



REQUEST FOR PROPOSALS

Issued on: November 28, 2018

MCA-Morocco

On Behalf of:

The Government of Kingdom of Morocco

Funded by

THE UNITED STATES OF AMERICA

through

THE MILLENNIUM CHALLENGE CORPORATION

for

Procurement of Consultant Services

**Audit of Resources Managed by Recipient
Organizations under MCC-funded
Grants, Contracts, and Implementing Agreements**

RFP/QCBS/MCA-M/PP-13-R/COMPACT-PP-02

Letter of Invitation Requesting Proposals

Rabat, Morocco
November 28, 2018

Re: RFP/QCBS/MCA-M/PP-13-R/COMPACT-PP-02

Dear Madam/Sir:

1. This Request for Proposals follows the General Procurement Notice of December 18, 2017 that appeared in www.devbusiness.com and www.dgMarket.com on 28, 2018 and was posted on MCA-Morocco's website www.mcamorocco.ma
2. The United States of America, acting through the Millennium Challenge Corporation (“**MCC**”) and the Government of Morocco (the “**Government**” or “**GoM**”) have entered into:

(A) a Grant and Implementation Agreement by and between MCC and the Government for the development of a Millennium Challenge Compact (the “**609(g) Agreement**”) in the amount of up to Four Million Eight Hundred Thousand United States Dollars (US \$4,800,000) in MCC funding (“**Compact Development Funds**” or “**609(g) Funds**”); and

(B) a Millennium Challenge Compact to help facilitate poverty reduction through economic growth in Morocco (the “**Compact**”) in the amount up to Four Hundred Fifty Million United States Dollars (US\$ 450,000,000) in MCC funding (“**MCC Funding**”). In addition, pursuant to the terms of the Compact, the Government committed to provide funding as a Government contribution to support implementation of the Compact in an amount equal to no less than fifteen percent (15.0%) of the amount of funding provided by MCC in the Compact (the “**Government Contribution**”).

Together, MCC Funding and the Government Contribution are herein referred to as “**Program Funding**”. Together, Compact Development Funds and Program Funding are herein referred to as the “**Audited Funds**.”

3. The Government, acting through the Millennium Challenge Account – Morocco (“**MCA-Morocco**”), intends to apply a portion of the Program Funding to eligible payments under a contract for which this Request for Proposals (“**RFP**”) is issued. Any payments made by MCA-Morocco under the proposed contract will be subject, in all respects, to the terms and conditions of the Compact and related documents, including restrictions on the use and distribution of Program Funding. No party other than the Government and MCA-Morocco shall derive any rights from the Compact or have any claim to the proceeds of Program Funding. The Compact and its related documents can be found on the websites of MCC (www.mcc.gov) and MCA-Morocco (www.mcamorocco.ma).

MCA-Morocco hereby invites auditors to submit proposals for the following services:
Audit of Resources Managed by Recipient Organizations under MCC-funded Grants, Contracts, and Implementing Agreements.

More details on the services are provided in the Terms of Reference found at Section 5 of this RFP.

4. An Auditor will be selected according to procedures set out in Section 2 of this RFP, “Instructions to Auditors”. The Auditor will be selected under **Quality and Cost-Based Selection (QCBS)** method as defined in the MCC Program Procurement Guidelines which are provided on the MCC website (www.mcc.gov).

The RFP includes the following Sections:

PART 1 – PROPOSAL AND SELECTION PROCEDURES

Section I Instructions to Consultants (ITC)

This section provides information to help potential Consultants prepare their Proposals; it also provides information on the submission, opening, and evaluation of Proposals and on the award of the proposed contract.

Section II Proposal Data Sheet (PDS)

This section includes provisions that are specific to this procurement and that supplement Section I, Instructions to Consultants.

Section III Qualification and Evaluation Criteria

This section specifies the qualifications required of the Consultant and the criteria to be used to evaluate the Proposal.

Section IV A Technical Proposal Forms

This section provides the Technical Proposal Forms which are to be completed by a potential Consultant and submitted electronically, separate from the Financial proposal.

Section IV B Financial Proposal Forms

This section provides the Financial Proposal Forms which are to be completed by a potential Consultant and submitted electronically, separate from the Technical proposal and protected by a password.

Section V Terms of Reference

This Section includes the detailed Terms of Reference that describe the nature, tasks, and duties of the consulting services to be procured.

PART 2 – CONDITIONS OF CONTRACT AND CONTRACT FORMS

Section VI Contract Agreement and General Conditions of Contract (GCC)

This section contains the form of Contract proposed to be entered into between the MCA Entity and Consultant.

Section VII Special Conditions of Contract (SCC) and Annexes to Contract

This section contains the form of those clauses of the Contract that supplement the GCC and that are to be completed by MCA Entities for each procurement of Consulting Services. This section also includes an Annex to the Contract (Annex B: Additional Provisions) that contains provisions that are a part of the Government's and the MCA Entity's obligations under the Compact and related documents which, under the terms of the Compact and related documents, are required to be transferred onto any Consultant, Sub-Consultant or Associate who partakes in any MCC-funded procurement.

Proposals must be delivered in the manner specified in the **PDS ITC 17.3**, no later than **January 15th, 2019 at 3:00 PM GMT+1**.

Please note **only** electronic Proposals **shall** be accepted.

Upon receipt of this letter, please inform us in writing, or by electronic mail, at the address shown below:

- (a) that you received the Request for Proposals; and
- (b) whether you will submit a Proposal alone or in association.

Yours Sincerely,

Agent de passation des marchés
Pour le compte de l'Agence MCA-Morocco,
Complexe administratif et culturel de la Fondation Mohammed VI des œuvres sociales de
l'Education - Formation, Avenue Allal EL FASSI- Madinat AL IRFANE, Hay Riad,
Rez-de-chaussée, Bureau de l'Agent de passation des marchés, Rabat- Maroc
procurement@mcamorocco.ma.

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PART 1:
PROPOSAL AND SELECTION
PROCEDURES

Section I. Instructions to Consultants

A. General

In Part 1 (Proposal and Selection Procedures) of this Request for Proposals, the following words and expressions shall have the meanings stated. These definitions shall not apply to any words or expressions in the sections that make up Part 2 (Conditions of Contract and Contract Forms) of this RFP, in which such words and expressions shall have the meanings stated in GCC Sub-Clauses 1.1 and 2.1 unless otherwise specified.

- (a) “Addendum” or “Addenda” means a modification to this RFP issued by the MCA Entity.
- (b) “Associate” means any entity that is a member of the Association that forms the Consultant. A Sub-Consultant is not an Associate.
- (c) “Association” or “association” means an association of entities that forms the Consultant.
- (d) “Compact” means the Millennium Challenge Compact **identified in the PDS**.
- (e) “confirmation” means confirmation in writing.
- (f) “Consultant” means any legal entity that may provide or provides the Services to the MCA Entity under the Contract.
- (g) “Contract” means the contract proposed to be entered into between the MCA Entity and the Consultant, including all attachments, annexes, and all documents incorporated by reference therein, a form of which is included in Part 2 of this RFP.
- (h) “days” refers to calendar days.
- (i) “FBS” means Fixed Budget Selection method as defined in the MCC PPG.
- (j) “Financial Proposal” has the meaning given the term in ITC Sub-Clause 12.5.
- (k) “Fiscal Agent” means any entity that provides services to the MCA Entity under the terms of the Fiscal Agent Agreement.
- (l) “GCC” means the General Conditions of Contract.
- (m) “Government” means the Government **identified in the PDS**.
- (n) “Government Contribution” means the funding

the Government has made available to the MCA Entity pursuant to the terms of the Compact and Program Implementation Agreement.

- (o) “IFC Performance Standards” means the International Finance Corporation’s Performance Standards on Environmental and Social Sustainability.
- (p) “Instructions to Consultants” or “ITC” means Section I of this RFP, including any amendments, which provides Consultants with all information needed to prepare their Proposals.
- (q) "Key Professional Personnel" means the Key Professional Personnel identified pursuant to ITC Sub-Clause 12.3(d).
- (r) “LCS” means Least Cost Selection method as defined in the MCC PPG.
- (s) “Millennium Challenge Corporation” or “MCC” means a United States Government corporation, acting on behalf of the United States Government.
- (t) “MCA Entity” means the accountable entity **identified in the PDS**.
- (u) “MCC Funding” means the funding MCC has made available to the Government pursuant to the terms of the Compact.
- (v) “MCC Program Procurement Guidelines” or “MCC PPG” means the MCC Program Procurement Guidelines and its amendments posted from time to time on the MCC website at www.mcc.gov/ppg.
- (w) “PDS” means the Proposal Data Sheet, in Section II of this RFP, used to reflect specific requirements and/or assignment conditions.
- (x) “Personnel” means Key Professional Personnel and additional staff provided by the Consultant, or by any Sub-Consultants, or Associates that are assigned to perform the Services or any part thereof.
- (y) "Pre-Proposal Conference" means the pre-proposal conference **specified in PDS ITC 1.4**, if any.
- (z) “Program Implementation Agreement” means the Program Implementation Agreement to be

entered into, or that has been entered.

- (aa) “Proposal” means the Technical Proposal and the Financial Proposal for the provision of the Services submitted by a Consultant in response to this RFP.
- (bb) “QBS” means Quality-Based Selection method as defined in the MCC PPG.
- (cc) “QCBS” means Quality and Cost-Based Selection method as defined in the MCC PPG.
- (dd) “RFP” means this Request for Proposals, including any amendments that may be made, prepared by the MCA Entity for the selection of the Consultant.
- (ee) “SCC” means the Special Conditions of Contract.
- (ff) “Services” means the tasks to be performed by the Consultant pursuant to the Contract.
- (gg) “Sub-Consultant” means any person or legal entity with whom the Consultant subcontracts any part of the Services.
- (hh) “Taxes” has the meaning given the term in the Compact.
- (ii) “TEP” means the Technical Evaluation Panel, selected for the purpose of evaluating the Proposals received, that submits a report with recommendation for award of the Contract for which this RFP is being issued.
- (jj) “Technical Proposal” has the meaning given the term in ITC Sub-Clause 12.3.
- (kk) “Terms of Reference” or “TOR” means the document included in this RFP as Section V, which explains the objectives; scope of work; activities; tasks to be performed, respective responsibilities of the MCA Entity and the Consultant; and expected results and deliverables of the assignment.
- (ll) “Trafficking in Persons” or “TIP” has the meaning given to the term in the MCC Program Procurement Guidelines.

1. Scope of RFP

- 1.1 The MCA Entity will select a Consultant in accordance with the selection method **specified in the PDS**.
- 1.2 Throughout this RFP except where the context requires

otherwise, words indicating the singular also include the plural, words indicating the plural also include the singular, and the feminine means the masculine and vice versa.

- 1.3 Consultants are invited to submit a Technical Proposal and a Financial Proposal for consulting services required for this assignment as **named in the PDS**. The Proposal will be the basis for contract negotiations and ultimately for a signed Contract with the selected Consultant.
 - 1.4 Consultants should familiarize themselves with local conditions and take them into account in preparing their Proposals. To obtain first-hand information on the assignment and local conditions, Consultants are encouraged to attend a Pre-Proposal Conference if one is **specified in the PDS**. Attending any Pre-Proposal Conference is strongly advised, but not mandatory. Attending any Pre-Proposal Conference and/or a site visit shall not be taken into account for the purpose of evaluation of Proposals.
 - 1.5 The MCA Entity will timely provide, at no cost to the Consultant, the inputs and facilities **specified in the PDS**, assist the firm in obtaining licenses and permits needed to carry out the Services, and make available relevant project data and reports. No other inputs will be provided. Therefore, a Consultant shall plan to cover all incurred expenses that may be foreseen to initiate and sustain the Services in a timely manner, including but not limited to office space, communication, insurance, office equipment, travel, etc. not otherwise **specified in the PDS**.
 - 1.6 The MCA Entity is not bound to accept any Proposal, and the MCA Entity and MCC reserve the right to cancel the procurement at any time prior to Contract award, without thereby incurring any liability to any Consultant.
2. Source of Funds
 - 2.1 The United States of America, acting through MCC, and the Government have entered into the Compact. The Government, acting through the MCA Entity, intends to apply a portion of the Program Funding to eligible payments under the Contract. Any payments made under the Contract with Program Funding will be

subject, in all respects, to the terms and conditions of the Compact and related documents, including restrictions on the use and distribution of Program Funding. No party other than the Government and the MCA Entity shall derive any rights from the Compact or have any claim to any proceeds of Program Funding. The Compact and its related documents can be found on the MCC website (www.mcc.gov) or on the website of the MCA Entity.

3. Corrupt and
Fraudulent Practices

MCC requires that all beneficiaries of MCC Funding, including the MCA Entity and any applicants, Bidders, Suppliers, contractors, Subcontractors, consultants, and sub-consultants under any MCC-funded contracts, observe the highest standards of ethics during the procurement and execution of such contracts. MCC's Policy on Preventing, Detecting and Remediating Fraud and Corruption in MCC Operations ("MCC's AFC Policy") is applicable to all procurements and contracts involving MCC Funding and can be found on the MCC website. MCC's AFC Policy requires that companies and entities receiving MCC funds acknowledge notice of MCC's AFC Policy and certify that they have acceptable commitments and procedures in place to address the potential for fraudulent and corrupt practices. In pursuance of this policy, the following conditions shall apply:

- (i) "**coercion**" means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of any party, to improperly influence the actions of a party in connection with the implementation of any contract supported, in whole or in part, with MCC funding, including such actions taken in connection with a procurement process or the execution of a contract;
- (ii) "**collusion**" means a tacit or explicit agreement between two or more parties to engage in a coercive, corrupt, fraudulent, obstructive or prohibited practice, including any such agreement designed to fix, stabilize, or manipulate prices or to

otherwise deprive the Accountable Entity of the benefits of free and open competition;

- (iii) “**corruption**” means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of a public official, Accountable Entity staff, MCC staff, consultants, or employees of other entities engaged in work supported, in whole or in part, with MCC funding, including such work involving taking or reviewing selection decisions, otherwise advancing the selection process or contract execution, or the making of any payment to any third party in connection with or in furtherance of a contract;
- (iv) “**fraud**” means any act or omission, including any misrepresentation, that knowingly or recklessly misleads or attempts to mislead a party in order to obtain a financial or other benefit in connection with the implementation of any contract supported, in whole or in part, with MCC funding, including any act or omission designed to influence (or attempt to influence) a selection process or the execution of a contract, or to avoid (or attempt to avoid) an obligation;
- (v) “**obstruction of investigation into allegations of fraudulent or corrupt practice**” means any act taken in connection with the implementation of any contract supported, in whole or in part, with MCC funding: (a) that results in the deliberate destroying, falsifying, altering or concealing of evidence or making false statement(s) to investigators or any official in order to impede an investigation into allegations of a coercive, collusive, corrupt, fraudulent, or prohibited practice; or (b) that threatens, harasses, or intimidates any party to prevent him or her from either disclosing his or her knowledge of matters relevant to an investigation or from

pursuing the investigation; or (c) that is intended to impede the conduct of an inspection and/or the exercise of audit rights of MCC and/or the Office of the Inspector General (OIG) responsible for MCC provided under a compact, threshold program agreement, or related agreements;

- (vi) “*prohibited practice*” means any action that violates Section E (Compliance with Anti-Corruption, Anti-Money Laundering, Terrorist Financing, and Trafficking in Persons Statutes and Other Restrictions) of the Annex of General Provisions that will be made a part of MCC-funded contracts.
- (a) The MCA Entity will reject a Proposal (and MCC will deny approval of a proposed Contract award) if it determines that the Consultant recommended for award has, directly or through an agent, engaged in coercion, collusion, corruption, fraud, obstruction or prohibited practices in competing for the Contract.
- (b) MCC and the MCA Entity have the right to sanction a Consultant, including declaring the Consultant ineligible, either indefinitely or for a stated period of time, to be awarded an MCC-funded contract if at any time either MCC or the MCA Entity determines that the Consultant has, directly or through an agent, engaged in coercion, collusion, corruption, fraud, obstruction or prohibited practices in competing for, or in executing, such a contract.
- (c) MCC and the MCA Entity have the right to require that a provision be included in the Contract requiring the selected Consultant to permit the MCA Entity, MCC, or any designee of MCC, to inspect the Consultant’s, or any of the Consultant’s suppliers or Sub-Consultants on the Contract, accounts, records and other documents relating to the submission of its Proposal or performance of the Contract and to have such accounts, records and other documents audited by auditors appointed by MCC or by the MCA Entity with the approval of MCC.

- (d) In addition, MCC has the right to cancel any portion of the MCC Funding allocated to the Contract if it determines at any time that any representative of a beneficiary of MCC Funding engaged in coercion, collusion, corruption, fraud, obstruction or prohibited practices during the selection process or the execution of any MCC-funded Contract, without the MCA Entity having taken timely and appropriate action satisfactory to MCC to remedy the situation.

4. Environmental and Social Requirements

Trafficking in Persons

- 4.1 MCC has a zero tolerance policy with regard to Trafficking in Persons (“TIP”). TIP is the crime of using force, fraud, and/or coercion to exploit another person. TIP can take the form of domestic servitude, peonage, forced labor, sexual servitude, bonded labor, and the use of child soldiers. This practice deprives people of their human rights and freedoms, increases global health risks, fuels growing networks of organized crime, and can sustain levels of poverty and impede development. MCC is committed to working with partner countries to ensure appropriate steps are taken to prevent, mitigate, and monitor TIP risks in the countries it partners with and projects it funds.
- 4.2 The Description of Services (Annex A of the Contract) sets out certain prohibitions, Consultant requirements, remedies and other provisions that will be made a binding part of any Contract that may be entered into.
- 4.3 Additional information on MCC’s requirements aimed at combating TIP can be found in MCC’s Counter-Trafficking in Persons Policy that can be found on MCC’s website (<https://www.mcc.gov/resources/doc/policy-counter-trafficking-in-persons-policy>). All contracts funded by MCC are required to comply with MCC’s Counter-Trafficking in Persons requirements as described in the Counter-Trafficking in Persons Policy. Contracts for projects categorized by MCC as high-risk for TIP are required to implement a TIP Risk Management Plan (which is to be developed by the MCA Entity and implemented by the contractor).

MCC Environmental

- 4.4 The projects MCC finances under a compact will be

Guidelines and IFC Performance Standards		developed and implemented in a manner consistent with MCC's Environmental Guidelines, including the environmental and social performance standards set forth in the Performance Standards on Environmental and Social Sustainability of the International Finance Corporation, as amended from time to time. The Consultant shall ensure that its activities, including any activities carried out by Sub-consultants, under the Contract comply with MCC's Environmental Guidelines (as such term is defined in the Compact or related agreement, which are available at http://www.mcc.gov), and are not "likely to cause a significant environmental, health, or safety hazard" as defined in such Environmental Guidelines. The Consultant is also required to comply with IFC Performance Standards for the purposes of this contract. Additional information on the IFC Performance Standards can be found here: http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards .
5. Qualification and Eligibility of Consultants	5.1	The qualification and eligibility criteria set out in this section will apply to the Consultant, including all parties constituting the Consultant, for any part of the Contract, including related services.
Qualification of Consultants	5.2	Consultants must satisfy the legal, financial and litigation criteria requirements stated in Paragraphs 3.1 to 3.3 of Section III of this RFP.
Eligibility of Consultants	5.3	Consultants must also satisfy the eligibility criteria set forth in this RFP and as contained in the MCC Program Procurement Guidelines governing MCC-funded procurements under the Compact.
Qualification and Eligibility of Joint Ventures or Associations	5.4	In the case where a Consultant is, or proposes to be, a joint venture or other Association (a) all members of the joint venture or Association must satisfy the legal, financial, litigation, eligibility and other requirements set out in this RFP; (b) all members of the joint venture or Association will be jointly and severally liable for the execution of the Contract; and (c) the joint venture or Association will nominate a representative who will have the authority to conduct all business for and on behalf of any and all the members of the joint venture or the Association if awarded the Contract, during

Contract performance.

Conflict of Interest

- 5.5 A Consultant shall not have a conflict of interest. All Consultants found to have a conflict of interest shall be disqualified, unless the conflict of interest has been mitigated and the mitigation is approved by MCC. The MCA Entity requires that Consultants hold the MCA Entity's interests paramount at all times, strictly avoid conflicts of interest, including conflicts with other assignments or their own corporate interests, and act without any consideration for future work. Without limitation on the generality of the foregoing, a Consultant, including all parties constituting the Consultant and any Sub-Consultants and suppliers for any part of the Contract, including related services, and their respective Personnel and affiliates, may be considered to have a conflict of interest and disqualified or terminated if they:
- (a) have at least one controlling partner in common with one or more other parties in the process contemplated by this RFP; or
 - (b) have the same legal representative as another Consultant for purposes of this Proposal; or
 - (c) have a relationship, directly or through common third parties, that puts them in a position to have access to information about or influence over the Proposal of another Consultant, or influence the decisions of the MCA Entity regarding the selection process for this procurement; or
 - (d) participate in more than one Proposal in this process; participation by a Consultant in more than one Proposal will result in the disqualification of all Proposals in which the party is involved; however, this provision does not limit the inclusion of the same Sub-Consultant in more than one Proposal; or
 - (e) are themselves, or have a business or family relationship with, a member of (i) the MCA Entity's board of directors or staff or (ii) the Procurement Agent or Fiscal Agent (as defined in the Compact or related agreements) hired by the MCA Entity in connection with the Compact, any of whom is directly or indirectly involved in any part of (A) the preparation of this RFP, (B) the selection process for this procurement, or (C) supervision of the

Contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to MCC; or

- (f) any of their affiliates have been or, at present, are engaged by the MCA Entity in the capacity of the Procurement Agent or Fiscal Agent under the Compact.

5.6 A Consultant that has been engaged by the MCA Entity to provide goods, works or services other than consulting services for a project, and any of its affiliates, shall be disqualified from providing consulting services related to those goods, works or services. Conversely, a Consultant 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, works or services other than consulting services resulting from or directly related to such consulting services for such preparation or implementation. For example, a Consultant hired to prepare terms of reference for an assignment should not be hired for the assignment in question. For the purpose of this paragraph, services other than consulting services are defined as those leading to a measureable physical output, for example surveys, exploratory drilling, aerial photography, and satellite imagery.

5.7 [Intentionally Deleted.]

5.8 Consultants have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of the MCA Entity, or that may be reasonably perceived as having this effect. Failure to disclose said situations may lead to the disqualification of the Consultant or the termination of the Contract.

Government Employees 5.9

- (a) No member of the MCA Entity's board of directors or current employees of the MCA Entity (whether part time, or full time, paid or unpaid, in leave status, etc.) shall be proposed or work as, or on behalf of, any Consultant.
- (b) Except as provided in Sub-Clause 5.9(d), no current employees of the Government shall work as Consultants or as Personnel under their own

ministries, departments or agencies.

- (c) Recruiting former MCA Entity or Government employees to perform services for their former ministries, departments or agencies is acceptable provided no conflict of interest exists.
- (d) If a Consultant proposes any Government employee as Personnel in their Technical Proposal, such Personnel must have written certification from the Government confirming that: (i) they will be on leave without pay from the time of their official Proposal submission and will remain on leave without pay until the end of their assignment with the Consultant and they are allowed to work full-time outside of their previous official position; or (ii) they will resign or retire from Government employment on or prior to the Contract award date. Under no circumstances shall any individuals described in (i) and (ii) be responsible for approving the implementation of this Contract. Such certification shall be provided to the MCA Entity by the Consultant as part of its Technical Proposal.
- (e) In the case where a Consultant seeks to engage the services of any person falling under ITC Sub-Clauses 5.9(a) – 5.9(d), who may have left the MCA Entity within a period of less than twelve (12) months of the date of this RFP, it must obtain a “no-objection” from the MCA Entity for the inclusion of such a person, prior to the Consultant’s submission of its Proposal.

Ineligibility and
Debarment

- 5.10 A Consultant, all parties constituting the Consultant, and any Sub-Consultants and suppliers for any part of the Contract, including related services, and their respective Personnel and affiliates, will not be any person or entity under (a) a declaration of ineligibility for engaging in coercive, collusive, corrupt, fraudulent, obstructive or prohibited practices as contemplated by ITC Sub-Clause 3.1 above, or (b) that has been declared ineligible for participation in a procurement in accordance with the procedures set out in Part 10 of MCC’s Program Procurement Guidelines (Eligibility Verification Procedures) that can be found on MCC’s website at www.mcc.gov/ppg. This would also remove from eligibility for participation in this procurement any

entity that is organized in, or has its principal place of business or a significant portion of its operations in, any country that is subject to sanctions or restrictions by law or policy of the United States.

5.11 A Consultant, all parties constituting the Consultant, and any Sub-Consultants and suppliers for any part of the Contract, including related services, and their respective Personnel and affiliates not otherwise made ineligible for a reason described in this ITC 5 will nonetheless be excluded if:

(a) as a matter of law or official regulation, the Government prohibits commercial relations with the country of the Consultant (including any Associates, Sub-Consultants, and suppliers and any respective affiliates); or

(b) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Government prohibits any import of goods from the country of the Consultant (including any Associates, Sub-Consultants, and suppliers and any respective affiliates) or any payments to entities in such country; or

(c) such Consultant, any parties constituting the Consultant, any Sub-Consultant or supplier or their respective Personnel or affiliates are otherwise deemed ineligible by MCC pursuant to any policy or guidance that may, from time to time, be in effect as posted on MCC's website.

Evidence of Continued Eligibility

5.12 Consultants shall provide such evidence of their continued eligibility in a manner satisfactory to the MCA Entity, as the MCA Entity shall reasonably request.

Unfair Advantage

5.13 If a Consultant could derive an unfair competitive advantage from having provided consulting services related to the assignment in question, the MCA Entity shall make available to all Consultants, together with this RFP, all information that would in that respect give such Consultant any unfair competitive advantage over competing Consultants.

Commissions and Gratuities

5.14 A Consultant will furnish information on commissions and gratuities, if any, paid or to be paid relating to this procurement or its Proposal and during performance of

the Contract if the Consultant is awarded the Contract, as requested in the Financial Proposal Form FIN-1 of Section IV B.

6. Origin of Goods and Consulting Services 6.1 Goods supplied and consulting services provided under the Contract may originate from any country, subject to the same restrictions specified for Consultants (including their Associates, if any), their Personnel and Sub-Consultants set forth in ITC Sub-Clause 5.10.

