

Request for Expression of Interest (EoI) for short listing of organizations for providing services as **Nodal Financial Management & Technical Support Agency to (FMTSA) to Bihar Rural Development Society (BRDS), Bihar**

Issued by,

Bihar Rural Development Society (BRDS)

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Office at Rural Development Department, Government of Bihar,
Main Secretariat, Patna 800 015

1 Background

The Bihar Rural Development Society(BRDS), Government of Bihar (GOB), a recently constituted autonomous organization under the aegis of Rural Development Department (RDD)-GOB; intends to procure the services of a suitable agency *to serve as the nodal agency for BRDS* to strengthen the financial and fiduciary systems across all its administrative units including the Office of the Block Development Officer (BDO office), Office of the Program Officer (PO- the nodal officer at the Block for implementing Mahatma Gandhi National Rural Employment Guarantee Scheme), the District Rural development Agency (DRDA) and the Finance and accounting units in the Secretariat. The BDO and PO are at the block level, the DRDA at the district level and the secretariat at the state level. It may be noted that BDO office falls under the administrative control of RDD although it serves the functional requirements of several department of the state. This applies to finance and accounting services as well.

Key RDD schemes and activities implemented and administered at the GP, Block and District levels are Mahatama Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Indira Awaas Yojana (IAY), Swarnajayanthi Gram Swarozgar Yojana (SGSY) and Below Poverty Line survey (BPL). PO office implements and accounts for the MGNREGS, and BDO office implements and accounts for IAY, SGSY and BPL.

At present, BDO office and PO office functions as the primary unit for recording transactions which originate from the Gram Panchayat, Panchayat Samiti or the Block Unit. Transactions originating at district level related to schemes and activities of DRDA are recorded at DRDA. The accounting structure at the secretariat and BRDS head quarter level, DRDA, BDO office, PO office and Gram Panchayat, may be seen at Annexure 1 respectively.

As may be seen from Annexure 1, accounting functions for schemes at the DRDA level is vested with the office of Director Accounts. Block houses the NREGA accountant / computer operator, who currently reports to the Program Officer, the nodal officer for MGNREGA at the Block level. Accounting at the Block level for IAY and SGSY is undertaken by Block

level accountants called the Nazir who reports to BDO, and Nazir also does accounting for schemes of other departments that are implemented by BDO office.

At the State level, the RDD Secretariat has no accounting role for the schemes. The Secretariat undertakes monitoring of performance of the schemes, approves and authenticates financial reports of districts as well as their funding requests, establishes systems and procedures for efficient financial, accounting and fiduciary management across the state for RDD programmes. The secretariat also coordinates with the funding agencies, essentially MORD, GOI and the Finance Department, GoB on allocation of funds, programme / scheme performance and programme management issues.

Further, at the secretariat also has accounting and budgeting units / sections that undertake accounting and budgeting functions for the secretariat (including release of state share of funds for RDD programmes / schemes) as well as discharge of payment (bills as well as salaries) and other entitlement functions.

The BRDS is yet to establish its finance and accounting division and the Nodal FMTSA, under this assignment, is expected to serve as its finance division.

All accounting is programmatic (apart from General administration related budgets / expenditure relating to each administrative unit) and is consolidated at the district level. District Statements of Expenditure / Utilization Certificates (UCs- duly audited annually through statutory audit) serve as the basis for reviewing financial & physical performance and for seeking additional funds.

For the accounting of its key flagship programs – MGNREGS, IAY and SGSY, RDD-GOB in collaboration with the state National Informatics Center (NIC) has developed and deployed a double – entry based accounting software (Gfact). The utilization of this software as well as the functionality of the software needs strengthening. It is also proposed to enhance the features and functionality of Gfact to serve the complete accounting needs at the BDO office, PO office and DRDA.

The Act and operational guidelines of the scheme of RDD can be seen at <http://nrega.nic.in>, <http://rural.nic.in> and <http://rdd.bih.nic.in>. The financial and physical performance of the schemes of RDD in the last 2 years with information on volume of vouchers for the last financial year (district wise) may be seen at Annexure 2.

