



To: Offerors

From: Agricultural Development Fund (ADF)

Date: March 16, 2024

Subject: **RFP # ADF-OPS-RFP-KBL-2024-002-Hiring of Audit Firm for the Implementation of IFRS-9 for the Year 2023 (Re-Announced) for ADF Office. Main Office Location House#16, Khalid Arsalan Street. Darulaman Road, Kabul, Afghanistan**

Dear Offerors:

Enclosed is a Request for Proposal of Hiring Audit Firm for the implementation of IFRS-9 for the year 2023 for ADF office, Kabul office location House#16, Khalid Arsalan Street. Darulaman Road, Kabul, Afghanistan. ADF invites firms to submit their bid offers for the subject RFP.

- I. **Type of Contract** – An award resulting from this RFP will be one time Service Order (SO) for the hiring of an audit firm for the implementation of IFRS-9 for the year 2023 for ADF Office.
- II. **Submission of Questions:**

All quotations are due in Kabul on **March 23, 2024** by no later than 3:00 PM local Afghanistan time. Quotations received at the office designated below after 1500 hours (3:00 P.M) will not be considered. Bidder should submit **one** complete hardcopy of the offer **Before Due Date March 23, 2024**. Submissions by email or fax will not be accepted. Bidder's proposals should not contain any unnecessary promotional material or elaborate presentation formats (black and white is preferred). Bidder's standard technical specifications and product literature are preferred. Bidder should confirm by phone to ADF Procurement department for ADF email acknowledgment.

Submission of Quotations (Hardcopy of Bid Documents) – Quotations must be sealed and sent to ADF Kabul Office by no later than **March 23, 2024 (3:00 PM Kabul Local Time)** to the attention of ADF Procurement. **Office Address: House#16, Khalid Arsalan Street. Darulaman Road, Kabul, Afghanistan. Contact# + 93 (0) 728888010.**

- III. **Questions:** Technical inquiries and/or requests for clarification to this offer must be made in writing and may be made via e-mail to Procurement@adf-af.org. All questions received may be forwarded by ADF to all participating bidders.
- IV. **Background:** The Agricultural Development Fund (ADF) is a standalone government owned financial institution with the fundamental purpose of making credit available to the agriculture sector. The target clientele of the ADF includes small commercial farmers, as well as agribusiness engaged in distribution of agricultural inputs, producers of high-value crops, processors, and exporters of agricultural products. ADF functions as a wholesale lender, channeling credit through financial and non-financial institutions.

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Agricultural credit provided by the ADF is enabling farmers and other players in the agriculture sector to put in practice modern production, processing and market development practices acquired in the last decade.

The mission of the ADF is to stimulate growth of Afghanistan's agricultural sector by providing farmers and agribusiness with access to financial services to increase productivity, improve the quality of their crops and harness market opportunities. This will support the MAIL's broader goals of restoring Afghanistan's licit agricultural economy and contributing to the growth of the rural economies.

V. Offeror's Agreement with Terms and Conditions – The completion of all RFP requirements in accordance with the instructions in this RFP and submission to ADF of a quote will constitute an offer and indicate the Offeror's agreement to the terms and conditions in this RFP and any attachments hereto. ADF reserves the right to award a purchase order without discussion and/or negotiation; however, ADF also reserves the right to conduct discussions and/or negotiations, which among other things may require an Offeror(s) to revise its quote (technical and/or price). Issuance of this RFP in no way obligates ADF to award a purchase order, nor does it commit ADF to pay any costs incurred by the Offeror in preparing and submitting the quote.

VI. Index of RFP – This RFP is comprised in its entirety of the following sections and appendices:

Sections of RFP

Section 1	Quotation Instructions
Section 2	Description of Service
Section 3	Special Provisions
Section 4	Evaluation Criteria

Appendices

Appendix A:	Cover Letter
Appendix B:	Scope of Work for IFRS-9 Implementations
Appendix C:	Summary of Relevant Capability, Experience and Past Performance
Appendix D:	Quotation Checklist

VII. Composition of Quote – Offerors shall submit his quote for items detailed in Appendix B Detailed Cost Breakdown/Bill of Quantities. The quote will consist of Appendix A through D (see above).

SECTION 1 – QUOTATION INSTRUCTIONS / ADDITIONAL INFORMATION

The Offeror shall submit its best price offer/quotation as per the following requirements:

1. Quotation Cover Letter signed by a person authorized to sign on behalf of the Offeror. Use the template in Appendix A.
2. All Prices shall be quoted in **USD** only, offers in other currencies will not be considered.
3. Offeror shall submit quotes in prescribed format of Appendix B.
4. In case of price discrepancy between unit price and SUBTOTAL price, the unit price shall prevail.
5. The rates quoted shall be for complete service inclusive of all taxes and all charges for service contingent to the work.
6. ADF has the right to increase or decrease the goods and services mentioned in this RFP.
7. ADF will not award a subcontract or purchase order to an organization without a Ministry of Commerce Business license. The Ministry of Commerce Business License must be valid and be attached to the quotation.
8. Have a valid business bank account, please submit a copy with the offer.