B. Contents of RFP

7. Sections of RFP 7.1 This RFP consists of Parts 1 and 2, which include all the sections indicated below and should be read in conjunction with any Addenda issued in accordance with ITC Clause 9.

Part 1 Proposal and Selection Procedures

- Section I. Instructions to Consultants (ITC)
- Section II. Proposal Data Sheet (PDS)
- Section III. Qualification and Evaluation Criteria
- Section IV. A. Technical Proposal Forms
- Section IV. B. Financial Proposal Forms
- Section V. Terms of Reference

Part 2 Conditions of Contract and Contract Forms

- Section VI. Contract Agreement and General Conditions of Contract (GCC)
 - Section VII. Special Conditions of Contract (SCC) and Annexes to Contract
- 7.2 The Request for Proposals letter issued by the MCA Entity is not part of the RFP.
- 7.3 The MCA Entity is not responsible for the completeness of this RFP and its Addenda if they were not obtained directly from the source stated by the MCA Entity in the Request for Proposals Letter.
- 7.4 The Consultant is expected to examine all instructions, forms, terms, and Terms of Reference in this RFP. Failure to furnish all information or documentation required by this RFP may result in the rejection of the Proposal.

8. Clarification of RFP
- 8.1 A prospective Consultant requiring any clarification of this RFP shall contact the MCA Entity in writing, or by email or fax at the MCA Entity's address **indicated in the PDS**. The MCA Entity will respond to any request for clarification, provided that such a request is received no later than the number of days **indicated in the PDS** prior to the deadline for submission of Proposals. The MCA Entity shall send written copies of the responses, including a description of the inquiry but without identifying its source, to all shortlisted Consultants or Consultants who have registered or obtained the RFP directly from the MCA Entity, as the case may be, by the date **specified in the PDS**. The MCA Entity will also post a copy of the responses and inquiry descriptions to the MCA Entity's website **indicated in the PDS**. Should the clarification result in changes to the essential elements of this RFP, the MCA Entity shall amend this RFP following the procedure under ITC Clause 9.
- 8.2 The Consultant's designated representative is invited to attend a Pre-Proposal Conference, if **provided for in PDS ITC 1.4**. The purpose of the conference will be to clarify issues and to answer questions on any matter that may be raised at that stage.
- 8.3 Minutes of the Pre-Proposal Conference, including the text of the questions and answers pertaining to the Conference, without identifying the source, will be posted on the MCA Entity's website as **indicated in PDS ITC 8.1**, and shall be transmitted in writing to all shortlisted Consultants or Consultants who have registered or obtained the RFP directly from the MCA Entity, as the case may be. Any modification to this RFP that may become necessary as a result of the Pre-Proposal Conference shall be made by the MCA Entity exclusively through the issue of an Addendum and not through the minutes of the Pre-Proposal Conference.
9. Amendment of the RFP
- 9.1 At any time prior to the deadline for submission of Proposals, the MCA Entity may amend this RFP by issuing Addenda.
- 9.2 All Addenda issued shall be part of this RFP, posted on the MCA Entity's website, and shall be communicated in writing to all shortlisted Consultants or Consultants who have registered or obtained the RFP directly from

the MCA Entity, as the case may be.

- 9.3 To give prospective Consultants reasonable time in which to take an Addendum into account in preparing their Proposals, the MCA Entity may extend the deadline for the submission of Proposals at its sole discretion.

C. Preparation of Proposals

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| 10. Cost of Proposal | 10.1 Except as otherwise provided in the PDS , the Consultant shall bear all costs associated with the preparation and submission of its Proposal, and the MCA Entity shall not be responsible or liable for those costs, regardless of the conduct or outcome of the Proposal process. |
| 11. Language of Proposal | 11.1 If Proposals are to be submitted in both English and/or any other language, as stated in the PDS , the English version shall govern. |
| 12. Preparation of Proposal | <p>12.1 In preparing their Proposal, Consultants are expected to examine in detail the documents comprising the RFP. Failure to provide the information requested may result in rejection of a Proposal.</p> <p>12.2 While preparing the Technical Proposal, Consultants must give particular attention to the following:</p> <p>(a) In the case where there has been no shortlisting of Consultants, if a Consultant considers that it may enhance its expertise for the assignment, it may associate with another Consultant. In the case where a Consultant is, or proposes to be, a joint venture or other association (i) all members of the joint venture or Association must satisfy the legal, financial, litigation and other requirements set out in this RFP; (ii) all members of the joint venture or Association will be jointly and severally liable for the execution of the Contract; and (iii) the joint venture or Association will indicate the authorized representative who will have the authority to conduct all business for and on behalf of any and all the members of the joint venture or the Association during the bidding process and, in the event the joint venture or Association is awarded the Contract, during Contract performance.</p> |

- (b) In the case where there has been shortlisting of Consultants, if a shortlisted Consultant considers that it may enhance its expertise for the assignment by associating with other Consultants in a joint venture or Sub-Consultancy, it may associate with either (a) non-shortlisted Consultant(s), or (b) shortlisted Consultant(s) if so **indicated in the PDS**. A shortlisted Consultant must first obtain the approval of the MCA Entity if it wishes to enter into a joint venture with non-shortlisted or shortlisted Consultant(s). In case of association with non-shortlisted Consultant(s), the shortlisted Consultant shall act as the authorized representative of the association. In case of a joint venture, all partners shall be jointly and severally liable and shall indicate who will act as the leader of the joint venture.
- (c) The RFP may provide either, but never both, the estimated budget or the estimated level of effort of key staff. The estimated budget or the estimated number of person-months for Key Professional Personnel envisaged to execute the assignment may be **provided in the PDS**. However, the evaluation of the Proposal shall be based on the price and number of person-months estimated by the Consultant.
- (d) For FBS-based assignments, the available budget is **provided in PDS ITC 12.2(c)**, and the Financial Proposal shall not exceed this budget, while the estimated number of Professional staff-months shall not be disclosed.
- (e) Alternative Key Professional Personnel shall not be proposed, and only one curriculum vitae (“CV”) may be submitted for each position indicated in the TOR.

Technical and Financial
Proposal Format and
Content

12.3 Consultants are required to submit a Technical Proposal, which shall provide the information indicated in the following paragraphs (a) through (g) using the standard forms provided in Section IV A (the “Technical Proposal”). A page is considered to be one printed side of A4 or US letter-size paper.

- (a) Information on the Consultant’s financial capacity is required (Form TECH-2A of Section IV A) unless otherwise **stated in the PDS**. Information on current or past proceedings, litigation, arbitration,

action claims, investigations or disputes is required (Form TECH-2B of Section IV A). A brief description of the Consultants' organization and an outline of recent experience of the Consultant and of each Associate, if any, on assignments of a similar nature is required (Form TECH-3 and TECH-4 of Section IV A). For each assignment, the outline should indicate the names of Associates or Key Professional Personnel who participated, duration of the assignment, contract amount, and Consultant's involvement. Information should be provided only for those assignments for which the Consultant was legally contracted as a corporation or as one of the major firms within a joint venture. Assignments completed by individual professional staff working privately or through other consultants cannot be claimed as the experience of the Consultant, or that of an Associate, but can be claimed by the professional staff themselves in their CVs. Consultants should be prepared to substantiate the claimed experience if so requested by the MCA Entity. References of the Consultant are required (Forms TECH-5 and B of Section IV A).

- (b) Comments and suggestions on the Terms of Reference including workable suggestions that could improve the quality/ effectiveness of the assignment; and on requirements for counterpart staff and facilities including: administrative support, office space, local transportation, equipment, data, etc. to be provided by the MCA Entity (Form TECH-7 of Section IV A).
- (c) A description of the approach, methodology and work plan for performing the assignment covering the following subjects: technical approach and methodology, work plan, and organization and staffing schedule. Guidance on the content of this section of the Technical Proposal is provided (Form TECH-6 of Section IV A). The work plan should be consistent with the Work and Deliverables Schedule (Form TECH-10 of Section IV A) which will show in the form of a bar chart the timing proposed for each activity.
- (d) The list of the proposed Key Professional Personnel by area of expertise, the position that would be assigned to each person, and their tasks (Form TECH-8 of Section IV A).

- (e) Estimates of the staff input needed to carry out the assignment (Form TECH-9 of Section IV A). Rates should be indicated separately for audits of MCC resources managed by MCA-Morocco and additional Covered Provider and Compliance Audits contracted through the On-Call Audit mechanism described in the RFP and Form of Contract.
 - (f) CVs of the Key Professional Personnel signed by the staff themselves and/or by the authorized representative (Form TECH-11 of Section IV A).
 - (g) A detailed description of the proposed methodology and staffing for training, if training is **identified in the PDS** as a specific component of the assignment (Form TECH-6 of Section IV A).
- 12.4 The Technical Proposal shall not include any financial information other than the required information in Form TECH-2A. A Technical Proposal containing financial information will constitute grounds for declaring the Proposal non-responsive.
- Financial Proposals
 - 12.5 The Consultant's Financial Proposal shall be prepared using the forms provided in Section IV B (the "Financial Proposal"). It shall list all prices associated with the assignment, including remuneration for Personnel (foreign and local, in the field and at the Consultants' home office) and travel expenses, if **indicated in the PDS**. All activities and items described in the Technical Proposal shall be assumed to be included in the price offered in the Financial Proposal.
- 13. Taxes
 - 13.1 GCC 18 sets forth the Tax provisions of the Contract. Consultants should review this clause carefully in preparing their Proposal.
- 14. Only One Proposal
 - 14.1 Consultants may only submit one Proposal. If a Consultant submits or participates in more than one Proposal, all such Proposals shall be disqualified. However, this does not preclude the participation of the same Sub-Consultants, including individual experts, in more than one Proposal.
- 15. Currencies of Proposal
 - 15.1 Consultants must submit their Financial Proposals in the currency or currencies **specified in the PDS**. Consultants will be paid in the currency specified in the

PDS.

16. Period of Proposal Validity
- 16.1 Proposals shall remain valid for the period **specified in the PDS** after the Proposal submission deadline date prescribed by the MCA Entity. A Proposal valid for a shorter period may be rejected by the MCA Entity as non-responsive.
- 16.2 During the period of proposal validity, Consultants shall maintain the availability of Key Professional Personnel identified in the Proposal. The MCA Entity will make its best effort to complete negotiations within this period. Should the need arise, however, the MCA Entity may request Consultants to extend the validity period of their Proposals. Consultants who agree to such extension shall confirm that they maintain the availability of the Key Professional Personnel nominated in the Proposal, or in their confirmation of extension of validity of the Proposal, Consultants could submit new Key Professional Personnel in replacement, which would be considered in the final evaluation for Contract award. Consultants who do not agree have the right to refuse to extend the validity of their Proposals.

D. Submission and Opening of Proposals

17. Sealing and Marking of Proposals
- 17.1 Technical and Financial Proposals shall be submitted electronically. No hard-copy submission is permitted.
- 17.2 The submission letters for the Technical Proposal and for the financial Proposal should respectively be in the format shown in (Form TECH-1) and (Form FIN-1).
- 17.3 If **required in the PDS**, the authorized representative of the Consultant signing the Technical and the Financial Proposals shall provide within the Technical Proposal an authorization in the form of a written power of attorney demonstrating that the person signing has been duly authorized to sign on behalf of the Consultant, and its Associates.
- 17.4 Consultants shall be provided with a File Request Link (FRL) upon requesting the RFP which shall be used to submit the Entire Proposal. For the avoidance of doubt, Entire Proposal means Technical Proposal and Financial Proposal. A Consultant who submits only the Technical Proposal or only the Financial Proposal shall

have its submission rejected.

- 17.5 Only one copy each of the Technical Proposal and Financial Proposal shall be submitted. This copy shall be construed to be the Original.
- 17.6 The File Request Link shall expire on the proposal submission deadline, specified in ITC 18.1. The Technical and Financial Proposals shall be submitted solely via the File Request Link. Submissions by hard copy or by email are not acceptable and shall culminate in Proposal rejection. The File Request Link can be used more than once to submit additional documents.
- 17.7 All submitted documents (whether as standalone files or files in folders) shall be in PDF format. The Technical and Financial Proposals shall be submitted in separate PDF files, folders or zipped folders, and shall each not exceed 10GB.
- 17.8 The Financial Proposals shall be password-protected PDFs, while the Technical Proposals remain ordinarily accessible PDF documents that open when double-clicked. The password to open the Financial Proposals shall remain with the Consultants until requested by the MCA Entity for the sole purpose of formal opening of Financial Proposals and that request shall only be made for Consultants who attain the minimum technical score required to pass. Consultants who send in their passwords to open the Financial Proposals before being officially requested to do so shall have their Entire Proposal rejected.
- 17.9 The MCA Entity shall not be responsible for misplaced or mis-sent proposals submitted via email or not using the FRL. This circumstance may be cause for Proposal rejection.
- 17.10 Consultants should use the following filename format for Proposals that is found in the **PDS**.

18. Deadline for
Submission of
Proposals

- 18.1 Proposals must be received by the MCA Entity before the submission deadline **specified in the PDS**.
- 18.2 The MCA Entity may, at its discretion, extend the deadline for the submission of Proposals by amending this RFP in accordance with ITC 9, in which case all rights and obligations of the MCA Entity and the Consultants previously subject to the original deadline

shall thereafter be subject to the new deadline as extended.

- 18.3 Any Proposal received by the MCA Entity after the deadline for submission shall be declared late and rejected. The Consultant shall be notified of such rejection.

19. Late Proposals

- 19.1 The MCA Entity shall not consider any Proposal that arrives after the deadline for submission of Proposals in accordance with ITC 18. Any Proposals received by the MCA Entity after the deadline for submission of Proposals shall be declared late, rejected, and returned unopened to the Consultant at the request and cost of the Consultant.

20. Proposal Opening

- 20.1 The MCA Entity shall open the outer envelopes/cartons in a public meeting at the address, date and time **specified in the PDS** as soon as possible after the deadline for submission and sort the Proposals into Technical Proposals or Financial Proposals as appropriate. The MCA Entity shall ensure that the Financial Proposals remain sealed and securely stored until such time as the public opening of Financial Proposals takes place.

E. Evaluation of Proposals

21. Confidentiality

- 21.1 Information relating to the evaluation of Proposals and recommendations of Contract award shall not be disclosed to Consultants or any other persons not officially concerned with the process, until the publication of the award of Contract. The undue use by any Consultant of confidential information related to the process may result in the rejection of its Proposal or may invalidate the entire procurement process.
- 21.2 Any attempt or effort by a Consultant to influence the MCA Entity in the examination, evaluation, and ranking of Proposals or Contract award decisions may result in the rejection of its Proposal and may subject the Consultant to the provisions of the Government's, the MCA Entity's, and MCC's AFC Policy and the application of other sanctions and remedies to the extent applicable
- 21.3 From the time Proposals are opened to the time the Contract is awarded, Consultants shall not contact the

MCA Entity on any matter related to its Technical Proposal or Financial Proposal except in writing to the Procurement Agent.

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| 22. Clarification of Proposals | 22.1 To assist in the examination and evaluation of Proposals, the MCA Entity may, at its discretion, ask any Consultant for clarification of its Proposal. Any clarification submitted by a Consultant that is not in response to a request by the MCA Entity shall not be considered. The MCA Entity's request for clarification and the Consultant's 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 MCA Entity in the evaluation of the Proposals. |
| | 22.2 If a Consultant does not provide clarifications of its Proposal by the date and time set in the MCA Entity's request for clarification, its Proposal may be rejected. |
| 23. Evaluation of Technical Proposals | 23.1 The TEP shall evaluate the Technical Proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria, sub-criteria, and point system specified in Section III. Each responsive Proposal will be given a technical score (St). A Proposal may be rejected at this stage if it does not respond to the RFP or if it fails to achieve the minimum technical score indicated in the PDS . |
| | 23.2 In exceptional circumstances, if none of the scores awarded by the TEP reach or exceed the minimum technical score (St), the MCA Entity reserves the right to invite the Consultant receiving the highest technical score (St) to negotiate both its Technical and Financial Proposals. If the negotiations fail to result in an acceptable contract within a reasonable time, the MCA Entity reserves the right to terminate the negotiations, at its sole discretion, and to invite—again, at its sole discretion—the Consultant receiving the next highest technical score (St) to negotiate both its Technical and Financial Proposals. |
| 24. Evaluation of Financial Capacity | 24.1 The Consultant's financial capability to mobilize and sustain the Services is imperative. In its Proposal, the Consultant is required to provide information on its financial and economic status unless otherwise stated in PDS ITC 12.3(a). The information required should be completed using the Form TECH-2A. |

- 24.2 A Consultant that fails to demonstrate through its financial records that it has the economic and financial ability to perform the required services as described in the respective Terms of Reference may be disqualified. In the circumstance of a disqualification the Technical Proposal will not be evaluated further and the Financial Proposal shall be returned unopened at the cost and request of the Consultant.
- 24.3 The MCA Entity, at its discretion, may ask for clarifications or additional information regarding the information provided in Form TECH-2A.
- 24.4 The outcome of the Financial Capacity evaluation is a **clear YES or NO**. Any Consultant that receives a NO shall not be evaluated further and its Financial Proposal shall be returned unopened. The Proposals that receive a YES at this stage will be evaluated further according to the technical scoring methodology described in Section III.
- Financial Proposals (only for QBS) 24.5 Following the ranking of Technical Proposals, and after receiving a “no objection” from MCC (if applicable), when selection is based on quality only (QBS), the first ranked Consultant will be invited to negotiate its Technical and Financial Proposals and the Contract in accordance with the instructions given under ITC Sub-Clause 27.
- Financial Proposals (only for QCBS, FBS, LCS) 24.6 Following completion of the evaluation of Technical Proposals, and after receiving a “no objection” from MCC (if applicable), the MCA Entity shall inform the Consultants who have submitted Proposals of the technical points (total score only) assigned to each Consultant. The MCA Entity shall simultaneously notify the Consultants that have secured at least the minimum qualifying mark of the date, time, and place set for opening the Financial Proposals and notify them that their attendance at the opening of the Financial Proposals is not mandatory. The Financial Proposal opening shall take place at the location **indicated in the PDS**. The date and time scheduled for the Financial Proposal opening shall be specified on the MCA Entity’s website **provided in the PDS**. The MCA Entity shall promptly respond in writing to any Consultant who, after receiving notification of the procurement results, makes a written request for a debriefing as provided in the MCC Program

Procurement Guidelines. The notification shall also advise those Consultants whose Technical Proposals did not meet the minimum qualifying mark, or which were considered non-responsive, that their Financial Proposals will be returned unopened after the MCA Entity has completed the selection process at the cost and request of the Consultant.

- 24.7 The MCA Entity shall open the Financial Proposals in a public meeting at the address, date and time specified in the notification described in ITC Sub-Clause 24.6. All Financial Proposals will first be inspected to confirm that they have remained sealed and unopened. Only the Financial Proposals of those Consultants who met the minimum qualifying mark following the Technical Evaluation stage will be opened. The Technical Score (St) and only the Total Proposal Price, as stated in the Financial Proposal Submission Form (Form FIN-1) shall be read out aloud and recorded. A copy of the record shall be posted on the MCA Entity's website.
- 24.8 The MCA Entity will correct any computational errors, and in cases of a discrepancy between a partial amount and the total amount, or between words and figures the former will prevail. In addition to the above corrections, activities and items described in the Technical Proposal but not priced, shall be assumed to be included in the prices of other activities or items. In cases where an activity or line item is quantified differently in the Financial Proposal from the Technical Proposal, no corrections will be applied to the Financial Proposal in this respect. If Consultants are not required to submit financial proposals in a single currency, prices shall be converted to a single currency for evaluation purposes using the selling rates of exchange, source and date **indicated in the PDS.**
- 24.9 For Quality and Cost Based Selection (QCBS), the lowest evaluated Financial Proposal (Fm) will be given the maximum financial score (Sf) of 100 points. The financial scores (Sf) of the other Financial Proposals will be computed as indicated in Section III: Qualification and Evaluation Criteria. Proposals will be ranked according to their combined technical (St) and financial (Sf) scores using the weights (T = the weight given to the Technical Proposal; F = the weight given to the Financial Proposal; $T + F = 1$) **indicated in the**

PDS. $S = S_t \times T\% + S_f \times F\%$. The Consultant achieving the highest combined technical and financial score will be invited for negotiations.

24.10 In the case of Fixed-Budget Selection (FBS), the MCA Entity will select the firm that submitted the highest ranked Technical Proposal within the budget. Proposals that exceed the indicated budget will be rejected. In the case of the Least-Cost Selection (LCS), the MCA Entity will select the lowest priced Proposal among those that passed the minimum technical score. In both cases, the evaluated Proposal price according to ITC Sub-Clause 24.9 shall be considered, and the selected firm invited for negotiations.

24.11 Prior to execution of a contract, the MCA Entity shall conduct a verification of the market-reasonableness of the prices offered. A negative determination (either unreasonably high or unreasonably low) could be a reason for rejection of the proposal at the discretion of the MCA Entity. The Consultant shall not be permitted to revise its submission after a determination that its offered price is unreasonable. In addition, the MCA Entity may also verify any information provided on the TECH Forms submitted in the Proposal. A negative determination in the post-qualification could lead to the rejection of the Proposal and the MCA Entity may, at its discretion, move to invite the next-ranked Consultant for negotiation.

25. Past Performance
and Reference
Check

25.1 In accordance with the MCC PPG, the Consultant's performance on earlier contracts will be considered a factor in the MCA Entity's qualification of the Consultant's evaluation. The MCA Entity reserves the right to check the performance references provided by the Consultant or to use any other source at the MCA Entity's discretion. If the Consultant (including any of its Associates or joint venture/association members) is or has been party to an MCC-funded contract (either with MCC directly or with any MCA Entity, anywhere in the world), whether as lead Consultant, affiliate, Associate, subsidiary, Sub-Consultant, or in any other role, the Consultant must identify the contract in its list of references submitted with its Proposal using Technical Form TECH-5. Failure to include any such contracts may be used to form a negative determination by the MCA Entity on the Consultant's record of performance

in prior contracts. However, the failure to list any contracts because the Consultant (including any of its Associates or joint venture/association members) has not been a party to any such contract will not be grounds for a negative determination by the MCA Entity on the Consultant's record of performance in prior contracts. That is, prior performance in connection with an MCC-funded contract is not required. The MCA Entity will check the references, including the Consultant's past performance reports filed in MCC's Contractor Past Performance Reporting System ("CPPRS"). A negative determination by the MCA Entity on the Consultant's record of performance in prior contracts may be a reason for disqualification of the Consultant, or lowered evaluation scores, at the discretion of the MCA Entity.

F. Award of Contract

26. Notice of Intent to Award

26.1 After the completion of the evaluation report and having obtained all the necessary approvals per the PPG, the MCA Entity shall send the Notice of Intent to Award to the successful Consultant. The Notice of Intent to Award shall include a statement that the MCA Entity shall issue a formal Notification of Award and draft Contract Agreement after expiration of the period for filing a Bid challenge and the resolution of any Bid challenges that are submitted and following the conclusion of successful negotiations. Delivery of the Notice of Intent to Award **shall not constitute the formation of a contract** between the MCA Entity and the successful Bidder and no legal or equitable rights will be created through the delivery of the Notice of Intent to Award.

26.2 At the same time it issues the Notice of Intent to Award, the MCA Entity shall also notify, in writing, all other bidders of the results of the bidding. The MCA Entity shall promptly respond in writing to any unsuccessful bidder who, after receiving notification of the bidding results, makes a written request for a debriefing as provided in the MCC Program Procurement Guidelines, or submits a formal Bid challenge.

27. Negotiations

27.1 Negotiations will be held on the date and at the address **indicated in the PDS**. The invited Consultant will, as a pre-requisite for attendance at the negotiations, confirm the availability of all the Key Professional Personnel

listed in the Technical Proposal. Failure to confirm such Personnel may result in the MCA Entity proceeding to negotiate with the next-ranked Consultant. Representatives conducting negotiations on behalf of the Consultant must have written authority to negotiate and conclude the Contract on behalf of the Consultant.

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| Technical Negotiations | <p>27.2 Negotiations will commence with a discussion of the Technical Proposal, including (a) proposed technical approach and methodology, (b) workplan, (c) organization and staffing, and (d) any suggestions made by the Consultant to improve the Terms of Reference.</p> <p>27.3 The MCA Entity and the Consultant will then finalize the Terms of Reference, staffing schedule, work schedule, logistics, and reporting. These documents will then be incorporated in the Contract under “Description of Services.” Special attention will be paid to clearly defining the inputs and facilities required from the MCA Entity to ensure satisfactory implementation of the assignment. The MCA Entity shall prepare minutes of negotiations which will be signed by the MCA Entity and the Consultant.</p> |
| Financial Negotiations | <p>27.4 It is the responsibility of the Consultant, before starting financial negotiations, to determine the relevant local Tax amount to be paid by the Consultant under the Contract. In no event shall the MCA Entity be responsible for the payment or reimbursement of any Taxes. Unless there are exceptional reasons, the financial negotiations will involve neither the remuneration rates for staff nor other proposed unit rates.</p> |
| Availability of Professional Staff/Experts | <p>27.5 Having selected the Consultant on the basis of, among other things, an evaluation of proposed Key Professional Personnel, the MCA Entity expects to negotiate a Contract on the basis of those Personnel named in the Technical Proposal.</p> <p>27.6 During Contract negotiations, the MCA Entity will not consider substitution of any Key Professional Personnel unless both parties agree that undue delay in the selection process makes such substitution unavoidable or for reasons such as death or medical incapacity of one of the Personnel. If this is not the case and if it is established that any Key Professional Personnel were offered in the Proposal without confirming their</p> |

availability, the Consultant may be disqualified. Any proposed substitute shall have equivalent or better qualifications and experience than the original candidate.