The department is also in the process of collaborating with Ministry of Finance (MOF)-GOI in putting in place a central plan scheme monitoring system (CPSMS) which will allow for online validation of receipts' and payments with core banking applications as well as real time display of fund balances across all accounts of its various programs.

Further, BRDS has also issued an EOI to hire the services of suitable agencies to provide field level financial management and accounting services (FMAS) across all 38 DRDAs (including BDO office and PO office in Blocks, and GPs), a copy of which may be seen on <http://rdd.bih.nic.in>

2. Key Objectives of FMTSA

The objective of the FMTSA is to help BRDS and the leadership of RDD, GOB to establish a robust and professional financial, accounting and fiduciary management systems for effective functioning of BRDS, the finance & accounting unit of RDD secretariat, the DRDAs and BDO office and PO office of the Block and to a limited extent the Panchayat Units. The FMTSA will act as the functional partner of BRDS / RDD GOB to design, develop, catalyze, facilitate. coordinate, implement and institutionalize professionally credible and standardized financial and accounting systems (F&A) for RDD, GOB as a whole, across all administrative levels in collaboration with other key stakeholders, including field level Chartered Accountant firms proposed to be hired by BRDS for field level implementation of F&A systems across all DRDAs, related Blocks (BDO office and PO office) and Gram Panchayats (GPs).

With regard to Panchayats, the department concerned (viz Panchayati Raj Department - PRD) is in the process of developing and deploying a software, and FMTSA will be required to assess and provide technical inputs for the same from the perspective of RDD, Bihar to ensure relevance of the software for RDD schemes implemented through the Panchayati Raj Institution (PRI) agencies.

3. INDICATIVE SCOPE OF WORK

Sl. No.	Key areas of Work	Indicative List of Activities
1.	Financial Management Systems design and development	<ul style="list-style-type: none">(i) Rapid assessment of the existing Finance & Accounting (F&A) systems at all levels (i.e. RDD Secretariat, BRDS, DRDA, BDO office and PO office of Block and Panchayat) of RDD including IT systems for F&A, accounting manuals and guidelines, accounting resources – HR and other requirements for smooth transition into the proposed system.(ii) Rapidly review and understand ongoing reform initiatives in RDD viz Business Process Reengineering (BPR), Human Resource (HR) related consultancy for BRDS, Panchayati Raj Institution (PRI) related reforms and identify areas of convergence for collaboration to avoid duplication as well as to build synergies in design development.(iii) Based on review and understanding of current systems resources and needs for F&A across all levels, prepare a detailed blue print for strengthening F&A function at all levels (viz RDD Secretariat, BRDS, DRDA, BDO office and PO office of Block and Panchayat).(iv) Refine / Design (as needed and develop user friendly accounts manual and Standard Operating Procedures (SOP)