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9. Be direct supplier of audit service, site visit will be performed to verify this. No sub-contracting of the goods is allowed.
10. Be in the approved list of Central Bank of Afghanistan (DAB), please submit a copy of it with this offer.

SECTION 2 – DESCRIPTION OF GOODS OR SERVICES REQUESTED

Please refer to Appendix B for a list and specifications of items required.

SECTION 3 – SPECIAL PROVISIONS

The below provisions will be incorporated into any purchase order issued by ADF.

3.1. Government Withholding Tax

Pursuant to Article 72 in the Afghanistan Tax Law effective March 21, 2009, ADF is required to withhold "contractor" taxes from the gross amounts payable to all Afghan for-profit subcontractors/vendors. In accordance with this requirement, if the total amount for one year is more than AFN 500,000. ADF shall withhold two percent (2%) tax from all gross invoices to Afghan subcontractors/vendors under this Agreement with active Ministry of Commerce license. For subcontractors/vendors without active Ministry of Commerce license, ADF shall withhold seven percent (7%) "Contractor" taxes per current Afghanistan Tax Law.

Before the signing of this Agreement, the subcontractor/vendor will provide a copy of the organization's Ministry of Commerce license and TIN (Tax Identification Number). Amounts deducted from the invoices will be forwarded to the Ministry of Finance (MoF) Tax Division credited to the firm's TIN. Records of payments to the MoF shall be maintained on file with ADF.

3.2 Penalty Charges

If the Vendor fails to supply the specified Goods/Services within the date stipulated, ADF shall, without prejudice to its other remedies under the Purchase Order/Contract price, as liquidated damages, deduct a sum equivalent to five percent (5%) of the delivered price of the delayed Goods/Services for each week of the delay until actual delivery, up to a maximum deduction of Ten Percent (10%) of the Purchase Order/Contract/Contract value.

SECTION 4 - EVALUATION CRITERIA

All quotations received in response to this solicitation will be evaluated and scored by evaluation sub factors. The Subcontract/Purchase Order shall be awarded on a tradeoff basis. The following sub factors shall be used to evaluate offers: ADF will award subcontract(s) resulting from this solicitation to the responsive Bidder whose proposal will be most advantageous to ADF, price and other factors considered. Therefore, the Bidder's initial offer should contain the best terms from a price and technical standpoint. If determined to be necessary, ADF reserves the right to conduct discussions with the Bidder. ADF may reject any or all offers if such action is in the interest of ADF or the public; accept other than the lowest offer; and waive informalities and minor irregularities in offers received.

The vendors will be evaluated according to the following criteria:

- Price (60%)
- Past performance and Quality (30%)
- Responsiveness (10%) Criteria for judging the responsiveness of bid.

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RFP CONTINUES BELOW

VENDORS MUST ALSO FILL OUT THE INFORMATION ON PAGE 4 of 8

	CRITERIA FOR JUDGING THE RESPONSIVENESS OF BID	Company's Response here
	In addition to measuring whether the vendor is responding to ADF's needs, criteria may be used to disqualify vendors who answer incorrectly	
<u>1</u>	Is your price quotation valid for at least 90 days? YES or NO	
<u>2</u>	Does your company agree to net one month payment term? YES or NO	
<u>3</u>	Does your quotation cover letter sign by authorized person? YES or NO	
<u>4</u>	Do you have bank account, if yes please attach you bank account info with the quote. YES or NO	
<u>5</u>	Payment will be made via wire transfer to business account. YES or NO	
<u>6</u>	Will you be able to accept/communicate by E-Mail? YES or NO	
<u>7</u>	Is your price quotation in USD? YES or NO	
<u>8</u>	Is your companies' update business license attached to this quotation? YES or NO	
<u>9</u>	Do you agree or accept with MoF 2% tax deduction? YES or NO	
<u>10</u>	Did you list three contracts in the past performance section? YES or NO	

Vendor Name Per Business License	
Vendor Address:	
Authorized Representative: (Who is communicating with our finance and procurement team)	
Vendor Contact Person and Phone Numbers	
Vendor Email Addresses	

APPENDIX A

**RFP#ADF-OPS-RFP-KBL-2024-002 Hiring of Audit Firm for the Implementation of IFRS-9
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QUOTATION COVER LETTER

[On Letterhead]

Date:

TO: ADF

**Khalid Arsalan Street. Darulaman Road, House# 16 District 6th, Kabul,
Afghanistan. Contact # + 93 (0) 728888010**

Dear Gentlemen:

We, the undersigned, offer to provide the **RFP # ADF-OPS-RFP-KBL-2023-001- Hiring of Audit Firm for the Implementation of IFRS-9 for the Year 2023 for ADF Office.** In accordance with your Request for Quotation dated _____ and our Proposal (Technical and Financial). Our attached quotation is for the sum of _____ in words _____ & _____ in figures (USD _____).