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|---|------|--|
| Conclusion of the Negotiations | 27.7 | Negotiations will conclude with a review of the draft Contract and Annexes, following which the MCA Entity and the Consultant will initial the agreed Contract. If negotiations fail, the MCA Entity will invite the Consultant whose Proposal received the second highest score to negotiate a Contract. If negotiations are successful, MCA Entity will issue a Notice of Award of Contract. |
| 28. Notice of Award of Contract | 28.1 | After the award of Contract, the MCA Entity shall publish on its website, at dgMarket and at UNDB online, the results identifying the procurement, the name of the winning Consultant and the price, duration, and summary scope of the Contract. The same information shall be sent to all Consultants who have submitted Proposals. |
| 29. Bid Challenges ¹ | 29.1 | Consultants may challenge the results of a procurement only according to the rules established in the Bid Challenge System developed by the MCA Entity and approved by MCC. The rules and provisions of the Bid Challenge System are as published on the MCA Entity's website indicated in the PDS. |
| 30. Return of Unopened Financial Proposals | 30.1 | [Intentionally deleted]. |
| 31. Commencement Date | 31.1 | The Consultant is expected to commence the assignment on the date and at the location specified in the PDS. |
| 32. Inconsistencies with MCC Program Procurement Guidelines | 32.1 | The Procurement that is the subject of this RFP is being conducted in accordance with and is subject in all respects to the MCC PPG. In the event of any conflict between any section or provision of this RFP (including any Addenda that may be issued to this RFP) and the MCC PPG, the terms and requirements of the MCC PPG shall prevail, unless MCC has granted a waiver of the guidelines. |
| 33. Applicable | 33.1 | Consultants are advised to examine and consider |

¹ For solicitation documents issued prior to the adoption (in accordance with PPG Part 5) of a Bid Challenge System, the existing text of this clause is deleted in its entirety and replaced with the full text of the Interim Bid Challenge System approved by MCC.

Compact
Conditions

carefully the provisions that are set forth in the Annex of General Provisions that will be made part of the Contract, as these are a part of the Government's and the MCA Entity's obligations under the Compact and related agreements which, under the terms of the Compact and related documents are required to be transferred onto any Consultant or Sub-Consultant who partakes in procurement or subsequent contracts in which MCC Funding is involved. The additional provisions of contract can be found on the MCC website: <https://www.mcc.gov/resources/doc/annex-of-general-provisions>.

Section II. Proposal Data Sheet

A. General	
ITC Definitions	<p>“Compact” means the Millennium Challenge Compact between the United States of America, acting through the Millennium Challenge Corporation, and the Government of Kingdom of Morocco, entered into on July 1st, 2017, as may be amended from time to time.</p> <p>“Government” means the Government of Morocco.</p> <p>“MCA Entity” means MCA-Morocco, the accountable entity designated by the Government to implement the Compact.</p>
ITC 1.1	The method of selection is the Quality Cost Based Selection (QCBS) method.
ITC 1.3	<p>The Name of the assignment is:</p> <p>Audit of Resources Managed by Recipient Organizations under MCC-funded Grants, Contracts, and Implementing Agreements.</p>
ITC 1.4	<p>A Pre-Proposal Conference will NOT be held.</p> <p>Interested Consultants are strongly advised to read all sections of this Request for Proposal, including the Letter of Invitation, Terms of Reference and the Form of Contract and to seek clarification during the solicitation period for this procurement. The MCA Entity will not entertain requests for changes to this document subsequent to the submission of Technical and Financial proposals.</p>
ITC 1.5	<p>The MCA Entity will arrange to make available the following inputs and facilities:</p> <p>Recipient Organizations will make relevant project data, documentation, and reports available to the winning Auditor.</p>
B. Contents of the RFP	
ITC 8.1	<p>Clarifications may be requested by e-mail not later than December 14th, 2018, so that responses can be issued to all Consultants not later than December 21st, 2018 prior to the deadline for submission of Proposals.</p> <p>The address for requesting clarifications is:</p> <p>MCA-Morocco Att.: Agent de passation de marchés Address: Complexe administratif et culturel de la Fondation Mohamed VI des œuvres sociales de l'Education-formation, Bureau-RDC,</p>

	<p>Avenue Allal EL FASSI - Madinat AL IRFAN Hay Riad, Rabat, MOROCCO</p> <p>Email: procurement@mcamorocco.ma</p> <p>All responses to clarifications requests shall be sent via email to Consultants who have formally requested and received the RFP and shall be posted on the MCA Entity website, www.mcamorocco.ma.</p>
C. Preparation of Proposals	
ITC 10.1	<p>If MCA Entity shall pay any costs associated with the preparation and/or submission of the Proposal, those are listed below.</p> <p>NONE</p>
ITC 11.1	The Proposal shall be written in ENGLISH .
ITC 12.2 (a)	Consultants MAY NOT associate with other Consultants.
ITC 12.2(b)	Not applicable. There are no shortlisted Consultants.
ITC 12.2(c)	<p>The estimated price budget for the assignment is</p> <p>NOT TO BE DISCLOSED BY THE MCA ENTITY.</p> <p>The estimated total number of person-months for Key Professional Personnel required for the assignment by labor category is:</p> <p>NOT TO BE DISCLOSED BY THE MCA ENTITY.</p>
ITC 12.3 (a)	Information on the Consultant's financial capacity IS required (Form TECH-2A of Section IV A).
ITC 12.3(g)	Training IS NOT a specific component of this assignment.
ITC 12.5	Per diem and in-country travel will be included in the total price in Form FIN-2 ; that is, any applicable travel and per diem, housing, and other local expenses are to be captured in the fully-loaded rates establishing the total price of the contract.
ITC 15.1	<p>The currency(ies) of the Proposal shall be as follows:</p> <ul style="list-style-type: none"> • In Moroccan dirhams for local firms or foreign firms with a company registration (Registre de commerce) in Morocco; or • In US Dollars for foreign firms with no company registration in

	<p>Morocco.</p> <p>The currency(ies) of payment shall be as follows:</p> <ul style="list-style-type: none"> • In Moroccan dirhams for local firms or foreign firms with a company registration (Registre de commerce) in Morocco; or • In US Dollars for foreign firms with no company registration in Morocco.
ITC 16.1	Proposals must remain valid for 120 days after the deadline for the submission of Proposals specified in PDS ITC 18.1.
D. Submission and Opening of Proposals	
ITC 17.2	Written Power of Attorney IS required.
ITC 17.3 to 17.7	Consultants must submit their Proposals electronically. <u>Annex 1 to this Section II (Proposal Data Sheet)</u> delineates the full procedure for electronic submission. Consultants who submit electronically (a) do not need to submit hard copies and (2) need not submit more than the single original copy of each of the Technical and Financial Proposal.
ITC 17.10	<p>Consultants should use the following filename format for Proposals:</p> <p>(a) Technical Proposals: TechPro - [insert Consultant Name] – RFP/QCBS/MCA-M/PP-13-R/COMPACT_PP-02</p> <p>(b) Financial Proposals: FinPro - [insert Consultant Name] – RFP/QCBS/MCA-M/PP-13-R/COMPACT_PP-02</p>
ITC 18.1	Proposals must be submitted no later than 3:00 PM (local time in country), Morocco on January 15th, 2019 . An email will be sent with the detailed instructions for electronic submission, to any Consultant who contacts MCA-Morocco Procurement Agent to confirm their interest in submitting a proposal.
ITC 20.1	<p>The Proposal opening shall take place via webinar through zoom platform (www.zoom.us) at January 15th, 2019 at 3:30 PM. An email will be sent with the detailed instructions to attend the opening session to all Consultants who contacts MCA-Morocco Procurement Agent to confirm their interest in submitting a proposal.</p> <p>A copy of the minutes of opening will be sent to all Consultants who has submitted their proposals.</p>
E. Evaluation of Proposals	
ITC 23.1	The minimum technical score (St) required to pass is 80 points out of 100

	possible points. For detailed scoring criteria, see Section III.
ITC 24.1	The Consultant is expected to have sufficient financial capacity to meet its cash requirements, which will be evaluated in Form TECH-2A through audited financial statements for the last three (3) years, supported by audit letters; certified financial statements for the last three (3) years, supported by tax returns; or a copy of the Consultant's Dun & Bradstreet "Business Information Report" (BIR). There will be no advance payment at any stage of the contract.
ITC 24.6	The Financial Proposal opening shall take place via webinar through zoom platform (www.zoom.us) at the date and time specified on the letter of invitation. Detailed instructions to attend the opening session, will be sent to all qualified Consultants who have reached the minimum technical score.
ITC 24.8	The single currency for price conversions is United States Dollars for the purposes of evaluation. The source of official selling rates for evaluation purposes is: Bank Al Maghrib The date of the exchange rate for evaluation purposes is the date ten (10) days prior to the deadline for submission of the Proposal.
ITC 24.9	The weight given to the Technical Proposal, T = 80 The weight given to the Financial Proposal, F = 20
ITC 24.11	The criteria for post-qualification requirements are: 1. Market-reasonableness of prices offered. 2. Verification of information provided on Tech Forms 2, 4, and 5 of Key Professional Personnel.
F. Award of Contract	
ITC 27.1	The expected date for Contract negotiations is ten days after the opening of the Financial Proposals and will be held at Complexe administratif et culturel de la Fondation Mohamed VI des œuvres sociales de l'Education-formation, Avenue Allal EL FASSI - Madinat AL IRFAN Hay Riad, Rabat, MOROCCO. Please note that negotiations will not include price negotiations, but the MCA Entity reserves the right to request clarifications on prices.

ITC 29.1	The MCA Entity's Bid Challenge System is provided on the MCA Entity's website www.mcamorocco.ma .
ITC 31.1	<p>The date for commencement of the Services is no later than fifteen (15) calendar days after the effective date of the Contract at the MCA Entity's offices in Rabat, Morocco:</p> <p>Complexe administratif et culturel de la Fondation Mohamed VI des œuvres sociales de l'Education-formation, Avenue Allal EL FASSI - Madinat AL IRFAN Hay Riad, Rabat, MOROCCO.</p>

Annex 1 to Section II – Proposal Data Sheet

Procedure for Electronic Submission of Proposals

- 1 Each Consultant will be provided a File Request Link (via email) and shall use said link to submit its Entire Proposal. For the avoidance of doubt, Entire Proposal = Technical Proposal + Financial Proposal.
- 2 The File Request Link shall expire on the proposal submission deadline, specified in ITC 18.1.
- 3 All submitted documents (whether as standalone files or files in folders) shall be in pdf format.
- 4 Financial Proposals shall be password-protected for access i.e. the pdf file(s) cannot be opened without the password.
- 5 Instructions on how to password-protect pdfs in Adobe Acrobat can be accessed from: <https://helpx.adobe.com/acrobat/using/securing-pdfs-passwords.html>. If you only have Adobe Reader, it is advised that a free program like PDFMate be downloaded and installed. Instructions on how to password-protect pdfs in PDFMate can be accessed from: <http://www.pdfmate.com/feature-encrypt.html>
- 6 The Technical and Financial Proposals shall be submitted in separate pdf(s) files/folders/zipped folders.
- 7 The Technical and Financial Proposals shall not exceed 10GB each.
- 8 Consultants are informed that the capability of their internet bandwidth will determine the speed in which their proposals are uploaded via the File Request Link. Consultants are therefore advised to commence the process of uploading their proposals via the File Request Link in good time before the proposal submission deadline.
- 9 Consultants who attain the minimum technical pass-mark required to pass shall be asked to provide the passwords for their Financial Proposals at a later date. Consultants who send in their passwords for their Financial Proposals before being officially requested to do so shall have their proposals rejected.
- 10 The Technical and Financial Proposals shall be submitted via the File Request Link only. Proposals submitted by email shall not be accepted. Also, only Entire Proposals shall be submitted by the proposal submission deadline. A Consultant who submits only the Technical Proposal or only the Financial Proposal shall have its Proposal rejected. Similarly a Consultant who submits only its Technical Proposal by hard copy and only the Financial Proposal electronically – or vice versa – shall have its Proposal rejected.
- 11 Consultants should use the filename framework for the Proposals as follows:
 - a. Technical Proposals filename: ***Audit_TechPro [Consultant name] MCA-Morocco***
 - b. Financial Proposals filename: ***Audit_FinPro [Consultant name] MCA-Morocco***

Section III. Qualification and Evaluation Criteria

3.1 Legal Status

Each entity forming the Consultant shall attach to Form TECH-1 a copy of its letter of incorporation, or other such document, indicating its legal status. In the event the Consultant is an Association of entities, the Consultant shall include any other document showing that it intends to associate, or it has associated with, the other entity or entities that are jointly submitting a Proposal. Each Associate must provide the information required in Form TECH-1.

3.2 Financial Criteria

The Consultant shall provide evidence showing that it has the sufficient financial capacity needed for this Contract, as required in Form TECH-2A. Each Associate must provide the information required in TECH-2A.

3.3 Litigation Criteria

The Consultant shall provide accurate information on any current or past litigation or arbitration resulting from contracts completed, terminated, or under execution by the Consultant over the last five (5) years, as indicated in Form TECH-2B. A consistent history of awards against the Consultant or existence of high value disputes may lead to the rejection of the Proposal. Each Associate must provide the information required in TECH-2B.

3.4 Evaluation Criteria

A Proposal will be rejected if it does not earn a total minimum score of **eighty (80) points**. A Proposal may be rejected, at the discretion of the MCA Entity, if the firm does not satisfy the mandatory criteria as per table below. In addition, Proposals may be rejected, at the discretion of the MCA Entity, if any of the Key Personnel fails to satisfy the mandatory requirements.

The Consultant will be rejected if its Proposal does not clearly demonstrate that it meets the following Minimum Mandatory Criteria:

Ref	Item
Mandatory Criterion 1	Please see the table below

Criteria, sub-criteria, and point system for the evaluation of Technical Proposals.			
ITC 23.1	Criteria, sub-criteria	Points	
	1. Qualifications and experience of the Auditors, including experience in auditing international donor programs, including at least three (3) performance references from clients (as identified in Form TECH-5A)		
	a) General experience in auditing international donor projects (preferably involving similar project activities as those funded by the Compact, civil engineering works, managing grants, and results-based financing, and policy reform).	7	
	b) Experience in auditing projects with Government entities involved in project implementation is preferable. <i>In accordance with the MCC PPG, the Consultant's past performance on MCC-funded contracts, as well as their past performance on other contracts for work demonstrating experience relevant to this assignment, will be considered, particularly in relation to the evaluation criterion/criteria described above that call for the Consultant to demonstrate relevant capabilities and experience in the MCA Entity's evaluation of the Consultant's Technical Proposal. ITC 25.1 of this RFP notifies the Consultant that the MCA Entity reserves the right to contact the Forms TECH-5 References as well as other sources to check references and past performance.]</i>	3	
Total Points for This Criterion			10

2. Understanding of the scope of work and the proposed approach, including a detailed work proposal that describes in detail how the Auditor plans to meet the requirements of the audit.		
a) Proposed methodology (understanding of client's business).	10	
b) Proposed work plan and timeline for completing tasks.	15	
c) Proposed staffing plan, clear responsibilities among different staff positions adequately defined, communication and coordination between auditors and team leader, possibility to strengthen the team with supporting staff.	10	
d) Experience in overcoming technical problems in meeting the requirements of previous audit work.	5	
Total Points for This Criterion	40	
3. Qualifications and experience of the proposed Professional Personnel to work on the audit, including past experience in performing work related to the technical requirements described in the Terms of Reference. Will also consider both years with the firm and current position held.		
a) Audit Manager/Team Leader		[20]
i) Qualified Accountant, holding current membership of an internationally-recognized accounting institution, e.g. AICPA, CA, ACCA or equivalent.	5	
ii) Familiarity with US Government Auditing Standards	5	
iii) Minimum of twelve (12) years of relevant experience with at least five (5) years in a senior position.	6	
iv) Experience in auditing large (multimillion dollars) projects.	4	
b) Auditor #1		[13]
i) Graduate of a university in the fields of finance, accounting, or auditing	4	

	ii) Familiarity with the US Government Auditing Standards	3	
	iii) Minimum of eight (8) years relevant experience	6	
	c) Auditor #2		[13]
	i) Graduate of a university in the fields of finance, accounting, or auditing	4	
	ii) Familiarity with the US Government Auditing Standards	3	
	iii) Minimum of eight (8) years relevant experience	6	
	d) Audit Assistant #1		2
	i) Graduate of a university in the fields of finance, accounting, or auditing	1	
	ii) Minimum of three (3) years relevant experience	1	
	e) Audit Assistant #2		2
	i) Graduate of a university in the fields of finance, accounting, or auditing	1	
	ii) Minimum of three (3) years relevant experience	1	
	Total Points for This Criterion	50	
	Total Points for All Criteria	100	
	The minimum technical score St required to pass is	80	
	If none of the scores awarded by the TEP reach or exceed the minimum technical score (St), the MCA Entity reserves the right to invite the Consultant receiving the highest technical score (St) to negotiate both its Technical and Financial Proposals. If the negotiations fail to result in an acceptable contract within a reasonable time, the MCA Entity reserves the right to terminate the negotiations,		

	at its sole discretion, and to invite—again, at its sole discretion—the Consultant receiving the next highest technical score (St) to negotiate both its Technical and Financial Proposals.		
ITC 24.10	<p>The formula for determining the financial scores is the following:</p> $S_f = 100 \times F_m / F$ <p>in which S_f is the financial score, F_m is the lowest price and F the price of the Proposal under consideration.</p> <p>The weights given to the Technical and Financial Proposals are: $T = 0.80$ and $F = 0.20$</p>		

3.5 Qualification Table

Documents Establishing the Qualifications of the Consultant

Factor	3.5.1 ELIGIBILITY						
	Requirement	Consultant				Sub-Consultant	Documentation Required
		Single Entity	Joint Venture or Association		At least one member		
			All members combined	Each Member			
3.5.1.1 Qualification and Eligibility	In accordance with ITC 5.1 to 5.4, and 5.9	Must meet requirement	Existing or intended Joint Venture or other association must meet requirement	Must meet requirement	N/A	Must meet requirement	TECH-1 and attachments

3.5.1.2 Conflict of Interest	No conflicts of interests as described in ITC 5.5 to ITC 5.8 unless the conflict of interest has been mitigated and the mitigation is approved by MCC.	Must meet requirement	Existing or intended Joint Venture or other association must meet requirement	Must meet requirement	N / A	Must meet requirement	TECH-1 and attachments
3.5.1.3 Ineligibility and Debarment	Not having been declared ineligible based on any of the criteria set forth in ITC 5.10	Must meet requirement	Existing or intended Joint Venture or other association must meet requirement	Must meet requirement	N/A	Must meet requirement	TECH-1 and attachments

The Consultant shall provide the information requested in the corresponding information sheets included in Section IV, Proposal Forms, to establish that the Consultant meets the requirements established below. **Sub-Consultants that form the team shall not be replaced without the MCA Entity's prior permission.**

Factor	3.5.2 HISTORICAL CONTRACT NON-PERFORMANCE						
	Requirement	Consultant				Documentation Required	
		Single Entity	Joint Venture or Association				Sub-Consultant
			All members combined	Each member	At least one member		

Factor	3.5.2 HISTORICAL CONTRACT NON-PERFORMANCE						
	Requirement	Consultant					Documentation Required
		Single Entity	Joint Venture or Association			Sub-Consultant	
			All members combined	Each member	At least one member		
3.5.2.1 Pending Litigation	All pending proceedings, litigation, arbitrations, actions, claims, investigations or disputes, in total, shall not represent more than ten percent (10%) of the Consultant’s net worth.	Must meet requirement by itself, including as member of past or existing Joint Venture or other association (not mandatory if in the past was as a member of a Joint Venture or other association with less than 20% role in the contract).	N/A	Must meet requirement by itself or as member of past or existing Joint Venture, or other association (not mandatory if in the past was as a member of a Joint Venture or other association with less than 20% role in the contract).	N/A	Must meet requirement by itself or as a Sub-Consultant to a prime, or member of past or existing Joint Venture, or other association (not mandatory if in the past was as a member of a Joint Venture or other association with less than 20% role in the contract).	Form TECH-2B

Factor	3.5.3 FINANCIAL SITUATION: NOT APPLICABLE							
Sub-Factor	Requirement	Consultant					Documentation Required	
		Single Entity	Joint Venture			Sub-Consultant		
			All members combined	Each member	At least one member			
3.5.3.1 Historical Financial Performance	Submission of evidence to the Consultant’s financial capacity to mobilize and sustain the Services	Must meet requirement	N/A	Must meet requirement	N/A	1.2 N/A	1.3 Form TECH-2A, TECH-2B and Form TECH-4	
3.5.3.2 Financial Resources	The Consultant must demonstrate access to, or availability of, financial resources such as liquid assets, unencumbered real assets, lines of credit, and other financial means.	Must meet requirement	Must meet requirement	Must meet requirement	N/A	N/A	Form TECH-2A, TECH-2B and Form TECH-4	

Factor	3.5.4 EXPERIENCE						
Sub-Factor	Requirement	Consultant					Documentation Required
		Single Entity	Joint Venture			Sub-Consultant	
			All members combined	Each member	At least one member		
3.5.4.1 Organization Capability and Technical Experience	1.4 See Criteria table under 3.4 and specific areas of TOR	Must meet requirement	Must meet requirement	N/A	Must meet requirement	N/A	Form TECH-3 / Form TECH-6
3.5.4.2 General & Specific Experience	1.5 See Criteria table under 3.4 and specific areas of TOR	Must meet requirement	Must meet requirement	N/A	Must meet each discrete requirement	Must meet at least one specialized requirement	Form TECH-4

Section IV. A. Technical Proposal Forms

Disclosure in these technical forms of any proposed prices will constitute grounds for declaring the Proposal non-responsive; see ITC Sub-Clause 12.4.

TECH-1	Technical Proposal Submission Form
TECH-2A	Financial Capacity of the Consultant
TECH-2B	Current and Past Proceedings, Litigation, Arbitration, Actions, Claims, Investigations and Disputes of the Consultant
TECH-3	Organization of the Consultant
TECH-4	Experience of the Consultant
TECH-5	References of MCC-funded Contracts
TECH-6	Description of Approach, Methodology and Work Plan for Performing the Assignment
TECH-7	Comments and Suggestions on the Terms of Reference & Assignment
TECH-8	Team Composition and Task Assignments
TECH-9	Staffing Schedule
TECH-10	Work and Deliverables Schedule
TECH-11	Curriculum Vitae (CV) of Proposed Key Professional Personnel

Note: Comments in brackets on the following pages serve to provide guidance for the preparation of the Technical Proposal and therefore should not appear on the Technical Proposal to be submitted.

Form TECH-1. Technical Proposal Submission Form

[Location, Date]

To: The Employer/Procurement Agent

Address:

Ladies and Gentlemen:

Re: Audit of Resources Managed by Recipient Organizations under MCC-funded Grants, Contracts, and Implementing Agreements.

RFP Ref: RFP/QCBS/MCA-M/PP-13-R/ COMPACT_PP-02

We, the undersigned, offer to provide the consulting services for the above mentioned assignment in accordance with your Request for Proposal (RFP) dated **November 28th, 2018** and our Proposal.

We hereby certify that we are not engaged in, facilitating, or allowing any of the prohibited activities described in Part 15 of the *MCC Program Procurement Guidelines* and that we will not engage in, facilitate, or allow any such prohibited activities for the duration of the Contract. Further, we hereby provide our assurance that the prohibited activities described in Part 15 of the *MCC Program Procurement Guidelines* will not be tolerated on the part of our employees, or any Sub-Consultants, or Sub-Consultant employees. Finally, we acknowledge that engaging in such activities is cause for suspension or termination of employment or of the Contract.

We acknowledge notice of MCC's *Policy on Preventing, Detecting and Remediating Fraud and Corruption in MCC Operations*². We have taken steps to ensure that no person acting for us or on our behalf has engaged in any corrupt or fraudulent practices described in ITC Clause 3. As part of this, we certify that:

- (a) The prices in this offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to—
 - (i) Those prices;
 - (ii) The intention to submit an offer; or
 - (iii) The methods or factors used to calculate the prices offered.
- (b) The prices in this offer have not been and will not be knowingly disclosed by us, directly or indirectly, to any other offeror or competitor before Proposal opening or Contract award unless otherwise required by law;
- (c) No attempt has been made or will be made by us to induce any other concern to submit or not to submit an offer for the purpose of restricting competition; and
- (d) We have no conflict of interest in accordance with ITC Clause 5.5 [*insert, if needed: “, other than listed below.”*] [*If listing one or more conflicts of interest, insert: “We propose the following mitigations for our conflicts of interest: [Insert description of conflict of interest, and proposed mitigations.”]*].

² Available at www.mcc.gov/resources/doc/policy-fraud-and-corruption

We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal, submitted electronically, separate from each other.

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.

We are attaching herewith information to support our eligibility in accordance with Section III of the RFP.

In addition, we affirm that we are (1) free from personal and external impairments to independence from the MCA Entity and MCC in fact and in appearance, (2) that our firm is organizationally independent, and (3) that we will maintain independence in fact, attitude, and appearance throughout the period of performance. If any impairment(s) exists and/or is foreseen, our proposal explicitly states the nature of such impairment(s).

If negotiations are held during the initial period of validity of the Proposal, we undertake to negotiate on the basis of the nominated Key Professional Personnel.

Our Proposal is binding upon us and subject to the modifications resulting from Contract negotiations, and we undertake, if our Proposal is accepted, to initiate the consulting services related to the assignment not later than the date indicated in this RFP.

We understand and accept without condition that, in accordance with ITC Clause 28.1, any challenge or protest to the process or results of this procurement may be brought only through the MCA Entity's Bid Challenge System (BCS).

We understand you are not bound to accept any Proposal that you may receive.

Yours sincerely,

[Authorized Signatory]

**[Name and Title of
Signatory]**

[Name of Consultant]

[Address of Consultant]

Annexes:

1. Power of Attorney demonstrating that the person signing has been duly authorized to sign the Proposal on behalf of the Consultant and its Associates;
2. Letter(s) of Incorporation (or other documents indicating legal status); and
3. Joint Venture or Association Agreements (if applicable, but without showing any Financial Proposal information).
4. **[Other Documents Required in PDS]**

Form TECH-2A. Financial Capacity of the Consultant

[The Consultant's financial capacity to mobilize and sustain the Services is imperative. The Consultant is required to provide information on its financial status. This requirement can be met by submission of one of the following: audited financial statements for the last three (3) years, supported by audit letters, OR certified financial statements for the last three (3) years, supported by tax returns.

Failure to submit either of the documents as evidence of financial capacity will result in the rejection of the Proposal.

If the Proposal is submitted by a joint venture, all parties of the joint venture are required to submit their financial statements. The reports should be submitted in the order of the Associate's significance in the joint venture, greatest to least.

The MCA Entity reserves the right to request additional information about the financial capacity of the Consultant. A Consultant that fails to demonstrate through its financial records that it has the financial capacity to perform the required Services may be disqualified.]