		<p>for each function and role to serve as a checklist to each functionary (whether outsourced or permanent government officials) and also a basis for performance assessment.</p> <p>(v) Refine Chart of Accounts as required and oversee its incorporation in Gfact.</p> <p>(vi) Support ongoing BPR in financial, accounting and fiduciary management systems for greater efficiency, timely & accurate information, transparent – almost real time performance assessment of F&A systems and effective contribution to business objectives of the schemes and business units across all levels.</p> <p>(vii) Support framing of financial policies and manual in conformance with overall rules and legislative framework of the state.</p> <p>(viii) Design suitable budgetary control and funds flow systems.</p> <p>(ix) Provide domain inputs for refinement of and strengthening the efficacy of Gfact, from time to time.</p> <p>(x) Support RDD in designing and implementing systems for ensuring effective usage and business continuity in respect of Gfact.</p> <p>(xi) Provide technical inputs to PRI department software from RDD perspective, as may be required, from time to time.</p> <p>(xii) Design, develop and validate with RDD approaches for effective management of F&A functions, as a mainstream activity, including exploration of optimally effective combination of outsourced and in-house services. Develop a detailed roadmap (including defining of roles and responsibilities of various functionaries – extant government functionaries and other partner agencies) for institutionalizing effective F&A management for RDD across all levels. In short develop the F&A functional framework including HR and resource framework for effective functioning of F&A unit.</p> <p>(xiii) Assess the Financial and Accounting function as a whole (including the function carried out for other departments of the state) and design and develop a detailed framework for strengthening finance and accounting system in the BDO office, PO office and DRDA as a whole including the implementation framework.</p> <p>(xiv) Design and develop –</p> <ul style="list-style-type: none"> • Suitable Asset Management System. • Materials Management System • Performance Review Reports that provide integrated view of financial and physical performance of
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		<p>schemes and programmes of RDD.</p> <ul style="list-style-type: none"> • Internal Control Systems • Audit Systems • Performance Management System for F&A functionaries / outsourced agencies. • Service Charters and SLAs for F&A functions of RDD and means of verification of performance • Systems for incentives to performance. • Systems, methodology, training content and training plan for training and development of all key functionaries – direct F&A functionaries as well as other stakeholders based on an analysis of user based training needs requirements. • Systems of coordination with key external stakeholders viz. financial inclusion partners, banking institutions, Post Offices and others.
2.	Implementation and Implementation Support	<p>(i) Undertake all financial management and accounting functions of BRDS and RDD secretariat.</p> <p>(ii) Oversee, guide and manage delivery of financial management and accounting services from field level accounting firms (FMSAs) across all DRDAs of the state. The timely, accurate and professional delivery of services by the FMSAs shall be the primary responsibility of the Nodal FMTSA and its critical deliverable.</p> <p>(iii) Assist BRDS in periodic fine tuning deliverables, approach and methodology and contractual issues relating to FMSAs based on operational learning for improving outcomes from FMSAs and FMTSA.</p> <p>(iv) Oversee and coordinate deployment / usage of Gfact across all BDO offices, PO offices and DRDAs in collaboration with State National Information Center (NIC) and RDD.</p> <p>(v) Support RDD in operationalization of Central Plan Scheme Monitoring System. The actual design and development will be by the Controller General of Accounts who will also assist in providing design support for deployment.</p> <p>(vi) Liaise and coordinate with state government and Ministry of Rural Development, Government of India (MORD), on financial and fiduciary issues as well as timely funds release to schemes.</p> <p>(vii) Support and undertake periodic monitoring, field level inspections and evidence based feedback to senior management on ground level performance issues.</p> <p>(viii) Undertake delivery of training of trainers of field level accounting firms.</p> <p>(ix) Supervise delivery of training and training effectiveness for refinement.</p>

		<p>(x) Liaise, coordinate and establish monitoring / coordination systems with key programmatic stakeholders such as Post Offices / Banking Institutions / others who have significant impact on the performance of financial management systems.</p> <p>(xi) Provide guidance and support to field level agencies for effective delivery of their role and functions.</p> <p>(xii) Drive implementation of all accepted policy and procedures for strengthening finance and accounting services across all levels of RDD.</p>
3.	Procurement and Contract Support	<p>(i) Design and develop methodologies for preparing internal estimates for assessing reasonableness of cost of services wrt accounting and auditing services.</p> <p>(ii) Actively support procurement consultants of the RDD to design and develop templates for all procurement related documentation (Invitation Notice, RFP with suggested eligibility and evaluation criteria with rationale, TOR, Contracts with clear SLAS and payment linkages) for procurement of F&A and fiduciary management related services. Alternately, in the absence of such procurement consultants, support all procurement functions with reference to F&A functions.</p> <p>(iii) Support RDD and the procurement consultants in the procurement arrangements for key F&A services.</p>
4.	Exit and Transition Management	Establish and Supervise Transition and Exit Management Systems for smooth hand – over and transition of functions of both FMAS and FMTSA.
5.	Others	The above scope of work covers RDD secretariat, BRDS, DRDAs, BDO offices, PO offices and Gram Panchayats. This means that all original accounting records at all these levels will need to be accounted for by the FMSA in respect of all the RDD schemes and schemes of other departments that are implemented by BDO office either through Gfact and / or manual systems in case Gfact is not fully supportive and due oversight over the scope of FMSA by FMTSA. The detailed approach and methodology will be outlined in the RFP.

