penalty. For each calendar day of delayed submission (after the fourteenth of each month) a deduction of 0.25 % of Consultants monthly Invoice will be applied as penalty.</p>
GCC 23.1	The future use of documents is restricted as follows: <b><u>the document shall not be used for the purposes unrelated to the contract without the prior written approval of the Client</u></b>
GCC 29.2	Payments shall be made in EURO only unless otherwise provided in this SCC
G.C.C..30.3	Payment for Travel time does not include for Mobilisation to Malawi, leave travel or demobilisation from Malawi.
GCC 30.5	The ceiling amount is the Contract Price

## Section 9: Special Conditions of Contract

GCC 31.1	<p>The payment schedule shall be:</p> <ul style="list-style-type: none"> <li>• Twenty (20) percent of the contract value shall be paid upon receipt of an inception report.</li> <li>• Forty (40) percent upon submission of a draft audit report</li> <li>• Forty (40) percent upon submission of a final report and a final audit report</li> </ul>
GCC 32.2	<p>The following documentation shall be required to support requests for payment:</p> <ol style="list-style-type: none"> <li>a) Reports, approved Time sheets and other agreed deliverables</li> <li>b) Evidence of Reimbursables (receipts of hotels or lodges for authorised trips, signed logbooks)”</li> <li>c) Receipts for Incidental Expenditure</li> </ol> <p>Timesheets shall be approved by the Team Leader</p>
GCC 32.4	<p>Interest shall be paid on late payments at the rate of:  <b>2% above the LIBOR rate.</b></p>
GCC 33.1	<p>No Price Adjustment will pertain to this contract</p>
GCC 35.1	<p>The law governing the contract is the law of the Republic of Malawi.  There will be one Arbitrator  The Arbitration will take place in South Africa  The Arbitration will be held in the English language.</p>
<p><b>The following new Clauses are included</b></p>	
GCC 36	<p><b>Termination of Contract for Failure to Become Effective</b></p> <p>If the Consultant fails to mobilise within one month after the date of Contract signature either Party may, by not less than 10 Days written notice to the other Party, declare this Contract to be null and void, and in the event of such a declaration by the consultant without providing acceptable grounds, the consultant might be debarred from procurement by the Road Authority for a period of 24 months.</p>
GCC 37	<p><b>Suspension</b></p> <p>The Client may, by written notice of suspension to the Consultant, suspend all payments to the Consultant if the Consultant fails to perform any of its obligations under this Contract, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall request the Consultant to remedy such failure within a period not exceeding thirty (7) calendar days after receipt by the Consultant of such notice of suspension.</p>

## **SECTION 10: CONTRACT FORMS**

**The Contract Forms include:**

- (i) The Contract Agreement; and
- (ii) The Advance Payment Security

## (i) Contract Agreement

This Contract Agreement is made the...*(insert day)*... day of the month of .....*(insert month and year)* between The Roads Authority with offices at Functional Building, Paul Kagame Road, Private Bag B346, Lilongwe 3, Republic of Malawi (the "Client") and ..... of ..... (the "Consultant") individually "a Party" and collectively "The Parties"

### WHEREAS

- (a) the Client has requested the Consultant to provide certain consultancy services (hereinafter called the "Services") as defined herein and attached to this Contract;
- (b) the Consultant having represented to the Client that it has the required professional skills, personnel and technical resources, has agreed to provide the Services on the terms and conditions set forth in this Contract;

### NOW THEREFORE the Parties hereto agree as follows:

1. The documents forming the Contract shall be in the order of priority and stated below as follows:

- Contract Agreement;
- Letter of Award;
- Minutes of Contract Negotiations;
- Special Conditions of Contract (SCC);
- General Conditions of Contract (GCC);
- Technical Proposal with Standard Forms T4, T5, T6, T7 and T8;
- Terms of Reference;
- Financial Proposal with Standard Forms F2, F3, F4 and F5 and
- Section 6 of the Requests for Proposals

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

- (a) The Consultant shall carry out the Services in accordance with the provisions of the Contract; and
- (b) The Client shall pay the Consultant the Contract Price of EUR \_\_\_\_\_) *[Contract Price in Words]* \_\_\_\_\_

Exclusive of local taxes and duties or such other sum as may become payable under the provisions of the Contract, at the and in the manner prescribed by the Contract.

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

Section 10: Contract Forms

Signed by \_\_\_\_\_ (for the Client)

Name: (**Insert Name**) Authorized Representative

Position: (**Insert**)

Witnessed by: \_\_\_\_\_

Name: \_\_\_\_\_

Signed by \_\_\_\_\_ (for the Consultant)

Name: \_\_\_\_\_ Authorized Representative

Position: \_\_\_\_\_

Witnessed by: \_\_\_\_\_

Name: \_\_\_\_\_



## (ii) Advance Payment Security

*Note to Consultant: The Advance Payment Security should be on the letter head of the issuing Financial Institution and should be signed by a person with the proper authority to sign documents that are binding on the Financial Institution.*

**Guarantor:** \_\_\_\_\_ [insert commercial Bank's Name, and Address of Issuing Branch or Office]

**Beneficiary:** \_\_\_\_\_ [insert Name and Address of Client]

**Date:** \_\_\_\_\_ [insert date] \_\_\_\_\_

**ADVANCE PAYMENT GUARANTEE No.:** \_\_\_\_\_ [insert number] \_\_\_\_\_

We have been informed that \_\_\_\_\_ [name of Consultant or a name of the Joint Venture, same as appears on the signed Contract] (hereinafter called "the Consultant") has entered into Contract No. \_\_\_\_\_ [reference number of the contract] dated \_\_\_\_\_ [insert date] \_\_\_\_\_ with the Beneficiary, for the provision of \_\_\_\_\_ [brief description of Services] (hereinafter called "the Contract").

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

At the request of the Consultant, we, as Guarantor, hereby irrevocably undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of \_\_\_\_\_ [amount in figures] ( \_\_\_\_\_ ) [amount in words]<sup>6</sup> upon receipt by us of the Beneficiary's complying demand supported by the Beneficiary's a-written statement, whether in the demand itself or in a separate signed document accompanying or identifying the demand, stating that the Consultant is in breach of their obligation under the Contract because the Consultant:

- (a) has failed to repay the advance payment in accordance with the Contract conditions, specifying the amount which the Consultant has failed to repay;
  - (b) has used the advance payment for purposes other than toward providing the Services
- \_\_\_\_\_

<sup>6</sup> The Guarantor shall insert an amount representing the amount of the advance payment and denominated either in the currency(ies) of the advance payment as specified in the Contract, or in a freely convertible currency acceptable to the Client.

## Section 10: Contract Forms

under the Contract.

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

The maximum amount of this guarantee shall be progressively reduced by the amount of the advance payment repaid by the Consultant as indicated in certified statements or invoices marked as “paid” by the Client which shall be presented to us. This guarantee shall expire, at the latest, upon our receipt of the payment certificate or paid invoice indicating that the Consultant has made full repayment of the amount of the advance payment, or on the day of    *[month]* \_\_\_\_\_, *[year]*,<sup>7</sup>. Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 revision, ICC Publication No. 758.

\_\_\_\_\_  
*[signature(s)]*

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

\_\_\_\_\_  
<sup>7</sup> whichever is earlier