Financial Data for Previous 3 Years [US\$ Equivalent]		
Year 1: _____	Year 2: _____	Year 3: _____

Information from Balance Sheet

Total Assets			
Total Liabilities			
Net Worth			
Current Assets			
Current Liabilities			

Information from Income Statement

Total Revenues			
Profits Before Taxes			
Profits After Taxes			

- ☐ Attached are copies of financial statements (balance sheets including all related notes and income statements) for the last 3 years, as indicated above, complying with the following conditions.
- All such documents reflect the financial situation of the prospective Consultant or member of a JV or other association, and not sister or parent companies.
 - Historic financial statements must be audited by a certified accountant.
 - Historic financial statements must be complete, including all notes to the financial statements.
 - Historic financial statements must correspond to accounting periods already completed and audited (no statements for partial periods shall be requested or accepted).

Financial Ratios

Current Ratio			
Debt Ration			

*Prospective Consultants to fill this table. MCA-Morocco will verify during the review process.

Form TECH-2B. Current and Past Proceedings, Litigation, Arbitration, Actions, Claims, Investigations and Disputes of the Consultant

[Provide information on current or past proceedings, litigation, arbitration, action claims, investigations or disputes over the last five (5) years as shown in the form below.]

The Consultant, or a related company or entity or affiliate, has been involved in any proceeding, litigation, arbitration, action, claim, investigation or dispute within the past five (5) years the process or outcome of which the MCA Entity could reasonably interpret may impact or have the potential to impact the financial or operational condition of the Consultant in a manner that may adversely affect the Consultant's ability to satisfy any of its obligations under the Contract:

No: ____ Yes: ____ (See below)

Litigation, Arbitration, Actions, Claims, Investigations, Disputes During Last Five (5) Years		
Year	Matter in Dispute	Value of Award Against Consultant in US\$ Equivalent

Form TECH-3. Organization of the Consultant

[Provide a brief description of the background and organization of your firm/entity and of each Associate for this assignment. Include the organization chart of your firm/entity. The Proposal must demonstrate that the Consultant has the organizational capability and experience to provide home office project management of the contract as well as the necessary administrative and technical support to the Consultant's Project Team in country. The Proposal shall further demonstrate that the Consultant has the capacity to field and provide experienced replacement Personnel on short notice.

Maximum 10 pages]

Form TECH-4. Experience of the Consultant

[Using the format below, provide information on each relevant assignment for which your firm, and each Associate for this assignment, was legally contracted either individually as a corporate entity or as one of the major companies within an association, for carrying out consulting services similar to the ones requested under the Terms of Reference included in this RFP. **This shall include all MCC-funded assignments of a similar nature.**

Failure to include experience in any project where MCC funds were used may result in disqualification of the Proposal. The Proposal must demonstrate that the Consultant has a proven track record of successful experience in executing projects similar in substance, complexity, value, duration, and volume of services sought in this procurement.

Maximum 20 pages]

Assignment name:	1-Approx. value of the contract (in current US\$) 2-Total amount of the Fund/Grant: 3-Disbursement Amount audited:
Country: Location within country:	Duration of assignment (months):
Name of client:	Total No. of staff-months of the assignment:
Address:	Approx. value of the services provided by your firm under the contract (in current US\$):
Start date (month/year): Completion date (month/year):	No. of professional staff-months provided by associated consultants:
Name of associated consultants, if any:	Name of proposed senior professional staff of your firm involved and functions performed (indicate most significant profiles such as project director/coordinator, team leader):
Narrative description of project:	
Description of actual services provided by your staff within the assignment:	

Form TECH-5. References of MCC-Funded Contracts

Each Consultant or member of a JV/Association making up the Consultant must fill in this form and include information about any and all MCC-funded contracts (either with MCC directly or with any Millennium Challenge Account Entity, anywhere in the world) to which the Consultant or member of a JV/Association making up the Consultant is or has been a party whether as a lead Consultant, affiliate, associate, subsidiary, Sub-Consultant, or in any other role.

		Contracts with MCC			
Contract Name and Number	Role in Contract	Total Contract Amount	Total amount of the Fund/Grant	Disbursement Amount audited	Employer Name and Address
		Contracts with an MCA-Entity			
Contract Name and Number	Role in Contract	Total Contract Amount	Total amount of the Fund/Grant	Disbursement Amount audited:	Employer Name and Address

Form TECH-6. Description of Approach, Methodology and Work Plan for Performing the Assignment

In this section, the Consultant should provide a comprehensive description of how it will provide the required Services in accordance with the Terms of Reference (TOR) included in this RFP. Information provided must be sufficient to convey to the TEP that the Consultant has an understanding of the challenges in performing the required Services and that it has an approach, methodology and work plan to overcome those challenges.

Your Technical Proposal should be divided into the following three (3) chapters:

- (a) Technical Approach and Methodology,
 - (b) Work Plan, and
 - (c) Organization 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 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. Also comment here on any specialized equipment and/or software of which may be necessary to perform the scope indicated in the Terms of Reference.
- (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 MCA Entity), 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 and Deliverables Schedule of Form TECH-10.
- (c) Organization 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.

Note: Where the Terms of Reference includes tasks relevant to gender and social inclusion, the proposal should explicitly address how the Consultant will perform these tasks in the technical approach, and methodology, work plan, organization and staffing. We recognize that this type of expertise and experience may be outside of the normal work of some Consultants offering proposals, and thus call special attention to the importance of an adequately inter-disciplinary proposal and staffing plan.

[Maximum 50 pages, including charts and diagrams]

Form TECH-7. Comments and Suggestions on the Terms of Reference & Assignment

The MCA Entity welcomes comments and suggestions to improve the assignment to provide a better value for money. These comments and suggestions shall not be used for evaluation purposes, but may be discussed during negotiations. The MCA Entity is not bound to accept anything proposed. If the proposed modifications/suggestions would require changes in the offered price, it shall be noted as such, without giving the price of the change.

[Maximum 5 pages]

A: On the Terms of Reference

[Present and justify here any modifications or improvements to the Terms of Reference you are proposing to improve performance in carrying out the assignment (such as deleting some activity you consider unnecessary, or adding another, or proposing a different phasing of the activities).]

B: On the Staff and Facilities

[Comment here on the staff and facilities to be provided by the MCA Entity.]

Form TECH-8. Team Composition and Task Assignments

Key and additional Professional Personnel				
Name of Staff	Organization	Area of Expertise	Position Assigned	Task Assigned

Form TECH-9. Staffing Schedule (Key Professional Personnel and Support Staff)***The Consultant shall use this form once for each base and option period***

No.	Name of Staff	Reports Due / Activities	Staff input (in the form of a bar chart) ³								Total staff-month input				
			1 ⁴	2	3	4	5	6	...	N	Home	Field ⁵	Total		
Foreign Personnel															
1			[Home]												
			Rabat												
2															
3															
n															
										Subtotal					
Local Personnel															
1			[Home]												
			Rabat												
2															
n															
										Subtotal					
										Total					

Note: Approval must be granted by MCC through the MCA Entity prior to substituting employees listed in the Auditor's original proposal.

- For Key Professional Personnel, the input shall be indicated individually; for support staff it shall be indicated by category (e.g.: draftsmen, clerical staff, etc.).

³ For Key Professional Personnel, the input shall be indicated individually; for support staff it shall be indicated by category (e.g.: draftsmen, clerical staff, etc.).

⁴ Months are counted from the start of the assignment. For each Personnel, indicate separately staff input for home and field work.

⁵ Field work means work carried out at a place other than the Consultant's home office.

2. Months are counted from the start of the assignment. For each Personnel, indicate separately staff input for home and field work.
3. Field work means work carried out at a place other than the Consultant's home office.

Form TECH-10. Work and Deliverables Schedule

The Consultant shall use this form once for each base and option period

A. Field Investigation and Study Items

	Task	Months											
		1	2	3	4	5	6	7	8	9	10	11	12
1	Phase 2: Planning Document (steps 2 to 5)												
2	Phase 3: Entrance Conference (steps 6 to 8)												
3	Phase 4: Fieldwork (step 9)												
4	Phase 5: Exit Conference (step 12)												
5	Phase 6: Draft Audit Report (step 11)												
6	Phase 7: Exit Conference (step 12 to 13)												
7	Phase 9: Final Audit Report (step 16 to 19)												

B. Completion and Submission of Reports

[Insert date of each event or submission of each deliverable in table below.]

	Deliverable												
1	Planning Document												
2	Entrance Conference												
3	Exit Conference												
4	Draft Audit Report												
5	Final Audit Report												

[Indicate all main activities of the assignment, including deliverables and other milestones, such as the MCA Entity approvals. For phased assignments, indicate activities, deliverables and milestones separately **for each phase** and **audit period**. Duration of activities shall be indicated in the form of a bar chart. See TOR for the full list of deliverables. Above is a sample format (to be further completed by the Consultant based on the TOR requirements) that shall be used by the Consultant as an indicator of the proposed work load. The submission shall be evaluated as part of the Approach and Methodology.]

Form TECH-11. Curriculum Vitae (CV) for Proposed Key and additional Professional Personnel

1. Proposed Position [only one candidate shall be nominated for each position]
2. Name of Firm [Insert name of firm proposing the staff]
3. Name of Personnel [Insert full name]
4. Date of Birth [Insert birth date]
5. Nationality [Insert nationality]
6. Education [Indicate college/university and other specialized education of staff member, giving names of institutions, degrees obtained, and dates of obtainment]
7. Membership in Professional Associations
8. Other Training [Indicate appropriate postgraduate and other training]
9. Countries of Work Experience [List countries where staff has worked in the last ten years]
10. Languages [For each language indicate proficiency: good, fair, or poor in speaking, reading, and writing]

Language	Speaking	Reading	Writing
11. Employment Record

[Starting with present position, list in reverse order every employment held by staff member since graduation, giving for each employment (see format here below): dates of employment, name of employing organization, positions held.]

From [year]: To [year]:

Employer:

Position(s) held:
12. Detailed Tasks Assigned [List all tasks to be performed under this assignment]
13. Work undertaken that best illustrates capability to handle the tasks assigned:

[Among the assignments in which the staff has been involved, indicate the following information for those assignments that best illustrate staff capability to handle the tasks listed under point 11.]

Name of assignment or project:

Year:

Location:

Client:

Main project features:

Position held:

Activities performed:

14. References:

[List at least three individual references with substantial knowledge of the person's work. Provide at least three certificates of good execution or three letters of recommendation issued by supervisors for assignments performed by Key Personnel.] [The MCA Entity reserves the right to contact other sources as well as to check references, in particular for performance on any relevant MCC-funded projects.]

15. Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes me, my qualifications, and my experience. I understand that any willful misstatement described herein may lead to my disqualification or dismissal, if engaged.

I, the undersigned, hereby declare that I agree to participate with the **[Consultant]** in the above-mentioned Request for Proposal. I further declare that I am able and willing to work:

1. for the period(s) foreseen in the specific Terms of Reference attached to the above referenced Request for Proposal for the position for which my CV has been included in the offer of the Consultant and
2. within the implementation period of the specific contract.

Signature of Key Professional Personnel

If this form has NOT been signed by the Key Professional Personnel, then in signing below the authorized representative of the Consultant is making the following declaration.

“In due consideration of my signing herewith below, if the Key Professional Personnel has NOT signed this CV then I declare that the facts contained therein are, to the best of my knowledge and belief, a true and fair statement AND THAT I confirm that I have approached the said Key Professional Personnel and obtained his assurance that he will maintain his availability for this assignment if the Contract is agreed within the Proposal validity period provided for in the RFP.”

Signature of Authorized Representative of the Consultant

Section IV. B. Financial Proposal Forms

Financial Proposal Standard Forms shall be used for the preparation of the Financial Proposal according to the instructions provided under Sub-Clause 12.5 of Section I, Instructions to Consultants.

FIN-1 Financial Proposal Submission Form

FIN-2 Price Summary

FIN-3 Breakdown of Price by Activity

FIN-4 Breakdown of Price by Remuneration

Note: Comments in brackets on the following pages serve to provide guidance for the preparation of the Financial Proposal and therefore should not appear on the Financial Proposals to be submitted.

Form FIN-1. Financial Proposal Submission Form

[The Auditor shall fill in this form in accordance with the instructions indicated. No alterations to its format shall be permitted and no substitutions shall be accepted. The form shall be on the letterhead of Auditor's firm.]

[Letterhead of Auditor's firm/entity]

Date: *[insert: full legal address of Consultant]*

[insert: date of Proposal submission]

To: MCA-Morocco
Address:

Re: Audit of Resources Managed by Recipient Organizations under MCC-funded Grants, Contracts, and Implementing Agreements

RFP Ref: RFP/QCBS/MCA-M/PP-13-R/COMPACT_PP-02

Dear Ladies and Gentlemen:

We, the undersigned, offer to provide the consulting services for the above mentioned assignment in accordance with your Request for Proposal (RFP) dated **November 28th, 2018** and our Technical Proposal.

Our attached Financial Proposal is for the fixed price of **[Insert amount(s)⁶ in words and figures]**. This represents the total proposal price based on the sum of fixed price proposals for:

- a Base Period to cover the 41 months ending September 30, 2018;
- a 1st Option Period to cover the six (6) months ending March 31, 2019;
- a 2nd Option Period to cover the six (6) months ending September 30, 2019;
- a 3rd Option Period to cover the six (6) months ending March 31, 2020; and
- a 4th Option Period to cover the six (6) months ending September 30, 2020.

All periods considered above indicate the total price of the services being proposed, to include all remuneration, transportation, per diem, and all other expenses required to provide the services as proposed.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal, as indicated in Paragraph ITC 16.1 of the PDS.

Commissions and gratuities paid or to be paid by us to agents relating to this Proposal and

⁶ Amount must coincide with the ones indicated under total price of Form FIN-2.

Contract execution, if we are awarded the Contract, are listed below:⁷

Name and Address of Agents	Amount and Currency	Purpose of Commission or Gratuity

By signing this letter, we understand and accept that we will be bound by the Bid Challenge System of the MCA Entity for raising any complaint or dispute during the solicitation process of this RFP till the contract award, as indicated in Paragraph ITC 28.1 of the PDS.

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

Yours sincerely,

Authorized Signatory

Name and Title of Authorized
Signatory

Full Legal Name of Consultant

Full Legal Address of Consultant

⁷ If applicable, replace this paragraph with “No commissions or gratuities have been or are to be paid by us to agents relating to this Proposal and Contract execution”.

Form FIN-2. Price Summary

Re: Audit of Resources Managed by Recipient Organizations under MCC-funded Grants, Contracts, and Implementing Agreements

RFP Ref: RFP/QCBS/MCA-M/PP-13-R/COMPACT_PP-02

[The Financial Proposal Submission Form shall be submitted with the proposal pursuant to sub-clause 3.7 (b) of Section 2, Instructions to Auditors.

The Auditor shall fill in this Form in accordance with the instructions indicated. No alterations to its format shall be permitted and no substitutions shall be accepted. The form shall be on the letterhead of Auditor's firm.]

			Price (USD)	Price (MAD)
A) FIN-3 Subtotal – Total Lump-Sum Fixed Price for Base and Option Periods for the Financial Audits of MCC Resources Managed by MCA-Morocco				
Contract Period	Audit Period Covered			
	From	To		
Base Audit Period	May 5, 2015	September 30, 2018		
1 st Option Period	October 1, 2018	March 31, 2019		
2 nd Option Period	April 1, 2019	September 30, 2019		
3 rd Option Period	October 1, 2019	March 31, 2020		
4 th Option Period	April 1, 2020	September 30, 2020		
B) FIN-4 Subtotal – Evaluated Price for Basic Audit Team in Response to On-Call Covered Provider or Compliance Audit services				
Total Price of Financial Proposal (A + B)				

1. In the table above, the Auditor must indicate the total price for each period of services in each currency. Such total price must coincide with the sum of the relevant sub-totals indicated in Forms FIN-3 and FIN-4. (Tax provisions relevant to this RFP are set out in Section VI, General Conditions of Contract.)
2. If the RFP contains options, the options will be fully priced and evaluated at 100%.
3. Provide **fully loaded prices** (including any international travel, communication, local transportation, office expenses, shipment of personal effects, direct and indirect rates and profits).
4. See PDS ITC 12.5 regarding travel-related expenses.

Form FIN-3. Lump-Sum Fixed Price for Base and Option Periods for the Audit of MCC Resources Managed by MCA-Morocco

Re: Audit of Resources Managed by Recipient Organizations under MCC-funded Grants, Contracts, and Implementing Agreements

RFP Ref: RFP/QCBS/MCA-M/PP-13-R/ COMPACT_PP-02

Contract Period	Audit Period	Activity or Deliverable	Component Price (USD or MAD)	Total Price (USD or MAD)
Base Audit Period	May 5, 2015 to September 30, 2018	Audit Planning Document		
		After Completion of Entrance Conference		
		After Completion of Exit Conference		
		Draft Audit Report		
		Final Audit Report		
1 st Option Period	October 1, 2018 to March 31, 2019	Audit Planning Document		
		After Completion of Entrance Conference		
		After Completion of Exit Conference		
		Draft Audit Report		
		Final Audit Report		
2 nd Option Period	April 1, 2019 to September 30, 2019	Audit Planning Document		
		After Completion of Entrance Conference		
		After Completion of Exit Conference		
		Draft Audit Report		
		Final Audit Report		
3 rd Option Period	October 1, 2019 to March 31, 2020	Audit Planning Document		
		After Completion of Entrance Conference		
		After Completion of Exit Conference		
		Draft Audit Report		
		Final Audit Report		
4 th Option Period	April 1, 2020 to September 30, 2020	Audit Planning Document		
		After Completion of Entrance Conference		
		After Completion of Exit Conference		
		Draft Audit Report		
		Final Audit Report		
FIN-3 Subtotal - Total Proposal Price for Lump-Sum Fixed Price for Base and Option Periods for the Financial Audit of the MCC Resources Managed by MCA-Morocco				

1. Form FIN-3 shall be completed for the whole assignment. Include base and option years.
2. If the RFP contains options, the options will be fully priced and evaluated at 100%.

3. Provide **fully loaded prices** (including international travel, communications, local transportation, office expenses, shipment of personal effects, direct and indirect rates and profit).
4. See PDS ITC 12.5 regarding travel-related expenses.

Form FIN-4. Evaluated Price for Basic Audit Team in Response to On-Call Audit Services

Re: Audit of Resources Managed by Recipient Organizations under MCC-funded Grants, Contracts, and Implementing Agreements

RFP Ref: RFP/QCBS/MCA-M/PP-13-R/COMPACT_PP-02

[This Form shall be submitted with the Proposal pursuant to sub-clause 3.7(d) of Section 2, Instructions to Auditors.

Information to be provided in this form shall be used in two ways. First, the information shall be used to establish the evaluated price of the service to be included in the Auditor's financial proposal. Second, the Weekly Unit Rates that are provided by the Auditor in this form are binding and shall be the basis for calculating the total price of each service when exercised as part of the process detailed in Annex E of the Form of Contract (Section 6 of this RFP). Although this is evaluated as one service, MCA-Morocco reserves the right to exercise each On-Call Audit Service engagement separately. Moreover, if MCA-Morocco does not accept the Auditor's proposal for any of the following audits and thereby refuses to exercise the On-Call Audit Services, MCA-Morocco reserves the right to re-procure the On-Call Audit Services.]

	Column 1	Column 2	Column 3	Total Price
Audit Type	Weekly Unit Rate (MAD / USD) for providing a Basic Audit Team ^{1,2}	Indicative Level of Effort for Evaluation Purposes (Number of One-Week Periods) ³	Indicative Quantity (Number of On-Call Audits during Audit periods covered) ³	(MAD /USD) (Column 1 * Column 2 * Column 3)
(a) On-Call Financial Audit of MCC Resources Managed by Covered Providers ("Covered Provider Audits")		Four (4)	Four (4)	
(b) On-Call Compliance Audit of MCA-Morocco Grantees or Service Providers ("Compliance Audits")		Three(3)	Three (3)	
FIN-4 Subtotal - Total Price for On-Call Audit for Purposes of Evaluation (a + b)				

- 1 The Weekly Unit Rate presented for each of the two types of audits is intended to cover a single, fixed price for the Auditors to field a Basic Audit Team comprised of the following personnel (or alternative personnel with equivalent or better qualifications), consistent with the descriptions of Professional Personnel proposed for the Financial Audit of MCC Resources Managed by MCA-Morocco:

- a. Audit Manager / Team Leader
- b. Senior Auditor #1

- c. Senior Auditor #2
 - d. Audit Assistant #1
 - e. Audit Assistant #2
- 2 Weekly Unit Rate shall include all communications costs, office expenses, overhead costs for support personnel, and direct and indirect rates and profit for a ONE WEEK period. It also includes travel expenses (transportation expenses, lodging and per diem).
- 3 The quantities are indicative. The actual volume of services required will be at the discretion of MCA-Morocco, and the actual level of effort for each On-Call Audit engagement will be determined by the individual request to exercise a service issued as detailed in Annex E of the Form of Contract (Section 6 of this RFP).

Form FIN-5. Breakdown of Remuneration

Re: Audit of Resources Managed by Recipient Organizations under MCC-funded Grants, Contracts, and Implementing Agreements

RFP Ref: RFP/QCBS/MCA-M/PP-13-R/COMPACT_PP-02

[This Form shall be submitted with the Proposal pursuant to sub-clause 3.7(e) of Section 2, Instructions to Auditors.

The Auditor shall fill in this Form in accordance with the instructions indicated. No alterations to its format shall be permitted and no substitutions shall be accepted. The form shall be on the letterhead of Auditor's firm.

Information to be provided in this form shall only be used to establish price reasonableness and to establish payments to the Auditor for possible additional services requested by the MCA Entity.]

	Name ¹	Position	Per Person-Weekly Rate Inclusive of Travel Expenses ²	
Key Professional Personnel			MAD / USD	
1		Audit Manager / Team Leader	MAD / USD	
2		Senior Auditor #1	MAD / USD	
3		Senior Auditor #2	MAD / USD	
Additional Professional Personnel				
1		Audit Assistant #1	MAD / USD	
2		Audit Assistant #2	MAD / USD	
	Other Personnel	[indicate]	MAD / USD	
			MAD / USD	

1. Form FIN-5 shall be filled in for the same Key Professional Personnel and other Personnel listed in Forms TECH-8 and 9.
2. Provide fully loaded prices (including international travel, communication, local

- transportation, office expenses, and shipment of personal effects, direct and indirect rates and profit).
- 3.** See PDS ITC 12.5 regarding travel-related expenses.

Section V. Terms of Reference

**AUDIT OF RESOURCES MANAGED
BY RECIPIENT ORGANIZATIONS UNDER MCC-FUNDED
GRANTS, CONTRACTS, AND IMPLEMENTING AGREEMENTS**

Annex A: Description of Services

This Annex A shall incorporate by reference: the Proposal dated **DATE** submitted by **CONSULTANT** in connection with the procurement for this Contract (the “Proposal”). In the event of any inconsistency between this Description of Services and the Proposal, the priority of interpretation shall be given to this Description of Services.

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LIST OF ABBREVIATIONS

AICPA	American Institute of Certified Public Accountants
FAS	Fund Accountability Statement
FASAB	Federal Accounting Standards Advisory Board
FASB	Financial Accounting Standards Board
GAO	Government Accountability Office
GAGAS	Generally Accepted Government Auditing Standards
IG	Inspector General
MCA	Millennium Challenge Account
MCC	Millennium Challenge Corporation
MCC Audit Guidelines	Guidelines for Financial Audits Contracted by the Millennium Challenge Corporation's Accountable Entities
OIG	Office of Inspector General

I. BACKGROUND

The United States of America, acting through the Millennium Challenge Corporation ("**MCC**") and the Government of the Kingdom of Morocco (the "**Government**" or "**GoM**") have entered into (1) a Grant and Implementation Agreement by and between MCC and the Government of the Kingdom of Morocco Acting through the Ministry of Economy and Finance for the Development of a Millennium Challenge Compact in the amount up to Four Million Eight Hundred Thousand United States Dollars (US \$4,800,000) in MCC funding ("**609(g) Funds**"); and (2) a Millennium Challenge Compact to help facilitate poverty reduction through economic growth in Morocco (the "**Compact**") in the amount up to Four Hundred Fifty Million United States Dollars (US\$ 450,000,000) in MCC funding ("**MCC Funding**"). In addition, pursuant to the terms of the Compact, the Government committed to provide funding as a Government LMIC Contribution to support implementation of the Compact in an amount equal to no less than Sixty-Seven Million Five Hundred Thousand United States Dollars (US\$ 67,500,000) (the "**Government Contribution**"). Together, MCC Funding and the Government Contribution are herein referred to as "**Program Funding**." Together, 609(g) Funds and Program Funding are herein referred to as the "**Audited Funds**."

The Compact provides that (i) MCA-Morocco ("**MCA-Morocco**"), an agency of the Government, is designated as the Accountable Entity to implement the Compact and to exercise and perform the Government's right and obligation to oversee, manage and implement the Compact, including without limitation, managing the implementation of the Compact Program, allocating resources and managing procurements; and (ii) other recipient entities of the Government can receive or use MCC Funding or any other Program Asset in carrying out activities in furtherance of the Compact as a Provider or Covered Provider.

In addition, because the MCC *Guidelines for Financial Audits Contracted by the Millennium Challenge Corporation's Accountable Entities* (the "**Audit Guidelines**"), currently posted at the following web address,

https://assets.mcc.gov/content/uploads/guidelines_for_financial_audits_interim.pdf,

provide that other recipient entities of the Government that expend greater than \$500,000 in MCC funds in its fiscal year as part of an implementing entity agreement are Covered Providers, Covered Providers are also subject to audits under this Contract via an On-Call Audit mechanism described in Annexes E and F.

II. PROGRAM DESCRIPTION

MCC and the Government have agreed to reduce poverty through economic growth in Morocco (the "**Compact Goal**") in a manner that strengthens good governance, economic freedom, and investments in the people of Morocco.

The Compact objectives (the "**Program Objectives**") are to:

- (1) increase the employability and employment rate of Moroccans by improving the quality and relevance of, and equitable access to, secondary education and workforce

development programs in response to private sector needs (the “Employability Project Objective”); and

- (2) increase land productivity in Morocco by enabling land markets to better respond to investor demand and by strengthening the enabling environment for investment (the “Land Project Objective”).

The Compact program consists of two Projects namely "Education and Training for Employability" and "Land Productivity", the implementation of which has been entrusted to the Millennium Challenge Account-Morocco Agency (MCA-Morocco).