BRDS may extend the scope of work for the services in terms of additional schemes, based on performance review and as per terms to be decided at a the appropriate juncture at the RFP stage or at a later date during the course of the contract. Expanded scope may include a financial management and accounting services for the BDO office and PO office of block and DRDAs as whole covering all schemes and accounting requirement of the those units respectively.

4. **Geographical scope** includes oversight / delivery of above scope of work across 38 DRDAs, 534 blocks and 8463 Gram Panchayats.

5. **Minimum Eligibility Criteria** for submission of EOI

- a. The Bidder should be an organization registered and operational as a legal entity under applicable laws in India for a minimum period of 10 years as on July 01, 2010 as evidenced by the Certificate of Incorporation, Annual Audit Certificates or any other documents submitted to a regulatory authority in India.
- b. The bidder should have an average annual turnover of at least INR 3 crore in the last 3 financial years.
- c. The bidder and associates should be members of relevant and reputed professional bodies. Documentary evidence to be attached
- d. Bidder should have proven experience of providing similar services (of the specified scope) satisfactorily for at least one government department in the last 5 years. Client testimonials and detailed work order with TOR should be mandatorily attached.
- e. The bidder shall not bid as a consortium but may associate with other specialist organization (s) to address the scope of work. However, bidder shall be fully responsible for all deliverables and shall show due diligence in choosing associate partners of credibility and competence. Letters of Association to be enclosed.
- f. Affirmation regarding blacklisting / non-conviction under criminal laws of India as required in the EOI transmittal letter.

6. **Qualification Criteria** (*as applicable in the last 5 years as on July 01, 2010*) for short listing of Bidders.

- a. Depth and scale (including timescale of services) of experience of Bidders in providing similar services to government departments.
- b. Depth, scale (including timescale) of experience of Bidders in providing similar services for government agencies in Bihar.
- c. Depth and scale (including timescale) of experience of Bidders in providing similar services for Rural Development Department / rural sector schemes of a state government.
- d. Depth and scale of experience in providing support for FMIS.

All things being equal higher preference will be given to 6 (c) above with follow-up preference to similar experience in development sector.

7. Submission of EOI

- a. Eligible firms may submit EOI in the prescribed form (see Annexure 4) by the due date including the following documentation enclosed in a sealed envelope superscribed “ *EOI for providing services as Nodal Financial Management & Technical Support Agency (FMTSA) to BRDS* ” in person at the address : *Bihar Rural Development Society, Rural Development Department, Government of Bihar, Main Secretariat, Patna 800015*
- b. *It shall be the responsibility of the bidder to obtain due acknowledgement of submission of EOI*
- c. EOI Fee : All EOIs are to be submitted with a EOI fee of Rs. 10000 (Rupees ten thousand) in the form of a demand draft drawn in favour of Bihar Rural Development Society, payable in Patna.
- d. Closing date and time : September 20, 2010, 4:00 PM
- e. Language of Proposal : English
- f. EOI copies : Two hard copies and one soft copy in CD duly labelled, sealed and delivered as noted 7 (a).

