

# **MADHYA PRADESH STRENGTHENING PERFORMANCE MANAGEMENT IN GOVERNMENT (MP SPMG)**

## **DOCUMENT FOR EXPRESSION OF INTEREST (EOI) FOR APPOINTMENT OF CONSULTANT FOR MODULAR AUDIT OF MP COMPUTERIZED TREASURY & FINANCIAL SYSTEM**

### **1.0 Introduction:**

GoMP is proposing to strengthen management of Public expenditure in the state as a part of the larger programme to strengthen performance management. The programme, which has been approved, is being supported by the Department for International Development (DFID) of the Government of UK. Services of a consultancy team is required to provide technical as well as management support to the Department of Finance (DOF) of GoMP, which is an implementing agency for this programme and Directorate of Institutional Finance (DIF) is an executing agency.

### **2.0 Objective:**

The MP Finance Department Treasury Computerization software comprises four sub-systems, namely:

- i) Directorate of Treasury and Accounts
- ii) Treasury
- iii) Financial Management & Information System
- iv) Joint Director, Treasury and Accounts

These modules have been implemented since 2003, and various changes have been made in the software over time as has been required. The resultant system is operationally functional; however; it is important to take stock of the status so as to assess the way forward.

The system has been developed on Oracle back-end; and works using Oracle 9i forms. VSAT connectivity is implemented across the state; and the system works in distributed mode with regular scheduled update to the central server. Various validation and data correction and screening methods are in place.

The primary objective of this exercise is to assess all the sub-systems and its modules for the following and then prepare a detailed project report (DPR) for accomplishment of further improvement:

- a) Application Software Code Audit
- b) Process Compliance Check
- c) Throughput and functional check

- d) Review of available documentation
- e) Network & Security Audit
- f) IT systems review

### **3.0 Scope of Work:**

The programme on strengthening PEM has several components as detailed in the project memorandum (copy available on departmental website ([www.mp.nic.in/difmp/](http://www.mp.nic.in/difmp/))). Strengthening of GoMP's capacity for preparing Medium Term Fiscal Framework (MTFF) and preparation of Medium Term Expenditure Framework, which are in the nature of performance / programme budget, for selected departments, are one of the key outputs. The other outputs / activities include drafting of budget manuals, streamlining systems for monitoring fund flow through central sector schemes, drafting of procurement manual etc. Services of experts / consultants will be retained for providing technical advice to DOF for implementing these activities / outputs. One of the important aspects of efficient Public Expenditure Management is an integrated government financial management system (IGFMIS). One of the core components of any IGFMIS is the computerisation of treasuries.

Government of Madhya Pradesh has computerised its treasuries. GoMP wishes to review the computerisation effort and embark upon further enhancement of the treasury system to cover further process and system reengineering possibilities and additional functionalities.

It is proposed to engage the services of a consulting firm (or a consortium of firms) for undertaking modular audit of the MP Computerised Treasury and Financial System and prepare a Detailed Project Report for next phase of Treasury Upgrade Project. Inter-alia the broad scope of work<sup>1</sup> will include:

1. Work product review related to:
  - Treasury
  - Directorate of Treasury & Accounts
  - Works Department Drawal Facility (WDDF)

The work product review will include

- a. System Requirement study (SRS) Review
- b. Design Review
- c. Code Review
- d. Review of Manuals
- e. Review of Scripts
- f. Review of backup and archival system
- g. Review of Audit System

2. System Testing including:

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<sup>1</sup> Detailed Terms of Reference will be developed in due course.

- a. Functional Testing:
  - b. Non Functional Testing: (Performance, Volume and Application Security and Access control)
3. Network & Security Audit covering:
- a. Network issues
  - b. Error logging and monitoring
  - c. Audit system
  - d. Security issues
  - e. Administration and monitoring (network, proxy server etc.)
  - f. Disaster Recovery
4. Preparation of DPR to be submitted for access to funding under e-Bharat scheme of Government of India. The DPR will include inter alia:
- a. Functional and technical requirement
  - b. Training requirement
  - c. System architecture
  - d. System security
  - e. Monitoring and evaluation framework
  - f. Disaster recovery
  - g. Hardware and network requirement
  - h. Project budget

The consultant team will work under the supervision of the Department of Finance / Directorate of Treasuries & Account / Directorate of Institutional Finance, Government of Madhya Pradesh.

#### **4.0 Composition of the team and expertise required:**

The audit process will be conducted by a team comprising of the following expertise:

- a. Senior IT Resource with experience of development of similar systems on similar platforms with a minimum of five years of relevant experience
- b. Financial Management Expert with adequate experience of the systems applicable in the government and familiar with e-Governance implementations with a minimum of five years of experience
- c. System Testing resource with at least three and half years experience in system testing and documentation
- d. Network & Security audit resource for checking functionality, reliability and configuration of network and security systems

The audit firm shall deploy at least one adequate CISA / ISO 20000 LA / ISO 27001 LA / CISP professional for the exercise as the team leader. This person should be a regular employee of the audit firm.