The project "Education and Training for Employability" aims to improve the employability of young people through the improvement of quality, relevance and equitable access to secondary education and vocational training to better meet the needs of the private sector.

The first activity of this project which focuses on Secondary Education foresees three fundamental components:

- (a) the implementation of an integrated model of improvement of secondary education institutions through the contractualization of performances and the Strengthening of management skills of the institutions manager, curricular innovation and rehabilitation of the infrastructure.

Within the framework of this component, an Employability Education Partnership Fund is planned to promote new multi-disciplinary approaches (management, pedagogy and capacity building) to complement, reinforce and sustain the actions to be carried out in the field. Integrated Model for Improving Secondary Education Institutions (MIAES), capitalizing on public-private partnership. Grantees would be selected to benefit from funds in order to (1) Encourage and bring out initiatives that meet the priorities of quality, relevance and access to education for all, (2) Strengthen the involvement of civil society in the processes of planning and implementation of new pedagogical approaches (3) Allow civil society actors to benefit from funding in support of their activities, and to strengthen their capabilities for a consolidated impact and for the networks promotion. At the date of this bid, the grantees are at number of three. MCA-M is expecting to sign agreements with 20 to 30 new grantees..

- (ii) the strengthening of the MASSAR system of learning assessment and information system and;

- (iii) the development of a new approach for the maintenance and upkeep of school infrastructure and equipment.

The second activity of this project related to the development of Vocational Training (TVET) and employment includes:

- 1) The creation of a fund named “Charaka fund” to finance initiatives to create new centers or reconvert existing centers through a partnership public-private.

The TVET activity launched a call for projects under the Charaka Fund. Donations will be made to public and private partners “PPP” for : (i) the creation of new training centers or extension of centers managed under a public / private partnership framework or (ii) the rehabilitation of existing public training institutions and their transformation

from a traditional business model to a PPP model.

The call of projects process, to select the grantees, was closed on October 30th, 2017. Projects' evaluation is still in process.

- 2) Support for the operationalization of the reform of vocational training;
- 3) Promoting inclusive employment through innovative financing for the integration of unemployed youth and disadvantaged women into the labor market;
- 4) Support for the establishment of an integrated labor market observation system.

Project "Productivity of land" which aims to increase the productivity of land and private investment through the implementation of three activities:

- i) improving the governance of land through the development of a national strategy land tenure and its plan of action;
- ii) the transfer to the beneficiaries of approximately 46,000 (forty-six thousand) hectares of collective land within the irrigation perimeter of the Gharb region according to a model based on an optimized and cost-efficient procedure; and delay; and
- iii) the design of a new model for the development of industrial parks and the revitalization of existing industrial zones, emphasizing the public-private and demand-driven partnership, its pilot implementation at the three-zone level as well as the launch of a fund to support the development of sustainable industrial areas. This fund called "FONZID" aligns with the overall objective of the "Industrial Land" activity, namely the provision of land at the market level that meets the needs of industry in terms of location, land supply, infrastructure and basic services by supporting, in the context of a call for projects, projects (i) aimed at improving the governance and sustainability of existing or new industrial zones, (ii) adopting new approaches in terms of revitalizing areas to improve their sustainability and the development of sustainable industrial areas.

For more details on the project activities, please refer to Annex I of the signed Compact Document which is available at www.mcamorocco.ma and www.mcc.gov.

Monitoring and Evaluation

The Monitoring and Evaluation (M&E) Project is comprised of two components: The Monitoring Component and Evaluation Component.

The Monitoring Component identifies the indicators, the sources and methods for data collection, the frequency for data collection, the timeline, the format for reporting on each indicator and the method by which the reported data will be validated in order to assess the Project.

The Evaluation Component consists of three evaluations—impact, project performance, and special studies.

Program Administration

The Compact is primarily implemented by MCA-Morocco (“**MCA-Morocco**”) which has overall management responsibility for implementation of the Compact. MCA-Morocco is governed by a Board of Directors. The Board is an independent decision making authority with ultimate authority and responsibility for the overall implementation of the Compact Program.

In addition, MCA-Morocco is supported by a Fiscal Agent and a Procurement Agent, and may be supported by various Providers and Covered Providers. The Fiscal Agent is responsible for financial management and reporting functions of MCA-Morocco; the Procurement Agent is responsible for the administration, management and execution of MCA-Morocco procurement activities; and the Providers and Covered Providers are other entities of the Government that may receive or use MCC Funding or any other Program Asset in carrying out activities in furtherance of the Compact.

III. AUDIT OBJECTIVES

The primary objective of this engagement is to conduct financial audits of the MCC and Government resources managed by MCA-Morocco and other recipient organizations under (1) the Grant and Implementation Agreement between MCC and the Government from the period May 5, 2015 through March 31, 2020; (2) the Compact agreement between MCC and the Government from the period November 30, 2015 through March 31, 2020, including Compact Implementation Funding (“**CIF**”), Program Funding, and the Government Contribution established therein; and (3) other MCC-funded grants, contracts, and implementing agreements via an On-Call Audit mechanism described in Annexes E and F—in accordance with the *U.S. Government Auditing Standards* issued by the Comptroller General of the United States and the *MCC Guidelines for Financial Audits Contracted by the Millennium Challenge Corporation’s Accountable Entities* (the “**Audit Guidelines**”), currently posted at the following web address:

https://assets.mcc.gov/content/uploads/guidelines_for_financial_audits_interim.pdf.

Audit of Funds Managed by Recipient Organizations under MCC-funded Grants, Contracts, and Implementing Agreements

A financial audit of the funds managed by recipient organizations under MCC-funded grants, contracts, and implementing agreements must be performed in accordance with *U.S. Government Auditing Standards*, or other approved standards where applicable, and accordingly must include such tests of the accounting records as deemed necessary under the circumstances. The specific objectives of the audit of resources managed by MCA-Morocco and its Covered Providers are to:

- Express an opinion on whether the FAS for the resources managed by recipient organizations under MCC-funded grants, contracts, and implementing agreements using both MCC and Government funds presents fairly, in all material respects, revenues received, costs incurred and reimbursed, and commodities, assets, and technical assistance directly procured by MCC and the Government (including by MCA-Morocco and its Covered Providers) for the period audited in accordance with MCC rules and regulations; other implementing guidance; the terms of the 609(g) Agreement, Compact, related grants, contracts, and agreements; conditions of award; and generally accepted accounting principles or other comprehensive basis of accounting (including the cash receipts and disbursements basis and modifications of the cash basis).

- Evaluate and obtain a sufficient understanding of the recipient organization’s internal controls related to the recipient organization’s development and implementation of the Compact using both MCC and Government funds, assess control risk, and identify reportable conditions, including material internal control weaknesses. This evaluation must include the internal controls related to Government Contributions required for this Compact.
- Perform tests to determine whether the recipient organization complied, in all material respects, with the 609(g) Agreement, Compact (including those MCC rules and regulations regarding Government Contributions), supplemental agreements, and applicable laws and regulations related to MCC-funded grants, contracts, and implementing agreements. All material instances of noncompliance and all illegal acts that have occurred or are likely to have occurred must be identified. Such tests must include the compliance requirements related to the required Government Contributions. Specifically, the auditor shall perform tests to determine whether the recipient organization complied, in all material respects, with the MCC *Program Procurement Guidelines*, the MCC *Cost Principles for Accountable Entity Operations*, the MCA-Morocco *Fiscal Accountability Plan* in effect during the audit period, and the terms and conditions of the MCC-funded grant, contract, or implementing agreement.
- Determine whether the recipient organization has taken adequate corrective action on prior audit report recommendations, if applicable.

The Auditor must design audit steps and procedures in accordance with U.S. *Government Auditing Standards*, Chapter 4, to provide reasonable assurance of detecting situations or transactions in which fraud or illegal acts have occurred or are likely to have occurred. If such evidence exists, the Auditor must immediately contact MCC and must exercise professional judgment in pursuing indications of possible fraud and illegal acts so as not to interfere with potential future investigations or legal proceedings.

IV. AUDIT PERIOD

Except for the Base Period, audits of resources managed by recipient organizations will be performed semi-annually with audit periods ending March 31 and September 30, but may be combined, extended, or modified from time-to-time if recipient organizations are so instructed by MCC or the OIG—and if combined, extended, or modified, the price of any Option Period(s) affected will be revised based on any changes in the scale, level of effort, or number of deliverables required to conform to such instructions according to the rates established in Annex E.

The Base Period audit will cover the forty-one (41) months ending September 30, 2018 (though May 5, 2015 is the date of the first funding agreement, funds were only first made available after January 1, 2016); the 1st Option Period will cover the six (6) months ending March 31, 2019; the 2nd Option Period will cover the six (6) months ending September 30, 2019; the 3rd Option Period will cover the six (6) months ending March 31, 2020; and the 4th Option Period will cover the six (6) months ending September 30, 2020.

Contract Period	Audit Period Covered	
	From	To
Base Audit Period	May 5, 2015	September 30, 2018
1 st Option Period	October 1, 2018	March 31, 2019
2 nd Option Period	April 1, 2019	September 30, 2019
3 rd Option Period	October 1, 2019	March 31, 2020
4 th Option Period	April 1, 2020	September 30, 2020

Audits of resources managed by other recipient organizations will be determined in accordance with MCA-Morocco's Audit Plan, updated from time to time and whenever a Covered Provider expends greater than \$500,000 in MCC funds in its fiscal year.

On-Call Audit Services (Covered Provider Audits and/or Compliance Audits) will follow audit periods detailed in each request to exercise a service, as needed and as detailed in Annex E of the Form of Contract (Section 6 of this RFP).

V. AUDIT SCOPE

The Auditor must use the following steps as the basis for preparing their audit programs. These steps are not all-inclusive or intended to be restrictive in nature and do not constitute relief from exercising professional judgment and due professional care. The steps must be modified to address local conditions and specific program design; implementation procedures; and grant, contract, and agreement provisions which may vary from program to program. Any limitations in the Scope of Work must be communicated as soon as possible to MCC.

A. Pre-Audit Steps

Following is a list of documents applicable to different Compact programs. The Auditor must review the applicable documents considered necessary to perform the audit:

1. The 609(g) Agreement, Compact, and any supplemental agreements by and between MCC, the Government, MCA-Morocco, its Covered Providers, and other recipient organizations under MCC-funded grants, contracts, and implementing agreements for development and implementation of the Compact.
2. Other documents including but not limited to the: Program Implementation Agreement; Bank Agreement; Procurement Agent Agreement; Fiscal Agent Agreement; Fiscal Accountability Plan; Procurement Operations Manual; Procurement Plan; Program Procurement Guidelines; Implementing Entity Agreement(s); M&E Plan; Implementation Plan(s); and Work Plans for the relevant Project, Activity, grant, contract, or implementing agreement.
3. The agreements by and between MCA-Morocco and contractors and grantees, and any other entities implementing MCC-funded or Government-funded activities for the Compact.
4. The sub-agreements or implementing entity agreements between MCA-Morocco and other implementing entities, if applicable.

5. Contracts and subcontracts with third parties, if any.
6. The budgets, implementation letters, and written procedures approved by MCC and MCA-Morocco.
7. Applicable procurement laws and regulations, including the MCC *Program Procurement Guidelines*.
8. All Program financial and progress reports; charts of accounts; organizational charts; accounting systems descriptions; procurement policies and procedures; and receipt, warehousing and distribution procedures for materials, as necessary, to successfully complete the required work.
9. MCC's *Cost Principles for Accountable Entity Operations* in effect during the audit period.
10. Any previous audits, financial reviews, etc., that directly relate to the objectives of the audit.

B. Fund Accountability Statement

The Fund Accountability Statement (“*FAS*”) is the basic financial statement to be audited that presents revenues received under the MCC-funded grant, contract, or implementing agreement from MCC and the Government for the period covered by the audit; the budgeted amounts by category and major items (i.e., Project and Activity); costs reported by the recipient organization as incurred during the audit period; cash balance of funds (after reconciling items) provided to the recipient organization by MCC and the Government; commodities (such as supplies, materials, vehicles, equipment, food products, tools, etc.), assets, and technical assistance directly procured with MCC and Government funds by MCC, the Government, or the recipient organization for use by MCA-Morocco, the Government, or an Implementing Entity (including Covered Providers).

Separate FAS's are required for all sources of funds, including 609(g) funds, CIF funds, Compact funds, and Government Contributions, managed by the recipient organization.

The Fund Accountability Statement should be reconciled to both the MCC and Government funds included in the general purpose financial statements by a note to the financial statements or the Fund Accountability Statement. All currency amounts in the Fund Accountability Statement, cost-sharing schedule (of Government Contributions), and the report findings, if any, must be stated in U.S. Dollars and the exchange rate(s) used must be disclosed in the notes to the Fund Accountability Statement.

The FAS must also include one or more lines for expenditures directly managed by MCC for the benefit of MCA-Morocco which are typically (most likely to be) related to 609(g) Funds or CIF. However, as noted in section III, detailed audit procedures are not required for 609(g) funds or CIF that are managed by MCC since those funds will be audited by MCC's independent financial statement auditors.

The fund accountability statement must include all resources managed by the recipient organization identified by each specific grant, contract, or implementing agreement. The revenues received from MCC and the Government, less the costs incurred, after considering any reconciling items, must reconcile to the balance of cash on hand and/or in bank accounts. The fund accountability statement must not include cost-sharing/Government Contributions provided from MCA-Morocco's own funds or in-kind. However, a separate cost sharing/Government Contributions schedule must be presented as a separate FAS within the audit report.

The Auditors may prepare or assist the recipient organization in the preparation of the fund accountability statements from the books and records maintained by the recipient organization, but the recipient organization is solely responsible for the accuracy and content of the FAS before the audit commences.

The opinion on the fund accountability statements must be in accordance with the American Institute of Certified Public Accounts' (AICPA) Statement of Auditing Standards No. 62 (SAS 62) "Financial Statements Prepared in Conformity With a Comprehensive Basis of Accounting Other Than Generally Accepted Accounting Principles," AU623 "Special Reports." The fund accountability statement must separately identify those revenues and costs applicable to each specific agreement funded by MCC and the Government for the development and implementation of the Compact. The audit must evaluate program implementation actions and accomplishments to determine whether specific costs incurred are allowable, allocable, and reasonable under the agreement terms, and to identify areas where fraud, waste, abuse, and illegal acts have occurred or are likely to have occurred as a result of inadequate internal control. At a minimum, the Auditor must:

1. Review direct and indirect costs billed to and reimbursed with MCC funds and the Government Contribution and costs incurred but pending reimbursement by MCC and the Government, identifying and quantifying any questioned costs. All costs which are not supported by adequate documentation or that are not in compliance with the 609(g) Agreement; Compact; MCC-funded grant, contract, or implementing agreement; MCA-Morocco's Fiscal Accountability Plan; or MCC's *Cost Principles for Accountable Entity Operations* must be reported as questioned. Questioned costs that are pending reimbursement must be identified in the notes to the fund accountability statement as not yet reimbursed.

Questioned costs must be presented in the fund accountability statement in two separate categories (a) ***ineligible costs*** that are explicitly questioned because they are unreasonable, prohibited by the Compact and related agreements or applicable laws and regulations, or not program related; and (b) ***unsupported costs*** that are not supported with adequate documentation or did not have required prior approvals or authorizations. All questioned costs resulting from instances of noncompliance with the Compact and related agreement terms and applicable laws and regulations must be included as findings in the report on compliance. Also, the notes to the fund accountability statement must briefly describe the questioned costs and must be cross-referenced to the corresponding findings in the report on compliance.

2. Review general and program ledgers to determine whether costs incurred were properly recorded. Reconcile direct costs billed to, and reimbursed by, MCC and the Government to the program and general ledgers.
3. Review the procedures used to control the funds, including transfers to contracted financial institutions or other implementing entities. Review the bank accounts and the controls on those bank accounts. Perform positive confirmation of balances, as necessary.
4. Determine whether payment or disbursement requests made to MCC and any advances of MCC funds or the Government Contribution were supported with adequate documentation, including reconciliations of funds advanced, disbursed, and available. The Auditor must ensure that all funding received by the recipient organization from MCC and the Government were appropriately recorded in the recipient organization's accounting records and that those records were periodically reconciled with information provided by MCC and the Government.
5. Determine whether program income was added to the funds used to further eligible program objectives, to finance the non-MCC share of the Program, or deducted from program costs, in accordance with MCC rules and regulations, other implementing guidance, and the terms of the 609(g) Agreement, Compact, related agreements, and conditions of award.
6. Review procurement procedures to determine whether sound commercial practices including competition were used, reasonable prices were obtained, and adequate controls were in place over the qualities and quantities received. Assess whether the procurements were in accordance with MCC's *Program Procurement Guidelines*, the approved Procurement Plan(s) in effect during the period audited, and the MCA-Morocco *Fiscal Accountability Plan*.
7. Review direct and indirect salary payments to determine whether salary rates are reasonable for that position, in accordance with those approved by MCC when MCC approval is required, and supported by appropriate payroll records including recipient organization staff employment agreements and timesheets. Determine if any overtime was charged to the program and whether overtime payments are allowable under the terms of the 609(g) Agreement, Compact, and related MCC-funded grants, contracts, and implementing agreements. Determine whether allowances and fringe benefits received by employees, contractors, and consultants (whether employees of MCA-Morocco or an Implementing Entity) were in accordance with the employment agreements, consulting agreements, contracting agreements, implementing entity agreements, and applicable laws and regulations, including the 609(g) Agreement and Compact. Determine whether salary increases or changes in compensation and benefits received were consistent with the policies and procedures of MCA-Morocco or the recipient organization, and that they were appropriately reviewed, approved by MCC when MCC approval is required, and adequately documented. The Auditor must include unallowable salary, compensation, and benefit charges as questioned costs in the fund accountability statement.

8. Review airline, hotel, accommodation, per diem, transportation, and other travel charges and allowances to determine whether they are reasonable, adequately supported, and approved. Airline, hotel, accommodation, per diem, transportation, and other travel charges that are not supported with adequate documentation or not in accordance with the 609(g) Agreement, Compact, related agreements and regulations, the MCA-Morocco *Fiscal Accountability Plan*, and the MCC *Cost Principles* must be questioned in the fund accountability statement.
9. Review commodities (such as supplies, materials, vehicles, equipment, food products, tools, etc.), directly procured with MCC and Government funds by MCC, the Government, or the recipient organization for use by MCA-Morocco, the Government, or an Implementing Entity (including Covered Providers). The Auditors must determine whether commodities exist or were used for their intended purposes in accordance with the terms of the 609(g) Agreement; Compact; and MCC-funded grant, contract, and related agreements; and whether adequate control procedures have been placed in operation to adequately safeguard the commodities. As part of the procedures to determine if commodities were used for intended purposes, the Auditors must perform end-use reviews for an appropriate sample of all commodities based on the control risk assessment. End-use reviews would normally include site visits to verify that commodities exist or were used for their intended purposes in accordance with the terms of the 609(g) Agreement; Compact; and MCC-funded grant, contract, and related agreements. The cost of all commodities that cannot be verified must be questioned in the fund accountability statement. (The Auditor should determine the cost of commodities based on supporting documentation from MCA-Morocco, MCC, or the Government, as appropriate).
10. Review technical assistance and services (including implementing entity, advisory, or consulting services). The Auditor must determine whether technical assistance and services were used for their intended purposes in accordance with the terms of the 609(g) Agreement, Compact, Implementing Entity Agreement(s), or any other formal or informal agreements. The cost of technical assistance and services (including implementing entity, advisory, or consulting services) not reasonable or not properly used in accordance with the agreements must be included as questioned costs in the fund accountability statement.

In addition to the above audit procedures, if technical assistance and services (including implementing entity, advisory, or consulting services) were contracted by the recipient organization from a non-U.S. contractor, the Auditor must perform additional audit steps of the technical assistance and services (including implementing entity, advisory, or consulting services) under this Contract, unless the recipient organization has separately contracted for an audit of these costs.

When testing for compliance with the agreement terms and applicable laws and regulations, the Auditors must not only consider the agreements between MCA-Morocco, the recipient organization, and MCC but also the agreements between MCA-Morocco, the recipient organization, and non-U.S. contractors providing technical assistance and services (including implementing entity, advisory, or consulting services). The

agreements between MCA-Morocco, the recipient organization, and the non-U.S. contractors must be audited using the same audit steps described in the other paragraphs of this section, including all tests necessary to specifically determine that costs incurred are allowable, allocable, reasonable, and supported under the 609(g) Agreement, Compact, and related agreement terms. In case of any deficiencies or issues identified by MCA-Morocco or MCC in the activity of any of MCA-Morocco's contractors, consultants, or other service providers (including an Implementing Entity or other recipient Government organizations), MCA-Morocco or MCC may require the Auditors to perform additional audit actions as needed to review compliance with the terms of the contract, 609(g) Agreement, Compact, supplemental agreements, or rules, regulations, policies, and procedures of MCC, the Government, or MCA-Morocco.

If technical assistance and services (including implementing entity, advisory, or consulting services) were contracted by MCA-Morocco or the recipient organization from a U.S. contractor, the Auditor is still responsible for determining whether technical assistance and services (including implementing entity, advisory, or consulting services) were used for their intended purposes in accordance with the terms of the 609(g) Agreement, Compact, and related agreements. However, the Auditor is not responsible for performing additional audit steps for the *costs incurred* under the technical assistance and services agreements, since either MCC or a cognizant U.S. government agency is responsible for contracting for audits of these costs.

11. When the recipient organization charges indirect costs to MCC or the Government using provisional rates, review the allocation method to determine that the indirect cost pool and distribution base include only allowable items in accordance with the 609(g) Agreement, Compact, and related agreement terms. The auditors must be aware that costs that are unallowable as charges to MCC- or Government-funded agreements (e.g., fundraising) must be allocated their share of indirect costs if they represent activities that (1) include the salaries of personnel, (2) occupy space, and (3) benefit from the organization's indirect costs. Indirect costs must be calculated after all adjustments have been made to the pool and base. When indirect costs are charged to MCC or the Government using predetermined or fixed rates, verify that the correct rates are applied in accordance with the agreements with and/or approved by MCC.
12. When performing final closeout audits (primarily, of MCA-Morocco), review unliquidated advances to MCA-Morocco, and pending reimbursements by MCC and the Government. Verify that MCA-Morocco complied with all aspects of its *Program Closure Plan*. Ensure that MCA-Morocco has returned any excess cash to MCC and the Government. Also, ensure that all assets (inventories, fixed assets, commodities, etc.) procured with program funds were disposed of in accordance with the terms of the 609(g) Agreement, Compact, and related agreements, including the MCA-Morocco *Program Closure Plan*. The Auditors must present, as an annex to the fund accountability statement, the balances and details of final inventories of nonexpendable property acquired under the agreements. This inventory must indicate which items, if

any, were titled to the U.S. Government, and which were titled to other entities. These closeout audit procedures must be performed for any award that expires during the period audited.

Any funds managed by MCC and/or other third parties authorized by MCC as part of a Compact, pre-Compact or supplemental agreement will not be subject to the detailed audit procedures described below, but summary information must be displayed in the consolidated fund accountability statement. “Managed by MCC and/or third parties authorized by MCC” refers to any situation in which a formal agreement requires MCC and/or other third parties authorized by MCC to procure goods, works and services and/or to make payments against the delivery of such goods, works and services, pursuant to the objectives of the relevant Compact or supplemental agreement. Audit treatment of funds managed by MCC and/or other third parties authorized by MCC shall be as follows:

1. MCC and/or other third parties authorized by MCC will provide to the recipient organization summary information on procurements conducted by MCC and/or other third parties authorized by MCC on behalf of the recipient organization.
2. MCC and/or other third parties authorized by MCC will provide the recipient organization with the total value of third party payments made by MCC and/or other third parties authorized by MCC on behalf of the recipient organization.
3. The recipient organization shall prepare the fund accountability statement adding the MCC and/or other third party payments on behalf of the recipient organization to the bottom of it and providing a grand total.
4. MCC and third party payment amount should be footnoted, “Recipient organization expenditures paid to a third party by MCC. These third party payments are added to the fund accountability statement for the purpose of providing full disclosure of the recipient organization’s expenditures for the audit period. The scope of the [Insert name of the] Recipient Organization Audit *does not* cover funds managed by MCC and/or other third parties authorized by MCC on behalf of the recipient organization. The audit of these of expenditures will take place in the annual MCC Financial Audit.

Any questioned costs identified through audits of MCA-Morocco Covered Providers must be reported in the audit of MCA-Morocco since all uses of funds, whether by covered providers or by MCA-Morocco itself, will appear in MCA-Morocco fund accountability statement. Any internal control findings identified through audits of MCA-Morocco Covered Providers must be reported in the audit of MCA-Morocco if the internal control deficiencies could adversely affect the ability of MCA-Morocco to record, process, summarize, and report financial data consistent with the assertions of MCA-Morocco management in the fund accountability statement. Finally, any compliance findings identified through audits of MCA-Morocco Covered Providers must be reported in the audit of MCA-Morocco if the compliance deficiencies, alone or cumulatively, have a direct and material effect on the amounts in MCA-Morocco’s fund accountability statement.

C. Cost-Sharing/Government Contributions Schedule

The Compact between MCC and the Government of Morocco requires a minimum contribution from the Government of 15% of the amount of MCC Funding, which may include in-kind and financial contributions (including obligations of Morocco on any debt incurred toward meeting these obligations). Because the Compact establishes both a life-of-project and annual budget for

such Government Contributions, the audit of the cost-sharing schedule must be approached differently depending on whether the cost-sharing budget is a life-of project or annual budget. In either case, the Auditor follows the same steps and procedures for an audit of Government Contributions as they would for an audit of Compact funds.

The Auditor may prepare or assist the Government in preparing the cost-sharing schedule from the books and records maintained by MCA-Morocco and other recipient organizations. MCA-Morocco and the recipient organizations must, however, accept responsibility for the schedule's accuracy before the audit of the Government Contributions commences.

C.1 Agreement with Life-of-Project Cost-Sharing/Government Contributions Budget

For an MCC agreement with a life-of-project budget for cost-sharing contributions, it is usually not possible to determine whether the cost-sharing contributions have been made as required until the term of the agreement ends. Nonetheless, MCC and the recipient government need reliable information to monitor actual cost-sharing contributions throughout the life of the agreement.