Our quotation shall be binding upon us subject to the modifications resulting from contract negotiations, up to expiration of the validity period of the quotation, i.e. (_____)

We understand you are not bound to accept any quotation you receive.

Yours sincerely,

Authorized Signature:

Name and Title of Signatory:

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Appendix B

Scope of Work for IFRS-9

No	Description of Items or Services	Unit	Qty	Total Price In USD
1	<p>Scope of Service Implementation for IFRS-9 for the Year 2023, the assessment already conducted and done recently we are looking only for the implementation of it:</p> <p>The scope will include but not limited to:</p> <ul style="list-style-type: none"> • Perform qualitative gap assessment to identify gaps in the data, systems, processes, governance, people, and other resources to design and implement IFRS 9. • Perform detailed asset/product wise data analytics and document asset-wise business models. • Update accounting policies and procedures along with implications of IFRS 9 on other standards-based accounting measurement, recognition, and disclosures. • Carry out ECL based on models developed. The product includes lending to Agri-businesses, financial institutions, Investments, Other assets, other liabilities, and off-balance sheet items. • Review ADF's Chart of Account and advise suitable amendments therein. • Prepare proforma financial statements for the year ending December 31, 2023. Also prepare actual first quarterly financial statements for period ending March 31, 2024, and for six months period ending June 30, 2024 based on the requirements of IFRS 9 and reconcile it will the statutory financial statements and provide details of adjustments. • Develop detailed disclosures based on requirements of IFRS 9, capital adequacy-related disclosures. • Develop capacity building plan and provide training to the relevant operational and tactical staff involved in executing the models. 			

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	<ul style="list-style-type: none">• Assist in the Designing and Implementation of IFRS-9 as per the requirement.• Resolving queries of the external auditors (if any) regarding the whole exercise. <p>The scope of IFRS-9 including instructions from time to time regarding the International Financial Reporting Standards (IFRS) 9 are to be duly followed and implemented.</p>			
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Import Notes:

The cost should be inclusive of all charges, including taxes and delivery to ADF office in Kabul city.

1. Goods/service offered shall be reviewed based on completeness and compliance of the quotation with the minimum specifications described above in appendix B.
2. Three years past performance/experience for the similar assignment is preferred to provide, please attached the contract copy of similar projects with this RFP.
3. The Payment will be made based on completion of service and submission of sign/stamped invoice by the company and there is no option for advance payment.
4. The amount will be transferred to the company official account not to individual account.
5. ADF reserves the right to cancel or terminate the contract anytime if the company is not able to provide the satisfactory goods/services.
6. ADF reserves the right to issue multiple contracts under this RFP or to issue no contract if the responses are not adequate.

For any technical questions, please contact:

Mr. Masoud Ahmad Stanikzai
Finance and treasury Manager
Agricultural Development Fund (ADF)
Ministry of Agriculture, Irrigation and Livestock, Kabul, Afghanistan
Mobile: 077 77 61 341 / 078 88 61 341
Email: masoudahmad_stanikzai@adf-af.org

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Appendix C

SUMMARY OF RELEVANT CAPABILITY, EXPERIENCE AND PAST PERFORMANCE

Include projects that best illustrate your experience relevant to this (RFP) or similar activities, sorted by decreasing order of completion date.

Projects should have been undertaken in the past ten years (i.e., 2014 up to 2024) Projects undertaken in the past ten years may be taken into consideration at the discretion of the evaluation panel.

S/N	Project Title and Description of Activities	Location Province/District	Client Telephone No	Email Address	Cost in AFN or USD	Completed on Schedule (Yes/No)
1						
2						
3						

Note: Please make sure to provide one copy of each contract from past performances while submitting the request for proposal.

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APPENDIX D:

ADF QUOTATION CHECKLIST

(Please check all that apply and include this page in the proposal)

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Offeror: _____

Does your proposal include the following?

- Cover Letter *(use template in Appendix A)*
- Detailed Cost Breakdown/Bill of Quantities Form *(use form in Appendix B)*
- Summary of Relevant Capability, Experience and Past Performance *(use form in Appendix C)*
- Copy of business license
- Bank Account details