The assignment will entail working closely with the EDP team of the client, and will involve the building of a knowledge base of all discoveries made during the process. Separate documentation will be maintained for all issues that are likely to be of a generic nature; i.e.; issues that are likely to apply to other modules as well.

The consultants will also set up, at their cost, a web-site with restricted use and messaging system so as to share data on a daily basis with the stake holders. The web-site would be updated on a daily basis with the progress.

#### **5.0 Time duration:**

It is expected that the assignment shall be completed in a total time of four (4) months for audit and subsequently three (3) months for preparation of DPR.

#### **6.0 Submission of bid and criteria for selection:**

The EOI must be submitted in the attached application form, preferably within 10 pages.

The firms submitting EOI must have been in operation over a minimum of ten years and must have CMMI Level 5 certification.

The EOIs would be evaluated on the basis of the following criteria:

- A. Past Experience of The firm **(50%)**
  - Number of years of experience (10%)
  - Past Experience of work of similar nature (20%)
  - Past experience in carrying out work in related sectors (10%)
  - Experience of working with state governments in India (10%)
  
- B. Experience of Key Personnel **(35%)**
  - Qualifications (15%)
  - Relevant Experience (20%)
  
- C. Financial Strength of the Consultant **(15%)**
  - Turnover figure for Last three Years (10%)
  - Net Profit Figure for Last three years (5%)

All bidders obtaining more than 70% marks would be short-listed. The short list will normally comprise of at least three firms.

#### **7.0 Evaluation of Application:**

- 7.1 DIF would open the Applications on any working day after Application Due Date for the purpose of evaluation.

- 7.2 Applications for which an acceptable notice of withdrawal has been submitted by an applicant shall not be opened.
- 7.3 DIF would subsequently examine and evaluate Applications in accordance with the criteria set out.
- 7.4 DIF reserves the right to reject any Application, if:
- a. at any time, a material misrepresentation is made or discovered; or
  - b. the Applicant does not respond promptly and diligently to requests for supplemental information required for the evaluation of the Application.

## **8.0 Reporting:**

The consultant will report to and work under the direct supervision of Commissioner/Director, Treasury & Accounts/Institutional Finance, Government of Madhya Pradesh.

## **9.0 Last date and place for submission etc.:**

### **9.1 Application Due Date:**

Applications should be submitted before 1500 hours IST on March 15, 2008 i.e. Application Due Date

DIF may, in exceptional circumstances, and at its sole discretion, extend the Application Due Date by issuing an Addendum uniformly for all Applicants.

### **9.2 Late Applications:**

Any Application received after the Application Due Date and time shall not be accepted by DIF. Any such Application received after the Application Due Date shall be summarily rejected and returned unopened.

### **9.3 Bid Processing Fee:**

All interested parties are required to pay Rs. 5,000/- as Bid Processing Fee payable by demand draft favouring Director, Directorate of Institutional Finance, Madhya Pradesh, Bhopal payable at Bhopal.

EOI document can be obtained by post / courier upon a written request accompanied by the cost of the document. Directorate of Institutional Finance shall not be responsible for any delay, loss or non-receipt of the EOI document sent by post courier.

Parties may also use EOI form downloaded from the website. While using the downloaded document, parties should submit a demand draft of Rs. 5,000/- while submitting their application.

9.4 Submission of Application:

All applications shall be submitted in the manner and form as detailed in this EOI Document. Applications submitted either by facsimile transmission or e-mail shall not be acceptable.

**The envelopes shall clearly bear the following identification:**

**“APPLICATION FOR EXPRESSION OF INTEREST FOR OR  
APPOINTMENT OF CONSULTANT FOR MODULAR AUDIT OF MP  
COMPUTERIZED TREASURY & FINANCIAL SYSTEM”**

**“To be opened by Sub-Committee only”**

If the envelope is not sealed and marked as instructed above, DIF assumes no responsibility for the misplacement or premature opening of the contents of the Application submitted and such Application may at the sole discretion of DIF, be rejected.

9.5 Address for submission of Application:

All applications should be submitted in a sealed envelop on the following address:

**Director,  
Directorate of Institutional Finance, Madhya Pradesh,  
C-Wing, First Floor,  
Vindhyachal Bhawan,  
BHOPAL (MP), India 462 004**

9.6 Qualification and Notification:

After the evaluation of Applications, DIF would announce a list of short listed Applicants who meet the Qualification Criteria.