8. Other Relevant Information.

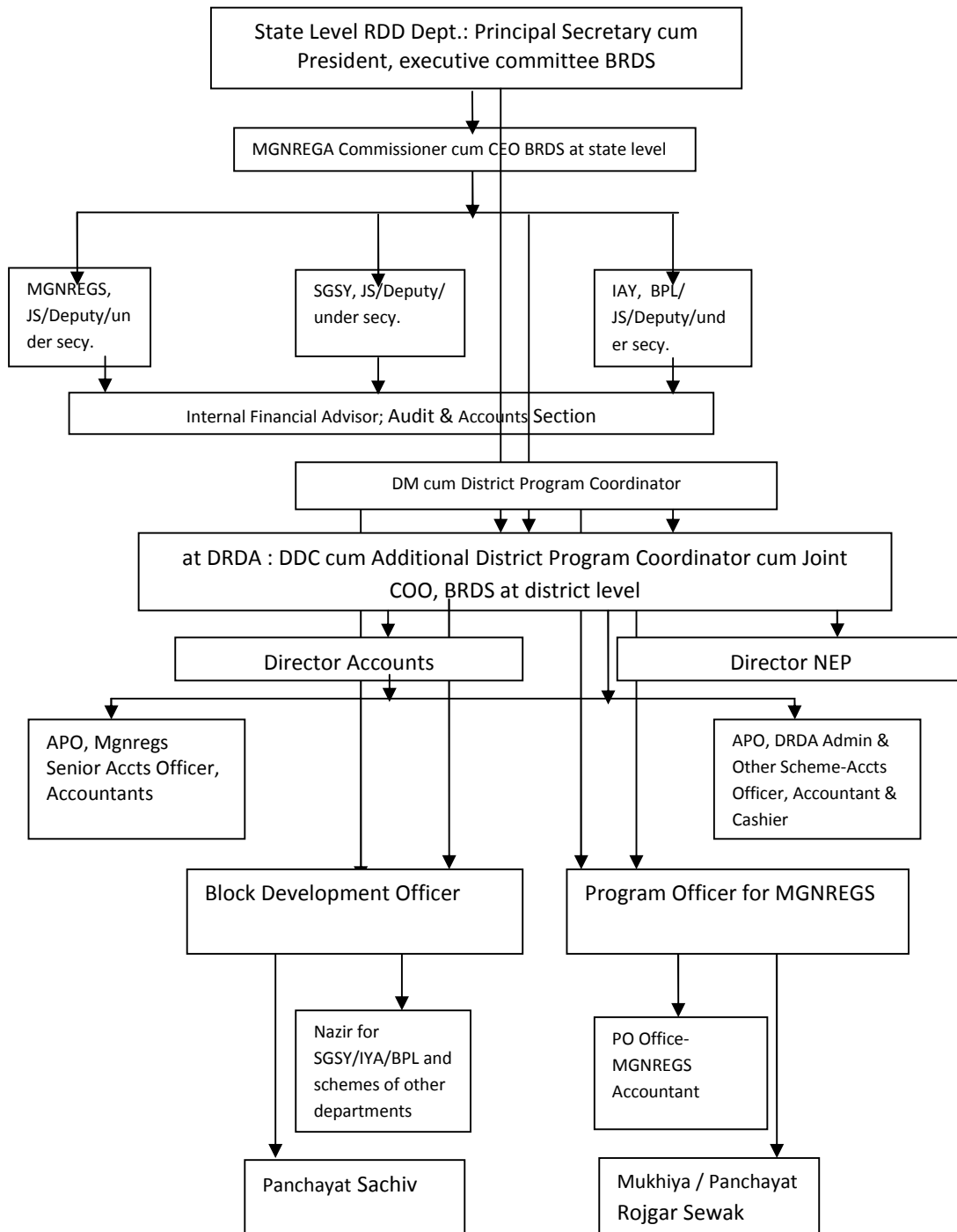
EOI that are incomplete, submitted late unaccompanied by EOI fees or in any others found deficient are liable to be rejected.

This EOI may be modified or cancelled, at any time by the client without assigning any reasons and without any obligation to the bidder(s)

9. For further inquiries please contact, upto September 15, 2010

Annexure – 1

Organisation Structure of Accounting Departments for the Scheme for the Bihar Rural Development Society (BRDS) and Rural Development Department



Annexure 2

Approximate number of vouchers in districts under schemes of RDD which are SGSY, IAY & MGNREGS. Physical and financial performance report for the financial year 2008-09 and 2009-10

	District	No. Blocks	Approximate. Number of Vouchers
1	Madhubani	21	5000
2	Saharsa	10	5000
3	Supaul	11	5000
4	Madhepura	13	5000
5	Sitamarhi	17	5000
6	Patna	23	15000
7	Nalanda	20	10000
8	Vaishali	16	8000
9	Nawada	14	7000
10	Jahanabad	7	3500
11	Jamui	10	5000
12	Sheikhpura	6	3000
13	Darbhanga	18	9000
14	Katihar	16	8000
15	Purnea	14	7000
16	Araria	9	4500
17	Kishanganj	7	3500
18	Bhagalpur	16	8000
19	Lakhisarai	7	3500
20	Banka	11	5500
21	Munger	9	4500
22	Rohtash	19	9500
23	Aurangabad	11	5500
24	Gaya	24	12000
25	Arwal	5	2500
26	Kaimur	11	5500
27	Muzaffarpur	16	8000
28	West Champaran	18	9000
29	East Champaran	27	13500
30	Sheohar	5	2500
31	Samastipur	20	10500
32	Begusarai	18	9000
33	Khagaria	7	3500
34	Saran	20	10000
35	Buxar	11	5500
36	Bhojpur	14	7000
37	Siwan	19	9500
38	Gopal Ganj	14	9000
	TOTAL BIHAR	534	262000