Thus, for an MCC-compact with a life-of-project budget for cost-sharing contributions, for each period that an audit is performed in accordance with this Scope of Work, the Auditor will audit the cost-sharing schedule to determine if the schedule of cost-sharing contributions is fairly presented in accordance with the basis of accounting used by the recipient government to prepare the schedule. The Auditor must question all expenditures of cost-sharing contributions that are either ineligible or unsupported costs. An ineligible cost is a cost that is unreasonable, prohibited by the agreements or applicable laws and regulations, or is not program related. An unsupported cost lacks adequate documentation or does not have required prior approvals or authorizations. All questioned costs must be briefly described in the notes to the cost-sharing schedule. In addition, material questioned costs must be included as findings in the report on compliance. Notes to the cost-sharing schedule must be cross-referenced to the corresponding findings in the report on compliance. Also, reportable internal control weaknesses related to cost-sharing contributions must be set forth as findings in the report on internal control.

In addition, for closeout audits of MCC-agreements with a life-of-project budget for cost-sharing contributions, auditors will audit the cost-sharing schedule to determine if the recipient government provided such contributions in accordance with the terms of the MCC-funded agreement. If actual contributions were less than budgeted contributions, the shortfall will be identified in the appropriate column of the cost-sharing schedule.

C.2 Agreement with Annual Cost-Sharing Budget

For this MCC Compact with an annual budget for cost-sharing contributions, for each period that an audit is performed in accordance with this Scope of Work, the Auditor will audit the cost-sharing schedule to determine whether (1) the schedule is fairly presented in accordance with the basis of accounting used by the recipient organization to prepare the cost-sharing schedule, (2) contributions were provided by the Government in accordance with the terms of the Compact, (3) MCA-Morocco properly and timely disbursed funds from the Government Contribution into the program, and (4) the recipient organization complied in all material respects with the policies and procedures regarding the source, use, valuation, timing,

recording, and reporting of Government Contributions required by MCC and the Government in support of the program. The Auditor must question all cost-sharing contributions that are either ineligible or unsupported costs. An ineligible cost is unreasonable, prohibited by the agreements or applicable laws and regulations, or not program related. An unsupported cost lacks adequate documentation or does not have required prior approvals or authorizations. All questioned costs must be briefly described in the notes to the cost-sharing schedule. In addition, material questioned costs must be included as findings in the report on compliance. Notes to the cost-sharing schedule must be cross-referenced to the corresponding findings in the report on compliance. Also, reportable internal control weaknesses related to cost-sharing contributions must be set forth as findings in the report on internal control. If actual cost-sharing contributions were less than budgeted contributions, the shortfall will be identified in the appropriate column of the cost-sharing schedule.

D. Closeout Audits

The final close-out audit may be combined with a customary periodic audit but the final audit period may not exceed one year without permission of MCC. In addition to those activities stated in Sections V.A through V.C above, the final close-out audit must also contain:

1. Review of un-liquidated advances from MCC to MCA-Morocco and pending reimbursements by MCC and the Government. Verify that MCA-Morocco complied with all aspects of its *Program Closure Plan*. Ensure that MCA-Morocco has returned any excess cash to MCC and the Government. Also, ensure that all assets (inventories, fixed assets, commodities, etc.) procured with program funds were disposed of in accordance with the terms of the 609(g) Agreement, Compact, and related agreements, including the MCA-Morocco *Program Closure Plan*.
2. The Auditors must present, as an annex to the fund accountability statements, the balances and details of final inventories of nonexpendable property acquired under the agreements. This inventory must indicate which items, if any, were titled to the U.S. Government, and which were titled to other entities.
3. As part of the reconciliation of program income and costs, auditors will need to reflect any offsets to income such as questioned costs, which may or may not have been refunded by MCA-Morocco to the U.S. Government.
4. The disposition of assets may include treatment of special asset classes and circumstances including, but not limited to:
 - a. trusteeships to manage revolving funds;
 - b. trusteeships for administration of certificates of guarantee or certificates of completion for contractors; and
 - c. escrow accounts.
5. In addition to ensuring that all ordinary assets (e.g., inventories, vehicles) are properly disposed of, the auditor must assess and report on the appropriateness of control structures and management arrangements for the perpetuation by the Government or other entity of any unusual assets, examples of which are listed above.

E. Internal Control

The Auditor must review and evaluate the recipient organization's internal control related to the development and implementation of the Compact to obtain a sufficient understanding of the design of relevant control policies and procedures and whether those policies and procedures have been placed in operation. The U.S. Government Accountability Office's [Standards for Internal Controls in the Federal Government](#) (GAO-14-704G; 2014) may be helpful in assessing recipient internal controls. The auditor's understanding of the internal controls must be documented in the audit documentation file.

The Auditor must then prepare the report required by the *Audit Guidelines*, identifying deficiencies in the design or operation of internal control.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's fund accountability statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Any significant deficiencies or material weaknesses must be set forth in the report as "findings." Any other matters related to internal control—such as suggestions for improving operational or administrative efficiency or internal control, or control deficiencies that are not significant deficiencies or material weaknesses—should be included in a separate management letter to the recipient organization and referred to in the report on internal control. The management letter should also be provided to MCC along with the audit report.

The major internal control components to be studied and evaluated include, but are not limited to, the controls related to each revenue and expense account on the fund accountability statement for each source of funds (from both MCC and the Government). The Auditors must:

1. Obtain a sufficient understanding of the internal controls to plan the audit and to determine the nature, timing and extent of tests to be performed.
2. Assess inherent risk and control risk, and determine the combined risk. Inherent risk is the susceptibility of an assertion, such as an account balance, to a material misstatement assuming there are no related internal control policies or procedures. Control risk is the risk that a material misstatement, that could occur in an assertion, will not be prevented or detected on a timely basis by the entity's internal control policies or procedures. Combined risk (sometimes referred to as detection risk) is the risk that the auditor will not detect a material misstatement that exists in an assertion. Combined risk depends upon the effectiveness of an auditing procedure and its application by the auditor.
3. Summarize the risk assessments for each assertion in the audit documentation. The risk assessments must consider the following broad categories under which each assertion should be classified: (a) existence or occurrence; (b) completeness; (c) rights and obligations; (d) valuation or allocation; and (e) presentation and disclosure. At a minimum, the audit documentation must identify the name of the account or assertion, the account balance or the amount represented by the assertion, the assessed level of inherent risk (high, moderate, or low), the assessed level of control risk (high, moderate,

or low), the combined risk (high, moderate, or low), and a description of the nature, extent, and timing of the tests performed based on the combined risk. The summarized audit documentation must be cross-indexed to the supporting audit documentation files that contain the detailed analysis of the fieldwork. If control risk is evaluated at less than the maximum level (high), then the basis for the auditor's conclusion must be documented in the audit documentation files.

If the control risk is assessed at the maximum level for assertions related to material account balances, transaction classes, and disclosure components of financial statements when such assertions are significantly dependent upon computerized information systems, the Auditors must document in the audit documentation files the basis for such conclusions by addressing (i) the ineffectiveness of the design and/or operation of controls, or (ii) the reasons why it would be ineffective to test the controls.

4. Evaluate the control environment, the adequacy of the accounting systems, and control procedures. Emphasis must be placed on the policies and procedures that pertain to MCA-Morocco's ability to record, process, summarize, and report financial data consistent with the assertions embodied in each account of the fund accountability statement. This evaluation must include, but not be limited to, the control systems for:
 - a. Ensuring that charges to the program are proper and supported;
 - b. Managing cash on hand and in bank accounts;
 - c. Procuring goods, works, and services;
 - d. Managing assets, commodities (such as supplies, materials, vehicles, equipment, food products, tools, etc.), inventory and receiving functions;
 - e. Managing personnel functions such as timekeeping, salaries, and benefits for MCA-Morocco and its Implementing Entities;
 - f. Managing and disposing of assets (such as vehicles, equipment, and tools, as well as other assets) purchased either by the program or directly by MCC, MCA-Morocco, an Implementing Entity, or the Government; and
 - g. Ensuring compliance with Compact and related agreement terms and applicable laws and regulations that collectively have a material impact on the Fund Accountability Statement. The results of this evaluation must be contained in the audit documentation section described in Section V.F of this Scope of Work dealing with the review of compliance with Compact and related agreement terms and applicable laws and regulations and presented in the compliance report.
5. Evaluate internal control established to ensure compliance with cost-sharing requirements, if applicable, including provision, management, disbursements, and reporting of the Government Contributions.
6. Include in the study and evaluation other policies and procedures that may be relevant if they pertain to data the auditor uses in applying auditing procedures. This may include, for example, policies and procedures that pertain to non-financial data that the auditor uses in analytical procedures.

In fulfilling the audit requirement relating to an understanding of internal control and assessing the level of control risk, the auditor must follow, at a minimum, the guidance contained in AICPA SAS Nos. 78 and 115 (AU110, AU319, AU324 and AU325), respectively entitled *Consideration of Internal Control in a Financial Statement Audit, and Communicating Internal*

Control Related Matters Identified in an Audit as well as SAS No. 117 (AU801) entitled *Compliance Audits* and SAS No. 99 entitled *Consideration of Fraud in a Financial Statement Audit*.

F. Compliance with Agreement Terms and Applicable Laws and Regulations

In fulfilling the audit requirement to determine compliance with agreement terms and applicable laws and regulations related to MCC programs, the auditors must, at a minimum, follow guidance contained in AICPA SAS No. 117 (AU801) entitled *Compliance Audits*. The compliance review must also determine—on audits of awards that present cost-sharing budgets on a periodic basis and on close-out audits of awards that present cost-sharing budgets on a life-of-project basis—if cost sharing contributions were provided and accounted for in accordance with the terms of the agreements. The auditor's report on compliance must set forth as findings all material instances of noncompliance, defined as instances that could have a direct and material effect on the fund accountability statement. Nonmaterial instances of noncompliance should be included in a separate management letter to the recipient organization and referred to in the report on compliance. The management letter should also be provided to MCC along with the audit report.

The auditor's report must include all conclusions that a fraud, wasteful, abusive, or illegal act either has occurred or is likely to have occurred. In reporting material fraud, illegal acts, abuse, or other noncompliance, the Auditors must place their findings in proper perspective. To give the reader a basis for judging the prevalence and consequences of these conditions, the instances identified should be related to the universe or the number of cases examined and be quantified in terms of U.S. Dollar value, if appropriate. In presenting material irregularities (including fraud, waste, and abuse), illegal acts, or other noncompliance, Auditors must follow the reporting standards contained in Chapter 5 of U.S. *Government Auditing Standards*. Auditors may provide less extensive disclosure of irregularities and illegal acts that are not material in either a quantitative or qualitative sense. Chapter 4 of U.S. *Government Auditing Standards* provides guidance on factors that may influence Auditors' materiality judgments. If the auditor concludes that sufficient evidence of irregularities (including fraud, waste, or abuse) or illegal acts exists, the Auditor must immediately contact the MCC Inspector General, and must exercise due professional care in pursuing indications of possible irregularities (including fraud, waste, and abuse) and illegal acts so as not to interfere with potential future investigations and/or legal proceedings.

In planning and conducting the tests of compliance, the Auditor must:

1. Identify the pertinent laws and regulations and terms of the 609(g) Agreement, Compact, and related agreements and determine which of those, if not observed, could have a direct and material effect on the fund accountability statement. The Auditors must:
 - a. List all standard and program-specific provisions contained in the agreements that cumulatively, if not observed, could have a direct and material effect on the fund accountability statement;
 - b. Assess the inherent and control risk that material noncompliance could occur for each of the compliance requirements listed in 1.a. above;

- c. Determine the nature, timing and extent of audit steps and procedures to test for errors, fraud, and illegal acts that provide reasonable assurance of detecting both intentional and unintentional instances of noncompliance with agreement terms and applicable laws and regulations that could have a material effect on the fund accountability statement. This must be based on the risk assessment in 1.b. above; and
 - d. Prepare a single summary document in the audit documentation that identifies each of the specific compliance requirements included in the review, the results of the inherent, control, and combined (detection) risk assessments for each compliance requirement, the audit steps used to test for compliance with each of the requirements based on the risk assessment, and the results of the compliance testing for each requirement. The summary document must be cross-indexed to detailed audit documentation that support the facts and conclusions contained in the summary document.
- 2. Determine if payments have been made in accordance with the 609(g) Agreement, Compact, and any supplemental agreements by and between MCC, the Government, MCA-Morocco, and a recipient organization under an MCC-funded grant, contract, or implementing agreement for the development and implementation of the Compact, as well as any applicable rules, regulations, policies, and procedures of MCC or the Government.
 - a. Determine whether MCA-Morocco, Covered Providers, and recipient organizations under MCC-funded grants, contracts, or implementing agreements are accurately tracking advance payments made to contractors and the liquidation of those advance payments consistent with the terms and conditions of contract agreements. Identify any material instances of non-compliance with agreement terms and/or instances in which the recipient's records do not support a complete and accurate status of advance payments owed by contractors.
 - b. Determine whether MCA-Morocco, Covered Providers, and recipient organizations under MCC-funded grants, contracts, or implementing agreements are accurately tracking amounts retained from their contractors as a percentage of amounts invoiced, consistent with the terms and conditions of contract agreements. Identify any material instances of non-compliance with agreement terms and/or instances in which the recipient's records do not support a complete and accurate status of amounts withheld from contractors.
 - c. Determine whether MCA-Morocco, Covered Providers, and recipient organizations under MCC-funded grants, contracts, or implementing agreements have an adequate system for ensuring that MCC funding is free of value-added taxes (VAT), and other such taxes, tariffs, duties and levies per the Compact agreement. The system should identify VAT paid, claims for reimbursement, status of refunds, and outstanding balance. A note and/or schedule describing the recipient's taxation control system and status of claims should be included in the Audit Report.

3. Determine whether funds have been expended for purposes not authorized or not in accordance with applicable agreement terms. If so, the Auditor must question these costs in the fund accountability statement.
4. Identify any costs not considered appropriate, classifying and explaining why these costs are questioned.
5. Determine whether commodities (such as supplies, materials, vehicles, equipment, food products, tools, etc.), whether directly or indirectly procured by MCC, MCA-Morocco, the Government, Covered Providers, and recipient organizations under MCC-funded grants, contracts, or implementing agreements for use by MCA-Morocco, the Government, Covered Providers, and recipient organizations under MCC-funded grants, contracts, or implementing agreements exist or were used for their intended purposes in accordance with the 609(g) Agreement, Compact, and/or related agreements. Ensure that assets are marked in accordance with agreement requirements. If not, the cost of such commodities must be questioned.
6. Determine whether any technical assistance and services (including implementing entity, advisory, or consulting services), whether directly or indirectly procured by MCC, MCA-Morocco, the Government, Covered Providers, and recipient organizations under MCC-funded grants, contracts, or implementing agreements for use by MCA-Morocco, the Government, Covered Providers, and recipient organizations under MCC-funded grants, contracts, or implementing agreements were used for their intended purposes in accordance with the 609(g) Agreement, Compact, and/or related agreements. If not, the cost of such technical assistance and services must be questioned (including implementing entity, advisory, or consulting services).
7. Determine if the amounts of cost-sharing funds was calculated and accounted for as required by the Compact, Program Implementation Agreement, and any related agreements or applicable rules, regulations, policies, and procedures of MCC or the Government.
8. Determine if the cost-sharing funds were provided by the Government in accordance with the terms of the Compact; that MCA-Morocco properly and timely disbursed funds from the Government Contribution into the program; that the recipient organization complied in all material respects with the policies and procedures regarding the source, use, valuation, timing, recording, and reporting of the Government Contributions required by MCC and the Government in support of the program; and quantify any shortfalls.
9. Determine whether those who received services and benefits were eligible to receive them.
10. Determine whether MCA-Morocco's financial reports (including those on the status of cost-sharing contributions) and claims for advances and reimbursement contain information that is supported by the books and records.
11. Determine whether MCA-Morocco (through its Fiscal Agent) complied with MCC's *Common Payment System Policy and Procedures*.

12. Determine whether MCA-Morocco (through its Fiscal Agent) held advances of MCC and Government funds in interest-bearing accounts, and whether MCA-Morocco (through its Fiscal Agent) remitted to MCC, and the Government (as applicable), any interest earned on those advances. If MCA-Morocco was required to place MCC funds in an interest-bearing bank account but did not, then the Auditor should determine the amount of interest that was foregone by MCA-Morocco, and this amount should be classified as ineligible costs.
13. Determine whether MCA-Morocco (and its Fiscal Agent) had adequate systems in place to monitor the amount of periodic spending authority authorized by MCC, if applicable.

G. Follow-Up on Prior Audit Recommendations

The Auditors must review the status of actions taken on findings and recommendations reported in any pre-award and in any prior audits of the 609(g) Agreement and the Compact. Section 8.30 of the U.S. *Government Auditing Standards* ([2018 edition](#)) entitled *Results of Previous Engagements*, states: "Auditors should evaluate whether the audited entity has taken appropriate corrective action to address findings and recommendations from previous engagements that are significant within the context of the audit objectives. When planning the audit, auditors should ask management of the audited entity to identify previous engagements or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented. Auditors should use this information in assessing risk and determining the nature, timing, and extent of current audit work, including determining the extent to which testing the implementation of the corrective actions is applicable to the current audit objectives." The Auditor must do this to determine whether the recipient organization under the MCC-funded grant, contract, and implementing agreement has taken timely and appropriate corrective actions. The Auditor must report the status of uncorrected material findings and recommendations from any pre-award survey and prior audits that affect the financial statement audit.

The Auditor must describe the scope of their work on prior audit recommendations and the status of actions taken on prior findings and recommendations in the summary section of the audit report. The Auditor must refer to the most recent audit report for the same award (for a follow-up audit), or other MCC-funded awards and any pre-award survey (for an initial audit). When corrective action has not been taken and the deficiency remains unresolved for the current audit period and is reported again in the current report, the Auditor needs to briefly describe the prior finding and status and show the page reference to where it is included in the current report. If there were no prior findings and recommendations, the Auditor must include a note to that effect in this section of the audit report.

H. Indirect Cost Rates

The Auditor should determine the actual indirect cost rates for the year if the recipient organization under the MCC-funded grant, contract, and implementing agreement has used provisional rates to charge indirect costs to MCC or the Government. The audit of the indirect cost rates should include tests to determine whether the:

- a. Distribution or allocation base includes all costs that benefited from indirect activities.

- b. Distribution or allocation base is in compliance with the governing MCC Negotiated Indirect Cost Rate Agreement, if applicable.
- c. Indirect cost pool includes only costs authorized by the MCC or Government agreements and applicable MCC *Cost Principles*.
- d. Indirect cost rates obtained by dividing the indirect cost pool by the base are accurately calculated.
- e. Costs included in this calculation reconcile with the total expenses shown in the recipient's audited general purpose financial statements.

The results of the audit of the indirect cost rate should be presented in a schedule of computation of indirect cost rate. This schedule should contain: (1) a listing of costs included in each indirect cost pool, (2) the distribution base, and (3) the resultant indirect cost rate calculation. The costs in the schedule should reconcile with the total expenses shown in the recipient's general purpose financial statements. U.S. Office of Management and Budget (OMB) Guidance at 2 CFR Part 200 provides additional guidance on allocation of indirect costs and determination of indirect cost rates.

I. Other Audit Responsibilities

The Auditors must perform the following steps:

1. Hold entrance and exit conferences with MCA-Morocco, Covered Providers, and recipients audited under MCC-funded grants, contracts, and implementing agreements. The OIG and MCC must be notified of these conferences in order that their representatives may attend.
2. During the planning stages of an audit, communicate information to MCA-Morocco, Covered Providers, and recipients audited under MCC-funded grants, contracts, and implementing agreements regarding the nature and extent of planned testing and reporting on compliance with laws and regulations and internal control over financial reporting. Such communication must state that the Auditors do not plan to provide opinions on compliance with laws and regulations and internal control over financial reporting. This communication must be in the form of an engagement letter. Auditors must document the communication in the audit documentation files.
3. Institute quality control procedures to ensure that sufficient competent evidence is obtained through inspection, observation, inquiries, and confirmations to afford a reasonable basis for an opinion regarding the financial statements under audit. While auditors may use their standard procedures for ensuring quality control, those procedures must, at a minimum, ensure that:
 - a) Audit reports and supporting audit documentation files are reviewed by an auditor, preferably at the partner level, who was not involved in the audit. This review must be documented in the audit documentation files;
 - b) All quantities and monetary amounts involving calculations are footed and cross-footed; and

- c) All factual statements, numbers, conclusions and monetary amounts are cross-indexed to supporting audit documentation files.
4. Ascertain, before preparing its proposal for the audit engagement (or if this is not possible, at the earliest opportunity during the engagement itself), whether MCA-Morocco ensured that audits of its Covered Providers were performed to ensure accountability for MCC funds passed through to the Covered Providers (see paragraph 1.6 of the *Audit Guidelines*). If audit requirements for Covered Providers were not met, the Auditors must immediately notify MCC and the OIG and consider whether they can audit the Covered Providers themselves. If, after consultation with MCC and the OIG, the auditors conclude that a restriction on the scope of the audit exists and the restriction cannot be removed, then the auditors should consider modifying their opinion and any costs that have not been audited as required must be questioned as unsupported costs.
5. Obtain a management representation letter in accordance with AICPA SAS No. 85 (AU333), SAS No. 89, and SAS No. 99 signed by MCA-Morocco's management. See Example 4.1 of the *Audit Guidelines* for an illustrative management representation letter.
6. Evaluate the supplemental information prepared and provided to recognize accrual activity such as expenses incurred, but not yet paid, for and portion of the outstanding advances that are actually assets at the end of the period.

J. Additional On-Call Audit Services

Under terms and conditions described in more detail in Annexes E and F, the Auditor may be requested to provide additional On-Call Audit Services for two types of additional audits:

1. On-Call Audits of Covered Providers; and
2. On-Call Audits of Grantees, Contractors, Service Providers, or other Recipient Organizations.

Additional On-Call Audits could be program-specific audits of a whether a Covered Provider, grantee, service provider, or recipient organization (or a group of grantees, service providers, or recipient organizations) engaged by MCA-Morocco complied with the terms of their agreement(s) with MCA-Morocco. On-Call Audits require the Auditors to express an opinion, at the level specified by the On-Call Audit requirement, on whether the audited entity complied in all material respects with the applicable compliance requirements in their agreement(s) with MCA-Morocco, and report appropriately. In forming an opinion, the auditor should evaluate likely questioned costs, not just known questioned costs, as well as other material noncompliance that, by its nature, may not result in questioned costs.

Additional On-Call Audits will follow the Audit Guidelines and the same professional auditing and reporting standards outlined in this Section V of the Description of Services, but as part of exercising each service (see Annexes E and F of the Contract), MCA-Morocco may tailor the audits to focus solely on one or more grantees, contractors, service providers, or recipient organizations and their compliance with their agreements with MCA-Morocco.

VI. AUDIT REPORTS

The Auditor must submit one (1) hard copy and one (1) electronic copy of the Planning Document, Draft Audit Report, Final Audit Report, and all Management Letters and minutes from the Entrance and Exit Conferences to MCA-Morocco in English in both Microsoft Word and Adobe PDF formats. Thereafter, MCA-Morocco will follow documented MCC processes for review, No Objection, and acceptance of the audit deliverables and meeting minutes.

To make it easier for auditors to comply with the *Audit Guidelines*, the format and content of the audit report must closely follow the illustrative reports in Chapter 7, *Illustrative Reports*, of the *Audit Guidelines*. The audit report must specify the correct award number(s) of each award covered by the audit. The report must contain:

- A. A title page⁸, table of contents, transmittal letter, and a summary which includes: (1) a background section with a general description of the MCC-funded grants, contracts, and implementing agreements audited, the period covered, the program objectives, a clear identification of all entities mentioned in the report, a section on the follow-up of prior audit recommendations, whether cost-sharing contributions (Government Contributions) were required during the period audited, and whether the recipient organization has a provisional indirect cost rate authorized by MCC; (2) the objectives and scope of the financial audit and a clear explanation of the procedures performed and the scope limitations, if any; (3) a brief summary of the audit results on the fund accountability statement, questioned costs, internal controls, compliance with the agreement terms and applicable laws and regulations, and the status of prior audit recommendations; (4) a brief summary of the results of the audit of cost-sharing contributions (Government Contributions); (5) for audits of MCA-Morocco, a brief summary regarding the review of the Common Payment System; and (6) a brief summary of the recipient entity's management comments regarding their views on the audit results and findings.
- B. The auditor's report on the fund accountability statement must identify any questioned costs not fully supported with adequate records or not eligible under the terms of the 609(g) Agreement, Compact, and related agreements. The report must be in conformance with the standards for reporting in Chapter 6 of the U.S. *Government Auditing Standards* and must include:
 - 1. The auditor's opinion on whether the fund accountability statement presents fairly, in all material respects, program revenues, costs incurred, cash balance of funds provided to MCA-Morocco, Covered Providers, and recipient organizations under MCC-funded grants, contracts, and implementing agreements by MCC, MCA-Morocco, and the Government, and commodities (such as supplies, materials, vehicles, equipment, food products, tools, etc.), assets, and technical assistance and services (including implementing entity, advisory, or consulting services) directly or indirectly procured by MCC, MCA-Morocco, the Government, Covered Providers, and recipient organizations under MCC-funded grants, contracts, or implementing agreements for use by MCA-Morocco, the Government, Covered Providers, and recipient organizations under MCC-funded grants, contracts, or implementing agreements for the period then ended in accordance with the terms of the agreements and in conformity with generally

⁸ Closeout audits must specify they are closeout audits on the title page. A closeout audit is an audit for an award that expired during the period audited.

accepted accounting principles or other basis of accounting. This opinion must clearly state that the audit was performed in accordance with U.S. *Government Auditing Standards*. Any deviations from these standards, such as noncompliance with the requirements for continuing professional education and external quality control reviews, must be disclosed.

2. The fund accountability statement identifying the program revenues, costs incurred, cash balance of funds provided to MCA-Morocco, Covered Providers, and recipient organizations under MCC-funded grants, contracts, and implementing agreements by MCC, MCA-Morocco, and the Government, and commodities (such as supplies, materials, vehicles, equipment, food products, tools, etc.), assets, and technical assistance and services (including implementing entity, advisory, or consulting services) directly or indirectly procured by MCC, MCA-Morocco, the Government, Covered Providers, and recipient organizations under MCC-funded grants, contracts, or implementing agreements for use by MCA-Morocco, the Government, Covered Providers, and recipient organizations under MCC-funded grants, contracts, or implementing agreements (in the summary format outlined by this Scope of Work).