The Qualified Applicants would then be requested to submit a detailed Proposal in the form and manner to be set out in the RFP Document.

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## **Application Form (To be submitted in 2 Copies)**

**Application Form to be considered for:**

**Project Title – MP Strengthening Performance Management in Government**

**Contract No -**

Please enter the information requested in the spaces provided. Application from separate legal entities of worldwide organisations or multi nationals is acceptable, provided the organisations are eligible to operate in competition with each other. Questions 1, 2, 3 & 4 must be answered for all the consortium partners and the lead partner should be clearly highlighted. Please note that the only additional information should be attached to this application form that is requested in paragraphs 5 - 7. In case of a consortium of firms, the statement should highlight the specific capabilities of each of the consortium member.

### **1: Your Details**

*Your Name (Company or Individual)*

*Parent Company (If Applicable)*

*Your Address*

*Contact Name*

*Contact Telephone Number*

*E-Mail Address*

### **2. Information Required for Statistical Purposes Only**

*Country of Registration (Companies)*

*Nationality (Application from Individuals)*

*Number of Employees (as appropriate)*

### **3. Years in Business**

*Qualifying number of years in business: 5 years  
How many years have you been in business?*

### **4. Turnover:**

*Qualifying turnover: Income from fees should be at least Rs. 300 Lakh.*

*What was your company's total annual turnover in Indian Rs Lakh for the last three years?*

*One year ago?*

*Two years ago?*

*Three years ago?*

*What was your net profit in Indian Rs Lakh, for the last three years?*

*One year ago?*

*Two years ago?*

*Three years ago?*

### **5. Criteria for Assessing your Expression of Interest:**

*Your Completed Application will be assessed against the criteria as described in the EOI document. You will need to address this in your Capability Statement. The relevant areas of experience that will be given weight during evaluation are given below. Please note that the financial standing of applicants will also be taken into account during the Expression of Interest assessing process.*

#### **5.1 Experience:**

- (a) Number of years of experience (Minimum five years)*
- (b) Experience in undertaking system audits*
- (c) Experience in undertaking programme management of treasury computerisation in other states*
- (d) Experience in preparation of detailed project reports under NeGP*
- (e) Experience of supporting capacity building programmes in government.*

### **6. Capability Statement:**

*Please attach a Capability Statement, of no more than four A4 pages in font size 10, which in addition to 5 above, illustrates your skills and experience of providing the service under this Contract Notice.*

## **7. CV(s) of Key Personnel**

*Please provide, as an annex to this form, abridged CV(s) of no more than two pages (for each individual) in respect of key personnel who would be expected to provide the services listed in the Contract Notice and their relevant experience.*

## **8. Conflict of Interest:**

8.1 DIF requires that Consultants provide professional, objective, and impartial advice and at all times hold the DIF's interests paramount, strictly avoid conflicts with other Assignment/jobs or their own corporate interests and act without any consideration for future work.

8.2 Without limitation on the generality of the foregoing, 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:

**Conflicting activities:** A firm hired to provide consulting Assignment/job for the preparation or implementation of a project, and any of its affiliates, shall be disqualified from 5 subsequently providing goods or works or Assignment/job other than consulting Assignment/job resulting from or directly related to the firm's consulting Assignment/job for such preparation or implementation. For the purpose of this paragraph, Assignment/job other than consulting Assignment/job are defined as those leading to a measurable physical output, for example surveys, exploratory drilling, aerial photography, and satellite imagery.

**Conflicting Assignment/job:** A Consultant (including its Personnel and Sub-Consultants) or any of its affiliates shall not be hired for any Assignment/job that, by its nature, may be in conflict with another Assignment/job of the Consultant to be executed for the same or for another Employer. A Consultant hired to prepare Terms of Reference for an Assignment/job should not be hired for the Assignment/job in question.

**Conflicting relationships:** A Consultant (including its Personnel and Sub-Consultants) that has a business or family relationship with a member of the DIF's staff who is directly or indirectly involved in any part of;

(i) the preparation of the Terms of Reference of the Assignment/job,

(ii) the selection process for such Assignment/job, or

(iii) 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 DIF throughout the selection process and the execution of the Contract.

8.3 Consultants have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of their

Employer, or that may reasonably be perceived as having this effect. Any such disclosure shall be made as per the Standard forms of technical proposal provided herewith. If the consultant fails to disclose said situations and if the DIF comes to know about any such situation at any time, it may lead to the disqualification of the Consultant during bidding process or the termination of its Contract during execution of assignment.

8.4 No agency or current employees of the DIF shall work as Consultants under their own ministries, departments or agencies.

**9. Closing Date for Applications.**

*This application together with the requested supporting documents must be submitted, by the closing date specified in the Contract Notice to the address specified. (No further information or company literature is required).*

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