Financial and Physical performance report of the schemes SGSY, IAY and MGNREGS for the financial year 2008-09 and 2009-10 are in the Zip folder labeled “Annexure 2 – FMTSA ToR”

Annexure 3 - Expression of Interest Form for submission by the Bidder

Section A - EOI Transmittal Letter

On Letterhead

From:

To

<< input name / design and address >>

Date :

Subject : Submission of EOI for providing *services as Nodal Financial Management & Technical Support Agency (FMTSA) to BRDS*

Reference : Request for EOI No << input >> dated << input >>

Sir / Madam

We are pleased to submit our EOI with reference to your above mentioned requirement.

Please find enclosed the EOI fee << input details >>

We affirm that all information provided herein are true to the best of our knowledge and also affirm that this proposal has duly signed by the authorized legal signatory of the organization and documentary evidence regarding the authority of signatory is enclosed at Annexure << input >>

We also hereby affirm that our firm or that of our associates have not been blacklisted by any government organization in India. We also further affirm that none of our Partners / other representatives of our organization or that of our

associates entities identified for participation in this assignment have been convicted under any of the criminal laws of India.

We attach due letters of association from our proposed associates at Annexure << *input*>>

SD/-

Authorized Signatory (name, designation)

Annexure 4 - Expression of Interest Form for submission by the Bidder

Section B. 1 – Compliance with Minimum Eligibility Criteria by the Bidder

S. No	Eligibility Criteria (Pl. copy items under para 4 of the EOI)	Y/N	Details(if any)	Documentary evidence with page reference(as applicable & specified in para 4)

Section B. 2 – Summary Details of Conformance to Qualification Criteria

S. No	Qualification Criteria (Pl. copy items under para 5 of the EOI)	Brief details of conformance with qualification Criteria (Should be borne out by the detailed credentials shown in Section C.3 of this Annexure)

Annexure 5 - Expression of Interest Form for submission by the Bidder

Section C – Organization Profile and Credentials

1. Your contact details	
Name of organization	
Address and other contact details of the organization submitting the EoI	
Name, designation and address of the authorized legal representative and signatory of the EoI	
Name, designation, address and other contact details of the Contact person to whom all correspondence is to be addressed in respect of this EoI	
Address and contact details of Head Office in India.	

2. Your Organization Details –	
Legal Nature of your Organization	
Core area(s) of Business	
Date of Incorporation in India as a legal entity.	
Name and Headquarter address of Parent Organization.	
Average Annual turnover from similar activities for the last 3 financial years.	
Do you have an existing office in Bihar ? If so, address.	
Is the organization proposing to associate with other firms. If Yes, please list the same and give details as under Section C (2) for the associate firms in a separate annexure along with reasons for association /proposed role of associate partner	

3. Details of the relevant credentials in the last 5 years (Please provide information in the format specified herein separately to validate your credentials in respect of items under para 5 of the EOI. Credentials to be relevant to the subject matter of EoI and limited to the work done in the last 5 years, in descending chronological order)	
Project Title	
Name and address of the Client	
Key Client Contact : Name, designation and contact details.(Pls. attach client	

testimonials,)	
Brief description of the Project	
Key Project Deliverables	
Duration, Period. and Cost of the Project	
Geographical scope of the Project	
Role of your organization. Describe also whether lead role or associate role.	
Name and designation of key project staff from your organization	
Details of above key staff proposed as part of this EOI.	
Current Status of the Project.	
Any Other relevant Information	

4. Other relevant information.

- (i) What is the time required to mobilize human resources if you are awarded the contract ?**
- (ii) Any other relevant information.**