The statement must also identify questioned costs not considered eligible for reimbursement and unsupported, if any, including the cost of any commodities (such as supplies, materials, vehicles, equipment, food products, tools, etc.), assets, and technical assistance and services (including implementing entity, advisory, or consulting services) directly or indirectly procured by MCC, MCA-Morocco, the Government, Covered Providers, and recipient organizations under MCC-funded grants, contracts, or implementing agreements for use by MCA-Morocco, the Government, Covered Providers, and recipient organizations under MCC-funded grants, contracts, or implementing agreements whose existence or proper use in accordance with agreements could not be verified. All questioned costs resulting from instances of noncompliance with the 609(g) Agreement, Compact, and related agreement terms and applicable laws and regulations must be included as findings in the report on compliance. Also, the notes to the fund accountability statement must briefly describe all questioned costs and must be cross-referenced to any corresponding findings in the report on compliance. All questioned costs in the notes to the fund accountability statement must be stated in U.S. Dollars. The U.S. Dollar equivalent must be calculated at the exchange rate applicable at the time the dollars were converted to local currency by MCA-Morocco, the Covered Provider, or the recipient organization under MCC-funded grants, contracts, or implementing agreements.

3. Notes to the fund accountability statement, including a summary of the significant accounting policies, explanation of the most important items of the statements, the exchange rates during the audit period and foreign currency restrictions, if any. In addition, a note to the fund accountability statement must state whether any interest on MCC-provided funds was returned to MCC or otherwise used in accordance with the terms of the Compact and related agreements.
4. The auditor's report on the schedule of cost-sharing contributions (Government Contributions) must include:

- a. Material questioned costs related to the provision of, and accounting for, cost-sharing funds, with a reference to the corresponding finding in the report on compliance if the questioned costs are material. The report must provide negative assurance with regard to the provision of, and accounting for, cost-sharing contributions for items not tested.
 - b. The cost-sharing schedule identifying questioned costs. Cost-sharing contributions that are unreasonable, prohibited by the agreements or applicable laws and regulations, or not program related are ineligible. Cost-sharing contributions that lack adequate documentation or do not have required prior approvals or authorizations are unsupported.
 - c. The cost-sharing schedule identifying the budgeted amounts required by the agreements, the amounts actually provided, and any cost-sharing shortfalls.
 - d. Notes to the cost-sharing schedule that briefly explain the basis for questioned costs and shortfalls, if applicable. The notes must be cross-referenced to the corresponding findings, if the questioned costs are material, in the report on compliance.
- C. The Auditor's report on internal control must include as a minimum: (1) the scope of the auditor's work in obtaining an understanding of the internal controls and in assessing the control risk, and; (2) the reportable conditions, including the identification of material weaknesses in MCA-Morocco's internal controls. Reportable conditions must be described in a separate section. This report must be made in conformance with SAS No. 115 and the standards for reporting in Chapter 6 of U.S. *Government Auditing Standards*. Non-reportable conditions must be communicated to MCA-Morocco, the Covered Provider, and the recipient organization audited under an MCC-funded grant, contract, or implementing agreement in a separate management letter which must be referred to in the report on internal controls and sent with the audit report.
- D. The Auditor's report on the recipient organization's compliance with terms and conditions of the 609(g) Agreement, Compact, and supplemental agreements in addition to the MCC *Program Procurement Guidelines*, MCA-Morocco Procurement Plan(s), MCA-Morocco *Procurement Operations Manual*, the MCA-Morocco *Fiscal Accountability Plan*, and applicable laws and regulations related to MCC-funded programs in effect during the period audited. The report must follow the guidance in SAS No. 117. Nonmaterial instances of noncompliance must be communicated to the recipient organization in a separate management letter that should be sent with the audit report. All questioned costs resulting from instances of noncompliance must be included as findings in the report on compliance. Also, the notes to the fund accountability statement that describe questioned costs must be cross-referenced to any corresponding findings in the report on compliance.
 - a. The Auditor's report must include all conclusions, based on evidence obtained, that a fraud (including waste and abuse) or illegal act either has occurred or is likely to have occurred. This report must include an identification of all questioned costs, if any, as a result of fraud (including waste and abuse) or

illegal acts, without regard to whether the conditions giving rise to the questioned costs have been corrected and whether the recipient organization does or does not agree with the findings and questioned costs. Abuse that is material, either quantitatively or qualitatively, must also be reported.

- Abuse involves behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary business practice given the facts and circumstances. Abuse also includes misuse of authority or position for personal financial interests or those of an immediate or close family member or business associate. Abuse does not necessarily involve fraud, violation of laws, regulations, or provisions of a contract or grant. If during the course of the audit, auditors become aware of abuse that could be quantitatively or qualitatively material to the financial statements, auditors should apply audit procedures specifically directed to ascertain the potential effect on the financial statements or other financial data significant to the audit objectives. After performing additional work, auditors may discover that the abuse represents potential fraud or illegal acts. Because the determination of abuse is subjective, auditors are not required to provide reasonable assurance of detecting abuse.
 - b. In reporting material fraud (including waste and abuse), illegal acts, or other noncompliance, the Auditors must place their findings in proper perspective. To give the reader a basis for judging the prevalence and consequences of these conditions, the instances identified must be related to the universe or the number of cases examined and quantified in terms of U.S. Dollar value, if appropriate. In presenting material fraud, illegal acts, or other noncompliance, Auditors must follow the reporting standards contained in Chapter 5 of U.S. *Government Auditing Standards*. Auditors may provide less extensive disclosure of irregularities and illegal acts that are not material in either a quantitative or qualitative sense. Chapter 4 of U.S. *Government Auditing Standards* provides guidance concerning factors that may influence Auditors' materiality judgments. If the Auditors conclude that sufficient evidence of irregularities or illegal acts exist, they must contact the MCC Inspector General and exercise due professional care in pursuing indications of possible irregularities and illegal acts so as not to interfere with potential future investigations and/or legal proceedings.
- E. The auditor's comments on the status of prior audit recommendations. The Auditor must review and report on the status of actions taken on findings and recommendations reported in prior audits and any pre-award survey recommendations. When corrective action has not been taken and the deficiency remains unresolved for the current audit period and is reported again in the current report, the Auditor needs only briefly describe the prior finding and show the page reference where it is included in the current report. If there were no prior findings and recommendations, a note to that effect must be included in this section of the audit report.

- F. The findings contained in the reports on internal controls and compliance related to audits of MCA-Morocco, Covered Providers, and recipient organizations audited under an MCC-funded grant, contract, or implementing agreement MCC-funded programs must include a description of:
- the condition (what is);
 - the criteria (what should be);
 - the cause (why it happened);
 - the effect (what harm was caused by not complying with the criteria); and
 - an actionable recommendation that corrects the cause and the condition, as applicable.

It is recognized that material internal control weaknesses and noncompliance found by the Auditor may not always have all of these elements fully developed, given the scope and objectives of the specific audit. The Auditor must, however, at least identify the condition, criteria and possible effect to enable management to determine the effect and cause. This will help management take timely and proper corrective action.

- G. Audit firms are expected to exercise independent judgment throughout the audit engagement, including in reporting on questioned costs. Indications of a lack of independence may result in removal of firms from the list of firms eligible to conduct audits of MCC funds. Findings which involve monetary effect must:
1. Be quantified and included as questioned costs in the fund accountability statement, the Auditor's Report on Compliance, and cost sharing contributions (Government Contributions) schedule (cross-referenced).
 2. Be reported without regard to whether the conditions giving rise to them were corrected.
 3. Be reported whether MCA-Morocco, the Covered Provider, or the recipient organization audited under an MCC-funded grant, contract, or implementing agreement does or does not agree with the findings or questioned costs.
 4. Contain enough relevant information to expedite the audit resolution process (*e.g.*, number of items tested, size of the universe, error rate, corresponding U.S. dollar amounts, *etc.*).
- H. The reports must also contain, after each recommendation, pertinent views of responsible recipient officials concerning the auditor's findings and actions taken by MCA-Morocco, the Covered Provider, or the recipient organization audited under an MCC-funded grant, contract, or implementing agreement to implement the recommendations. If possible, the auditor should obtain written comments. When the Auditors disagree with management comments opposing the findings, conclusions, or recommendations, they should explain their reasons following the comments. Conversely, the Auditors should modify their report if they find the comments valid.
- I. Any evidence of fraud, illegal acts or abuse that have occurred, or are likely to have occurred, must be included in a separate written report if deemed necessary by the MCC Inspector General. This report must include an identification of all questioned costs as a

result of abuse, irregularities or illegal acts, without regard to whether the conditions giving rise to the questioned costs have been corrected or whether MCA-Morocco, the Covered Provider, or the recipient organization audited under an MCC-funded grant, contract, or implementing agreement does or does not agree with the findings and questioned costs.

VII. INSPECTION AND ACCEPTANCE OF AUDIT WORK AND DELIVERABLES

For the purposes of this section, if the audit is of a Covered Provider or another recipient organization that is not MCA-Morocco, the Auditor must consult with MCC for more information and confirm with MCC the appropriate delivery, acceptance, and approval process as some of the processes may change.

Each audit cycle is completed through the following phases and steps:

Phase 1: Audit Plan (Responsibility of MCA-Morocco)

- Step 1. The MCA-Morocco Finance Director develops an Audit Plan and submits it to MCC for No Objection no later than 60 calendar days before the end of the first period to be audited; and for subsequent audit periods no later than January 30 for an April 1 to September 30 audit period, or by August 1 for an October 1 to March 31 audit period.

Phase 2: Planning Document (Responsibility of the Auditor)

- Step 2. The Auditor shall submit to MCA-Morocco, the Covered Provider, or recipient organization (as relevant to each audit) a complete audit Planning Document, written in English, within **21 calendar days** after payment by MCA-Morocco, the Covered Provider, or recipient organization (as relevant to each audit) of the previous audit period's Final Audit Report.
- Step 3. The Accountable Entity transmits the Planning Document to MCC for review and No Objection.
- Step 4. MCC provides No Objection to the Planning Document within 21 calendar days if it is in form and substance acceptable to MCC. MCC authorizes the Accountable Entity to accept the deliverable and to make payment according the terms and conditions of the audit contract.
- Step 5. The Accountable Entity accepts the deliverable and pays the Auditor for the Planning Document.

Phase 3: Entrance Conference (Responsibility of the Auditor)

- Step 6. The Fiscal Agent compiles the annual or semi-annual Fund Accountability Statement(s) and provides them to the Auditor with supporting documentation.

- Step 7. The Auditor holds an Entrance Conference⁹ with the Accountable Entity or Covered Provider, and other invited entities (if applicable), and a copy of the meeting minutes are provided to the Accountable Entity.

The Accountable Entity reviews and accepts the meeting minutes of the Entrance Conference, and provides a copy to MCC for information.

- Step 8. The Accountable Entity pays the Auditor for the Entrance Conference, and fieldwork begins.

Phase 4: Fieldwork (Responsibility of the Auditor)

- Step 9. The Auditor conducts and completes its fieldwork.

Phase 5: Exit Interview (Responsibility of the Auditor)

- Step 10. Following completion of fieldwork, the Auditor conducts an Exit Interview with the Accountable Entity or Covered Provider to discuss its preliminary audit findings. At the Exit Interview, the Auditor provides the Accountable Entity or Covered Provider an opportunity to correct and clarify any misunderstandings that may have arisen during fieldwork and requests formal written comments for inclusion into the Draft Audit Report. This process gives the Accountable Entity, Covered Provider, and other relevant entities an opportunity to disagree with draft audit findings and to provide further information or documentation to support their objection(s).

Phase 6: Draft Audit Report (Responsibility of the Auditor)

- Step 11. The Auditor writes up its Draft Audit Report, includes any of the formal written comments collected during the Exit Interview from the Accountable Entity or Covered Provider, adds any of their own final comments to the Accountable Entity's or Covered Provider's comments, and submits the Draft Audit Report to the Accountable Entity within **45 calendar days** after the acceptance of the Planning Document by MCA-Morocco, the Covered Provider, or recipient organization (as relevant to each audit).

In the event that MCC has rejected the Draft Audit Report during Step 14, below, the Auditor revises its Draft Audit Report according to any comments or corrections required by MCC and resubmits the revised Draft Audit Report to the Accountable Entity.

Phase 7: Exit Conference (Responsibility of the Auditor)

- Step 12. Following submission of the Draft Audit Report to the Accountable Entity, the Auditor conducts an Exit Conference to discuss the Draft Audit Report with the Accountable Entity or Covered Provider, and provides a copy of the meeting minutes to the Accountable Entity.

⁹ With invitations sent to MCC representatives per the audit contract.

The Accountable Entity reviews and accepts the meeting minutes of the Exit Conference, and provides MCC with a copy for information.

- Step 13. The Accountable Entity pays the Auditor for the Exit Conference and submits the Draft Audit Report to MCC.

Phase 8: MCC Review and No Objection of the Draft Audit Report

- Step 14. Within 21 calendar days of receipt of the Draft Audit Report, MCC reviews and provides No Objection to the Draft Audit Report unless there are deficiencies which would prevent the Accountable Entity or Covered Provider from satisfying Grant requirements to present an audit in form or substance satisfactory to MCC. MCC's No Objection standards will be based on the quality, consistency, completeness, and compliance with the Audit Guidelines and applicable professional reporting standards.
- (a) In the event that the Draft Audit Report is incomplete, unacceptable, or not in form and substance satisfactory to MCC, MCC will return revisions and/or questions on the Draft Audit Report to the Auditor with a copy to the Accountable Entity representative named in the audit contract. The process returns to Step 11.
- (b) If the report is in form and substance satisfactory to MCC, MCC will provide No Objection to the Draft Audit Report and will authorize the Accountable Entity to accept it and to make payment according to the terms and conditions of the audit contract.

- Step 15. The Accountable Entity accepts the deliverable, and pays the Auditor for the Draft Audit Report.

Phase 9: Final Audit Report (Responsibility of the Auditor)

- Step 16. Once all necessary revisions to the Draft Audit Report are completed, the Auditor signs the report and submits it to the Accountable Entity as the Final Audit Report. The Accountable Entity then transmits the Final Audit Report to MCC for No Objection.
- Step 17. Within 14 calendar days of receiving the Final Audit Report, MCC will review and send its No Objection and the Final Audit Report to the Accountable Entity CEO with a transmittal letter with comments, instructions, and whatever actions are required by the Accountable Entity or Covered Provider to correct any (i) significant deficiencies or material weaknesses in internal control, (ii) material instances of noncompliance, or (iii) to refund MCC for any ineligible or unsupported costs questioned in the report.

In providing its No Objection on the Final Audit Report, MCC will authorize the Accountable Entity to accept the report and to make payment according to the terms and conditions of the audit contract.

- Step 18. The Accountable Entity accepts the deliverable, and pays the Auditor for the Final Audit Report.
- Step 19. Upon receiving the Final Audit Report from MCC, the Accountable Entity CEO and CFO (who may seek assistance from MCC Program Financial Services, as necessary) shall prepare a Corrective Action Plan, if necessary, and submit it along with a copy of the Final Audit Report to the Accountable Entity Board of Directors.

Within 30 calendar days after receiving No Objection on the Final Audit Report from MCC, the Accountable Entity CEO shall submit a draft Corrective Action Plan to MCC. Accountable Entities shall use their best efforts to ensure that Covered Providers take, where necessary, appropriate and timely corrective actions in response to audits.

Phase 10: OIG Desk Review of Final Audit Reports

- Step 20. MCC will transmit all Final Audit Reports to the OIG, and OIG shall perform a desk review of the Final Audit Report.

MCC and the MCC Inspector General are responsible for ensuring that the work performed under this statement of work complies with U.S. *Government Auditing Standards* and the *Audit Guidelines*. To accomplish this objective, MCC and/or the OIG will perform desk reviews on every draft audit report, and may review audit documentation files prior to approving draft audit reports or perform quality control reviews of the audit documentation files after the audit has been completed.

At all times, MCC reserves the right to suspend Grant disbursements if the Government, MCA-Morocco, a Covered Provider, or recipient organization under an MCC-funded grant, contract, or implementing agreement does not remain in compliance with the audit requirements of each Grant agreement. In addition, continued disbursements of Grant funding is conditional upon the Auditor, Government, MCA-Morocco, Covered Provider, or recipient organization under an MCC-funded grant, contract, or implementing agreement addressing any issues that may come up from MCC or OIG desk reviews.

For MCC and/or the OIG's review of audit documentation files, the Auditors must ensure that all audit records related to the audited agreements are available to enable MCC and/or OIG auditors to accomplish and support their review. To this end, the MCC and OIG auditors must have access to all pertinent audit documentation files and records of the MCA-Morocco, Covered Provider, and recipient organization and be authorized to make excerpts, photocopies, and transcripts as deemed necessary by MCC and/or the OIG.

If MCC and/or the OIG do not accept the report because of deficiencies in the work, the Auditor must perform any additional audit work requested at no additional cost to MCC, MCA-Morocco, or the U.S. Government.

VIII. RELATIONSHIPS AND RESPONSIBILITIES

The Auditor will work in coordination with the Finance Director of MCA-Morocco. The liaisons for information and assistance from MCC will be MCC's Chief Risk Officer and/or MCC's Director of Program Financial Services.

OIG and MCC representatives may meet with the Auditor at the beginning of the audit to explain any financial/compliance areas of concern contained in the statement of work that they want emphasized and provide any advice concerning the performance of the audit, or at any time thereafter. The MCC Director of Program Financial Services or his/her designee shall provide the following information to the Auditors for the entrance conference:

1. A list of all disbursements made by the MCC to the recipient organization under the 609(g) Agreement and Compact, as applicable; and
2. The total value of third party payments made by MCC on behalf of the recipient organization.

MCC may also provide written comments on the Draft Audit Report concerning the facts and conclusions contained in the report in order to obtain the best possible end product. The OIG and MCC representatives may also attend the exit conference for the same purpose.

The Auditor must properly maintain and store the audit documentation files for a period of five (5) years from the completion of the audit. During this five-year period, the Auditor must immediately provide the audit documentation files when requested by MCC. Auditors that are nonresponsive or do not provide timely responses to questions raised by the MCC representatives shall be temporarily or permanently excluded from performing additional audits of MCC-funded programs.

IX. AUDITOR'S QUALIFICATIONS

The staffing requirements to carry out the responsibilities, duties and tasks of the Auditor will be determined by the Auditor. The Auditor shall maintain an organization chart of the team structure together with a description of the Composition of Team and Task Assignments. The eventual total size of the team will depend on the number and size of audited transactions and other activities. However, the Auditor is required to make an estimate based on the total value of the Auditor's level of effort. The Auditor is required to identify a minimum of three (3) Key Professional Personnel – the Audit Manager/Team Leader and two (2) other auditors. These three positions will be evaluated as Key Professional Personnel.

The Auditor must provide a team of experts with qualifications and experience needed to perform the role and obligations specified in this Statement of Work. Key Personnel are expected to directly conduct the work of the audit although the Auditor may also complete their team with support personnel. The Key and Additional Personnel shall have as a minimum the experience and qualifications listed below:

1. Audit Manager / Team Leader (key Professional personnel)

- (i) Qualified accountant, holding current membership of an internationally-recognized accounting institution, such as current credentials as a Certified Public Accountant, Chartered Accountant, Chartered Certified Accountant, or equivalent;
- (ii) Familiarity with the U.S. Government Auditing Standards;
- (iii) Minimum of twelve (12) years practical experience, with at least five (5) years in a senior position;
- (iv) Experience in auditing large (multimillion dollars) projects;
- (v) Excellent oral and written English and French language skills.

2. Senior Auditors (Quantity 2) (key Professional personnel)

- (i) Graduates of a university in the fields of finance, accounting, or auditing;
- (ii) Familiarity with U.S. Government Auditing Standards;
- (iii) Minimum of eight (8) years practical financial audit experience; and
- (iv) Excellent oral and written English and French language skills.

3. Audit Assistants (Additional Professional Personnel)

- a. graduates of a university in the fields of finance, accounting, or auditing;
- b. minimum of three (3) years practical financial audit experience;
- c. excellent oral and written English and French language skills.

X. TERMS OF PERFORMANCE

Base Period Audit: The Base Period audit from May 5, 2015 until September 30, 2018 must begin as soon as practicable after the Effective Date of the Contract, and from the Effective Date, the Auditor must submit to MCA-Morocco:

- (a) a complete audit Planning Document, written in English, within **21 calendar days** after the commencement of services;
- (b) an indexed Draft Audit Report, written in English, within **45 calendar days** after the acceptance of the Planning Document by MCA-Morocco, the Covered Provider, or recipient organization (as relevant to each audit); and
- (c) a Final Audit Report, written in English, that incorporates all necessary revisions to the Draft Audit Report within **15 calendar days** after acceptance of the Draft Audit Report by MCA-Morocco, the Covered Provider, or recipient organization (as relevant to each audit).

Option Period Audits: Each subsequent Option Period audit will require that the Auditor submits to MCA-Morocco, the Covered Provider, or recipient organization (as relevant to each audit):

- (a) a complete audit Planning Document, written in English, within **21 calendar days** after payment by MCA-Morocco, the Covered Provider, or recipient organization (as relevant to each audit) of the previous audit period's Final Audit Report;

- (b) an indexed Draft Audit Report, written in English, within **45 calendar days** after the acceptance of the Planning Document by MCA-Morocco, the Covered Provider, or recipient organization (as relevant to each audit); and
- (c) a Final Audit Report, written in English, that incorporates all necessary revisions to the Draft Audit Report within **15 calendar days** after acceptance of the Draft Audit Report by MCA-Morocco, the Covered Provider, or recipient organization (as relevant to each audit).

It is the responsibility of MCA-Morocco, the Covered Provider, or recipient organization (as relevant to each audit) to ensure that all records are available, all accounting entries and adjustments are made, and all other necessary steps are taken to make it possible for the Auditors to perform all the work necessary to be conduct the assignment.

In order for the Auditors to meet this Compact requirement, MCA-Morocco, the Covered Provider, or recipient organization (as relevant to each audit) will need to close its books and have its fund accountability statement ready for audit within 14 calendar days after the audit cutoff period. Further, in order to perform all the work necessary to conduct the assignment, the Auditors may need to have conducted interim testing well before the audit cutoff date and begin final testing while MCA-Morocco, the Covered Provider, or recipient organization (as relevant to each audit) is still in the process of closing its accounting records. MCA-Morocco, the Covered Provider, or recipient organization (as relevant to each audit) need to provide sufficient space in its offices for the Auditors to conduct their audit during the course of the assignment.

Availability of Records: MCA-Morocco will make financial records and documentary evidence available up to 120 days after completion of the Compact.

Timeframe for final Closeout Audit activities: Due to the fact that the Compact end date and the last day of the close-out audit period are the same, and that the Fiscal Agent is on contract until 120 days after the Compact completion, time management of the closeout audit process will be very important to ensure successful completion.

XI. AUDIT DELIVERABLES AND MINUTES OF DISCUSSION

Deliverables which must be submitted or copied to MCC at mccaudits@mcc.gov:

1. **Audit Planning Document.** This deliverable shall include a detailed Audit Program with clearly established milestones for completing the audit.
2. **Formal meeting minutes from the Entrance Conference.**
3. **Formal meeting minutes from the Exit Conference.**
4. **Draft Audit Report.** This deliverable shall include an indexed draft audit report that includes the Auditor's opinion on the financial statements, the Auditor's report on internal controls, and the Auditor's report on compliance with the terms and conditions of the Compact and related Agreements and laws and regulations applicable to MCA-Morocco.
5. **Final Audit Report.** This deliverable shall include the final Auditor's opinion and reports noted above.

XII. COMMUNICATIONS TO MCC

All communications and audit deliverables related to the MCA-Morocco audit program must be transmitted to MCA-Morocco and then by the MCA-Morocco Finance Director to his/her MCC Program Financial Services counterpart and to the following, additional individuals and mailboxes at MCC:

Name		Email Address
General Mailbox		mccaudits@mcc.gov
Alice Miller	Chief Risk Officer	milleram@mcc.gov
Jude Koval	Director of Internal Controls and Compliance	kovaljg@mcc.gov

XIII. TYPE OF CONTRACT

This contract is considered a fixed price contract.

XIV. TERMS OF PAYMENT

Separately for each audit cycle (i.e., for the Base Period, Option Period, or On-Call Audit) payment will be provided in five equal amounts for each audit cycle. The standard for payments to Auditors will be No Objection of deliverables by MCC and/or acceptance by MCA-Morocco according to the table below and detailed steps in Annex C.

Deliverable		Discussion	Payment Conditions		Payment amount of the fixed price amount for the current period
1	Planning Document		No Objection of Planning Document by MCC	+ Acceptance by the Accountable Entity	20%
2		Entrance Conference	Acceptance of Meeting Minutes by the Accountable Entity		20%
3		Exit Conference	Acceptance of Meeting Minutes by the Accountable Entity		20%
4	Draft Audit Report		No Objection of Draft Audit Report by MCC	+ Acceptance by the Accountable Entity	20%
5	Final Audit Report		No Objection of Final Audit Report by MCC	+ Acceptance by the Accountable Entity	20%

The payment schedule for each period will be as follows:

1. Twenty percent (20%) of the fixed price amount for the current period (either Base Period, Option Period, or On-Call Audit) paid upon successful completion by the Auditor of **Deliverable No. 1**, titled audit **“Planning Document,”** No Objection by MCC, and acceptance by MCA-Morocco;

2. Twenty percent (20%) of the fixed price amount for the current period (either Base Period, Option Period, or On-Call Audit) paid upon completion of the formal **Entrance Conference**, and acceptance of the formal meeting minutes by MCA-Morocco;
3. Twenty percent (20%) of the fixed price amount for the current period (either Base Period, Option Period, or On-Call Audit) paid upon completion of the **Exit Conference**, and acceptance of the formal meeting minutes by MCA-Morocco;
4. Twenty percent (20%) of the fixed price amount for the current period (either Base Period, Option Period, or On-Call Audit) paid upon successful completion by the Auditor of **Deliverable No. 2**, titled “**Draft Audit Report**,” No Objection by MCC, and acceptance by MCA-Morocco; and
5. Twenty percent (20%) of the fixed price amount for the current period (either Base Period or Option Period) paid upon successful completion by the Auditor of **Deliverable No. 3**, titled “**Final Audit Report**,” No Objection by MCC, and acceptance by MCA-Morocco.

For the purposes of determining the remuneration due for On-Call Audit Services (“Covered Provider Audits” and “Compliance Audits” as described in Annex A), the total cost of each On-Call Audit Service will be proposed by the Auditor using the unit rates provided in Annexes E and F. MCA-Morocco reserves the right to conduct a price-reasonableness analysis of each proposal under the On-Call Audit Services. MCA-Morocco also reserves the right to re-compete these On-Call Audit Services any time, at its sole discretion, regardless of the performance of the Auditor.

XV. PAYMENT CONDITIONS

1. Payment shall be made no later than thirty (30) days following submission by the Auditor of invoices in duplicate to the party designated in the contract.
2. For Deliverables No. 1, 2, and 3, no payments shall be made without No Objection by MCC. For the Entrance and Exit Conferences, no payments shall be made without MCC acknowledging receipt of the corresponding formal meeting minutes.
3. Any payments not made by MCA-Morocco before the Compact Closure Date will be made by MCC (via a payment mechanism to be set directly between the Auditor and MCC).

XVI. ADDITIONAL ON-CALL AUDIT SERVICES

The contract will also include On-Call Audit Services for two types of additional audits which may be conducted by the Selected Auditor.

These Services are:

- a. On-Call Financial Audit of MCC Resources Managed by Covered Providers (“Covered Provider Audits”)

b. On-Call Compliance Audit of MCA-Morocco Grantees or Service Providers (“Compliance Audits”)

While MCA-Morocco is the direct recipient of MCC funds, MCA-Morocco may enter into contracts or agreements for goods/service with other entities—either host country or foreign entities. Such entities may qualify as Covered Providers and be subject to audits under the same terms and conditions proscribed by the MCC Audit Guidelines.

Compliance Audits are program-specific audits of a whether a grantee or service provider (or

group of grantees or service providers) engaged by MCA-Morocco complied with the terms of their agreement(s) with MCA-Morocco. On-Call Compliance Audits require the Auditors to express an opinion, at the level specified by the On-Call audit requirement, on whether the audited entity complied in all material respects with the applicable compliance requirements in their agreement(s) with MCA-Morocco, and report appropriately. In forming an opinion, the auditor should evaluate likely questioned costs, not just known questioned costs, as well as other material noncompliance that, by its nature, may not result in questioned costs.

Given this uncertainty, this lump-sum fixed price contract will not initially include a price for either Covered Provider Audits or Compliance Audits. Instead, weekly prices proposed for each On-Call Audit service will be based on the monthly rates used to determine the financial proposal and corresponding price of the contract presented in FIN-4.

PART 2:
CONDITIONS OF CONTRACT AND
CONTRACT

CONTRACT AGREEMENT

This CONTRACT AGREEMENT (this “Contract”) made as of the [day] of [month], [year], between [full legal name of the MCA Entity] (the “MCA Entity”), on the one part, and [full legal name of Consultant] (the “Consultant”), on the other part.

[Note: If the Consultant consists of more than one entity, the following should be used]

This CONTRACT AGREEMENT (this “Contract”) made as of the [day] of [month], [year], between [full legal name of the MCA Entity] (the “MCA Entity”), on the one part, and [full legal name of lead Consultant] (the “Consultant”) in [joint venture / consortium / association] with [list names of each joint venture entity], on the other part, each of which will be jointly and severally liable to the MCA Entity for all of the Consultant’s obligations under this Contract and is deemed to be included in any reference to the term “Consultant.”

RECITALS

WHEREAS,

- (a) The United States of America, acting through the Millennium Challenge Corporation (“MCC”) and the Government of the Kingdom of Morocco (the “**Government**” or “**GoM**”) have entered into (1) a Grant and Implementation Agreement by and between MCC and the Government of the Kingdom of Morocco Acting through the Ministry of Economy and Finance for the Development of a Millennium Challenge Compact in the amount up to Four Million Eight Hundred Thousand United States Dollars (US \$4,800,000) in MCC funding (“**609(g) Funds**”); and (2) a Millennium Challenge Compact to help facilitate poverty reduction through economic growth in Morocco (the “**Compact**”) in the amount up to Four Hundred Fifty Million United States Dollars (US\$ 450,000,000) in MCC funding (“**MCC Funding**”). In addition, pursuant to the terms of the Compact, the Government committed to provide funding as a Government LMIC Contribution to support implementation of the Compact in an amount equal to no less than Sixty-Seven Million Five Hundred Thousand United States Dollars (US\$ 67,500,000) (the “**Government Contribution**”).
- (b) The MCA Entity has requested the Consultant to provide certain consulting Services as described in Annex A to this Contract; and
- (c) The Consultant, having represented to the MCA Entity that it has the required professional skills, and Personnel and technical resources, has agreed to provide such Services on the terms and conditions set forth in this Contract.

NOW THEREFORE, the Parties to this Contract agree as follows:

1. In consideration of the payments to be made by the MCA Entity to the Consultant as set forth in this Contract, the Consultant hereby covenants with the MCA Entity to perform

the Services in conformity in all respects with the provisions of this Contract.

2. Subject to the terms of this Contract, the MCA Entity hereby covenants to pay the Consultant, in consideration of the performance of the Services, the Contract Price (as defined below) or such other sum as may become payable pursuant to the provisions of this Contract at the times and in the manner prescribed by this Contract.

IN WITNESS whereof the Parties hereto have caused this Contract to be executed in accordance with the laws of Morocco as of the day, month and year first indicated above.

For **MCA-Morocco:**

For **[full legal name of the Consultant]:**

Signature

Signature

Abdelghani Lakhdar

Name

Director General

Witnessed By:

Witnessed By:

For and on behalf of each of the Members of the Consultant

[Name of Member]

[Authorized Representative]

[Name of Member]

[Authorized Representative]

GENERAL CONDITIONS OF CONTRACT

1. Definitions 1.1 Capitalized terms used in this Contract and not otherwise defined have the meanings given such terms in the Compact or related document. Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:
- (a) “Applicable Law” has the meaning given the term **in the SCC**.
 - (b) “Associate” means any entity that is a member of the Association that forms the Consultant. A Sub-Consultant is not an Associate.
 - (c) “Association” or “association” means an association of entities that forms the Consultant.
 - (d) “Compact” has the meaning given the term in the recital clauses to the Contract Agreement.
 - (e) “Consultant” has the meaning given the term in the initial paragraph of the Contract Agreement.
 - (f) “Contract” means this agreement entered into between the MCA Entity and the Consultant, to provide the Services, and consists of the Contract Agreement, these GCC, the SCC, and the Annexes (each of which forms an integral part of this agreement), as the same may be amended, modified, or supplemented from time to time in accordance with the terms of this agreement.
 - (g) “Contract Price” means the price to be paid for the performance of the Services, in accordance with GCC Sub-Clause 17.1.
 - (h) “Effective Date” has the meaning given the term in GCC Clause 16.2.
 - (i) “Force Majeure” has the meaning given the term in GCC Clause 22.1.
 - (j) “GCC” means these General Conditions of Contract.
 - (k) “Government” has the meaning given the term in the recital clauses to the Contract Agreement.
 - (l) “Government Contribution” means the funding the Government has made available to the MCA Entity pursuant to the terms of the Compact and Program Implementation Agreement.
 - (m) “Key Professional Personnel” means the Personnel listed in Annex D to this Contract.

- (n) “Local Currency” has the meaning given the term **in the SCC**.
- (o) “MCA Country” has the meaning given the term **in the SCC**.
- (p) “MCA Entity” has the meaning given the term in the initial paragraph of the Contract Agreement.
- (q) “MCC” has the meaning given the term in the recital clauses to this Contract.
- (r) “Member” means any of the entities that make up a joint venture or other association; and “Members” means all these entities.
- (s) “Party” means the MCA Entity or the Consultant, as the case may be, and “Parties” means both of them.
- (t) “Personnel” means persons hired by the Consultant or by any Sub-Consultants and assigned to perform the Services or any part thereof.
- (u) “SCC” means the Special Conditions of Contract by which the GCC may be amended or supplemented.
- (v) “Services” means the activities to be performed by the Consultant pursuant to this Contract, as described in Annex A to this Contract.
- (w) “Sub-Consultant” means any person or entity to whom/which the Consultant subcontracts any part of the Services.
- (x) “Tax” and “Taxes” have the meanings given the terms in the Compact or related agreement.
- (y) “Trafficking in Persons” has the meaning given at GCC Clause 25.
- (z) “US Dollars” means the currency of the United States of America.

2. Interpretation

2.1 In interpreting this Contract, unless otherwise indicated:

- (i) “confirmation” means confirmation in writing;
- (ii) “in writing” means communicated in written form (e.g., by mail, e-mail, or facsimile) delivered with proof of receipt;
- (iii) except where the context requires otherwise, words indicating the singular also include the plural and words indicating the plural also include the singular;
- (iv) the feminine means the masculine and vice versa; and
- (v) the headings are for reference only and shall not limit, alter or affect the meaning of this Contract.

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| 3. Language and Law | 3.1 This Contract has been executed in language(s) specified in the SCC . If the Contract is executed in both English and a specified local language, the English language version shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract. |
| | 3.2 This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law. |
| 4. Communications | 4.1 Any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Subject to Applicable Law, any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when delivered to such Party at the address specified in the SCC , or sent by confirmed facsimile or confirmed email, in either case if sent during normal business hours of the recipient Party. |
| | 4.2 A Party may change its name or address for receiving notice under this Contract by giving the other Party notice in writing of such change to the address specified in SCC 4.1 . |
| 5. Subcontracting | 5.1 If the Consultant intends to subcontract for a major item of its contracted consulting services (deemed major if valued in excess of \$100,000 USD) it shall seek the MCA Entity's prior written approval of the subcontractor. Subcontracting shall not alter the Consultant's obligations under this Contract. |
| 6. Relationship Between the Parties | 6.1 Nothing contained in this Contract shall be construed as establishing a relationship of master and servant or of principal and agent as between the MCA Entity and the Consultant. The Consultant, subject to this Contract, has complete charge of Personnel and Sub-Consultants, if any, performing the Services and shall be fully responsible for the Services performed by them or on their behalf in connection with this Contract. |
| 7. Location | 7.1 The Services shall be performed at such locations as are specified in Annex A to this Contract and, where the location of a particular task is not so specified, at such locations, whether in the MCA Country or elsewhere, as the MCA Entity may approve. |
| 8. Authority of Member in Charge | 8.1 In case the Consultant consists of a joint venture or other association of more than one entity, the Members hereby |

authorize the entity **specified in the SCC** to act on their behalf in exercising all the Consultant's rights and obligations toward the MCA Entity under this Contract, including without limitation the receiving of instructions and payments from the MCA Entity.

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| 9. Authorized Representatives | 9.1 Any action required or permitted to be taken, and any document required or permitted to be executed under this Contract by the MCA Entity or the Consultant may be taken or executed by the officials specified in the SCC . |
| 10. Description and Approval of Personnel; Adjustments; Approval of Additional Work | <p>10.1 The title, agreed job description, minimum qualification and estimated period of engagement in the carrying out of the Services of each of the Consultant's Key Professional Personnel are described in Annex D. The Key Professional Personnel and Sub-Consultants listed by title as well as by name in Annex D are hereby approved by the MCA Entity.</p> <p>10.2 GCC Sub-Clause 38.1 shall apply in respect of other Personnel and Sub-Consultants which the Consultant proposes to use in the carrying out of the Services, and the Consultant shall submit to the MCA Entity for review and approval a copy of their Curricula Vitae (CVs).</p> <p>10.3 Adjustments with respect to the estimated periods of engagement of Key Professional Personnel set forth in Annex D may be made by the Consultant without the prior approval of the MCA Entity only if (a) such adjustments shall not alter the originally estimated period of engagement of any individual by more than ten percent (10%) or one week, whichever is larger and (b) the aggregate of such adjustments shall not cause payments under this Contract to exceed the Contract Price. If so indicated in the SCC, the Consultant shall provide written notice to the MCA Entity of any such adjustments. Any other adjustments shall only be made with the MCA Entity's prior written approval.</p> <p>10.4 If additional work is required beyond the scope of the Services specified in Annex A, the estimated periods of engagement of Key Professional Personnel set forth in Annex D may be increased by agreement in writing between the MCA Entity and the Consultant. In a case in which such additional work would result in payments under this Contract exceeding the Contract Price, such additional work and payments will be explicitly described in the agreement and shall be subject in all respects to the provisions of GCC Sub-Clauses 16.4, 16.5 and 17.4.</p> |

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| Resident Project Manager | 10.5 | If required by the SCC , the Consultant shall ensure that at all times during the Consultant's performance of the Services in the MCA Country a resident project manager, acceptable to the MCA Entity, shall take charge of the performance of such Services. |
| 11. Working Hours, Overtime, Leave, etc. | 11.1 | The Consultant shall provide all personnel with documented information that is clear and understandable, regarding their rights under national labor and employment law and any applicable collective agreements, including their rights related to hours of work, wages, overtime, compensation, and benefits upon beginning the working relationship and when any material changes occur. |
| | 11.2 | Working hours and holidays for Key Professional Personnel are set forth in Annex D. To account for travel time, foreign Personnel carrying out Services inside the MCA Country shall be deemed to have commenced, or finished work in respect of the Services such number of days before their arrival in, or after their departure from the MCA Country as is specified in Annex D. |
| | 11.3 | The Consultant and Personnel shall not be entitled to reimbursement for overtime nor to take paid sick leave or vacation leave except as specified in Annex D, and except as specified in Annex D, the Consultant's remuneration shall be deemed to cover these items. All leave to be allowed to the Personnel is included in the staff-months of service set forth in Annex D. Any taking of leave by Personnel shall be subject to the prior approval by the Consultant who shall ensure that absence for leave purposes will not delay the progress and adequate supervision of the Services. |
| Engagement of Staff and Labor | 11.4 | The Consultant shall adopt and implement human resources policies and procedures appropriate to its size and workforce that set out its approach to managing the Personnel. At a minimum, the Consultant shall provide all Personnel with documented information that is clear and understandable regarding their rights under all the Applicable Laws regarding labor and any applicable collective agreements, including their rights related to their employment, health, safety, welfare, immigration and emigration upon beginning the working relationship and when any material changes occur. |
| | 11.5 | The Consultant shall ensure that the employment terms and conditions of migrant workers are not influenced by their migrant status. |

- 11.6 The Consultant shall be responsible for monitoring compliance of Sub-consultants to the labor and working conditions outlined in the IFC Performance Standards in force from time to time.
- Facilities for Staff and Labor
- 11.7 Where accommodation or welfare facilities are provided to Personnel, the Consultant shall put in place and implement policies on the quality and management of such accommodation and the provision of such welfare facilities (including as regards minimum space, supply of water, adequate sewage and garbage disposal systems, appropriate protection against heat, cold, damp, noise, fire and disease carrying animals, adequate sanitary and washing facilities, ventilation, cooking and storage facilities and natural and artificial lighting, and all reasonable precautions to maintain the health and safety of the Personnel). The accommodation and welfare facilities shall be provided in a manner consistent with the principles of non-discrimination and equal opportunity. Accommodation arrangements shall not restrict freedom of movement or of association, save that separate facilities should be provided for men and women. Additional summary guidance may be found here: <https://www.mcc.gov/resources/doc/guidance-accommodation-welfare-staff-and-labor>
- 11.8 When submitting their ESMP, the Contractor shall include their proposed specifications related to any facilities that will be provided for staff and labor. The proposed facilities must comply with requirements of PS-2 and be approved by the Engineer. For further guidance on standards for workers' accommodation see: "Workers' accommodation: processes and standards, A guidance note by IFC and the EBRD" in particular its Part II:, Subsection I. Standards for workers' accommodation, available at: https://www.ifc.org/wps/wcm/connect/9839db00488557d1bdfcff6a6515bb18/workers_accomodation.pdf?MOD=AJPERES&CACHEID=9839db00488557d1bdfcff6a6515bb18
12. Removal and/or Replacement of Personnel
- 12.1 Except as the MCA Entity may otherwise agree, no changes shall be made in the Key Professional Personnel. If, for any reason beyond the reasonable control of the Consultant, such as retirement, death, medical incapacity, among others, it becomes necessary to replace any of the Key Professional Personnel, the Consultant shall, subject to GCC Sub-Clause 38.1(a), provide as a replacement a person of equivalent or better qualifications.

- 12.2 If the MCA Entity (a) finds that any of the Personnel has committed serious misconduct or has been charged with having committed a criminal action, or (b) has reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Consultant shall, at the MCA Entity's written request specifying the grounds therefore and subject to GCC Sub-Clause 38.1(a), provide as a replacement a person with qualifications and experience acceptable to the MCA Entity.
- 12.3 The Consultant shall have no claim for additional costs arising out of or incidental to any removal and/or replacement of Personnel.
- 12.4 The Consultant shall provide a grievance mechanism for personnel to raise workplace concerns. The Consultant shall inform the workers of the grievance mechanism at the time of recruitment and make it easily accessible to them. The mechanism should involve an appropriate level of management and address concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned, without any retribution. The mechanism should also allow for anonymous complaints to be raised and addressed. The mechanism should not impede access to other judicial or administrative remedies that might be available under the law or through existing arbitration procedures, or substitute for grievance mechanisms provided through collective agreements.

13. Settlement of Disputes

Amicable Settlement

- 13.1 The Parties agree that the avoidance or early resolution of disputes is crucial for a smooth execution of this Contract and the success of the assignment. The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation.

Dispute Resolution

- 13.2 Any dispute between the Parties as to matters arising pursuant to this Contract that cannot be settled amicably within thirty (30) days after the receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for settlement in accordance with the provisions **specified in the SCC**.

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| 14. Commissions and Fees | 14.1 The Consultant shall disclose any commissions or fees that may have been paid or are to be paid to agents, representatives, or commission agents with respect to the selection process or execution and performance of this Contract. The information disclosed must include at least the name and address of the agent, representative, or commission agent, the amount and currency, and the purpose of the commission or fee. |
| 15. Entire Agreement | 15.1 This Contract contains all of the covenants, stipulations and provisions agreed to by the Parties. No agent or representative of either Party has the authority to make, and the Parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth in this Contract. |
| 16. Commencement, Completion and Modification of Contract | |
| Contract Entry into Force | 16.1 This Contract shall come into full force, and be legally binding on the Parties in all respects, on the date this Contract is signed by the Parties or such other date as may be stated in the SCC . |
| Effective Date and Commencement of Services | 16.2 The Consultant shall commence the Services on the date specified in the SCC , which shall be defined as the "Effective Date." |
| Expiration of Contract | 16.3 Unless terminated earlier pursuant to GCC Clause 20, this Contract shall expire at the end of such time period after the Effective Date as specified in the SCC . |
| Modifications or Variations | 16.4 Any modification or variation of the terms and conditions of this Contract, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties. Pursuant to GCC Sub-Clause 50.1, however, each Party shall give due consideration to any proposals for modification or variation made by the other Party. |
| Substantial Modification | 16.5 In cases of any of the below, the prior written consent of MCC is required: <ul style="list-style-type: none">(a) the Contract value of a Contract that did not require approval under an MCC policy is raised to a value that would require approval(b) the original Contract duration is extended by 25% or more, or |

- (c) the original value of the Contract is increased by ten percent (10%) or 1 million US Dollars or more (whichever may apply); once the 10% Contract (or 1 million US Dollars) threshold for modifications or change orders has been reached for a Contract, any subsequent Contract modification or change order that individually or collectively exceed 3% of the original Contract value will also require MCC approval.

17. Payments to the Consultant

Contract Price

- 17.1 Except as provided in GCC Sub-Clause 17.5, the total payment due to the Consultant shall not exceed the Contract Price **set forth in the SCC** (as may be adjusted in accordance with the terms of the SCC). The Contract Price is an all-inclusive fixed-price covering all costs required to provide the Services in accordance with the terms of this Contract. The Contract Price may only be increased above the amounts **stated in the SCC** (including, without limitation, pursuant to the terms of GCC Sub-Clauses 10.4, 46.2 and 48.2) if the Parties have agreed to additional payments in accordance with GCC Sub-Clauses 16.4, 16.5 and 17.4.

Currency of Payment

- 17.2 Payments shall be made in US Dollars, or the Local Currency, or, if justified for sound business reasons and approved by the MCA Entity, a combination of the two currencies.

Terms, Conditions and Mode of Billing and Payment

- 17.3 Payments will be made to the account of the Consultant and according to the payment schedule **stated in SCC 17.1** and against an invoice. Any other payment shall be made after the conditions **listed in the SCC** for such payment have been met, and the Consultant has submitted an invoice to the MCA Entity specifying the amount. In all cases, invoices shall be delivered to the MCA Entity no later than thirty (30) days prior to the requested payment date and will not be deemed delivered until they are in form and substance satisfactory to the MCA Entity. Payments will be made to the Consultant within thirty (30) days of the date of receipt by the MCA Entity of a valid and proper invoice or the date of the MCA Entity's acceptance of required deliverables (e.g., the delivery of reports), whichever is later. The Consultant shall comply with any other instructions related to payment as may be reasonably requested by the MCA Entity.

Payment for Additional Services

- 17.4 For the purposes of determining the remuneration due for

additional Services as may be granted under GCC Sub-Clause 16.4, a breakdown of the Contract Price is provided in Annexes E and F.

Interest on Delayed Payments

- 17.5 If the MCA Entity has delayed payments beyond thirty (30) days after the payment date determined in accordance with GCC Sub-Clause 17.3, interest shall be paid to the Consultant for each day of delay at the rate **stated in the SCC**.

18. Taxes and Duties

- (a) Except as may be exempted pursuant to the Compact or another agreement related to the Compact, available in English at www.mcamorocco.ma, the Consultant, the Sub-Consultants, and their respective Personnel may be subject to certain Taxes on amounts payable by the MCA Entity under this Contract in accordance with Applicable Law (now or hereinafter in effect). The Consultant, each Sub-Consultant and their respective Personnel shall pay all Taxes levied under Applicable Law. In no event shall the MCA Entity be responsible for the payment or reimbursement of any Taxes. In the event that any Taxes are imposed on the Consultant, any Sub-Consultant or their respective Personnel, the Contract Price shall not be adjusted to account for such Taxes.
- (b) The Consultant, the Sub-Consultants and their respective Personnel, and their eligible dependents, shall follow the usual customs procedures of the MCA Country in importing property into the MCA Country.
- (c) If the Consultant, the Sub-Consultants or any of their respective Personnel, or their eligible dependents, do not withdraw, but dispose of any property in the MCA Country upon which customs duties or other Taxes have been exempted, the Consultant, the Sub-Consultants or such Personnel, as the case may be, (i) shall bear such customs duties and other Taxes in conformity with Applicable Law, or (ii) shall reimburse such customs duties and Taxes to the MCA Entity if such customs duties and Taxes were paid by the MCA Entity at the time the property in question was brought into the MCA Country.
- (d) Without prejudice to the rights of the Consultant under this clause, the Consultant, the Sub-Consultants and their respective Personnel will take reasonable steps as requested by the MCA Entity or the Government with respect to the determination of the Tax status described in this GCC Clause 18.

- (e) If the Consultant is required to pay Taxes that are exempt under the Compact or a related agreement, the Consultant shall promptly notify the MCA Entity (or such agent or representative designated by the MCA Entity) of any Taxes paid, and the Consultant shall cooperate with, and take such actions as may be requested by the MCA Entity, MCC, or either of their agents or representatives, in seeking the prompt and proper reimbursement of such Taxes.
- (f) The MCA Entity shall use reasonable efforts to ensure that the Government provides the Consultant, the Sub-Consultants, and their respective Personnel the exemptions from taxation applicable to such persons or entities, in accordance with the terms of the Compact or related agreements. If the MCA Entity fails to comply with its obligations under this paragraph, the Consultant shall have the right to terminate this Contract in accordance with GCC Sub-Clause 20.2(d).

19. Suspension

- 19.1 The MCA Entity may, by giving thirty (30) days' written notice to the Consultant, suspend all payments to the Consultant under this Contract 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 (a) shall specify the nature of the failure, and (b) shall request the Consultant to remedy such failure within a period not exceeding thirty (30) days after receipt by the Consultant of such notice of suspension.

20. Termination

By the MCA Entity

- 20.1 Without prejudice to any other remedies that may be available to it for breach of this Contract, the MCA Entity may, upon written notice to the Consultant, terminate this Contract in case of the occurrence of any of the events specified in sub-paragraphs (a) through (i) of this GCC Sub-Clause 20.1, and in the case of the occurrence of any of the events specified in paragraphs (h) or (i) of this GCC Sub-Clause 20.1, the MCA Entity may suspend this Contract.
 - (a) If the Consultant, in the judgment of the MCA Entity or MCC, fails to perform its obligations relating to the use of funds set out in Annex B. Termination under this provision shall (i) become effective immediately upon delivery of the notice of termination and (ii) require that the Consultant repay any and all funds so misused within a maximum of

thirty (30) days after termination.

- (b) If the Consultant does not remedy a failure in the performance of its obligations under this Contract (other than failure to perform obligations relating to use of funds as set forth in GCC Sub-Clause 20.1(a) of this Contract, which such failure shall not be entitled to a cure period) within thirty (30) days after delivery of the notice of termination or within any further period of time approved in writing by the MCA Entity. Termination under this provision shall become effective immediately upon the expiration of the thirty (30) days (or such further period as may have been approved by the MCA Entity) or on such later date as may be specified by the MCA Entity.
- (c) If the Consultant (or any Member or Sub-Consultant) becomes insolvent or bankrupt, and/or fails to exist or is dissolved. Termination under this provision shall become effective immediately upon delivery of the notice of termination or on such other date as may be specified by the MCA Entity in such notice of termination.
- (d) If the Consultant (or any Member or Sub-Consultant), in the judgment of the MCA Entity has engaged in coercive, collusive, corrupt, prohibited, obstructive or fraudulent practices in competing for or in the performance of this Contract or another MCC funded contract. Termination under this provision shall become effective immediately upon delivery of the notice of termination.
- (e) If, as the result of an event of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days. Termination under this provision shall become effective upon the expiration of thirty (30) days after delivery of the notice of termination or on such later date as may be specified by the MCA Entity.
- (f) If the MCA Entity, in its sole discretion and for any reason whatsoever, decides to terminate this Contract. Termination under this provision shall become effective upon the expiration of thirty (30) days after delivery of the notice of termination or on such later date as may be specified by the MCA Entity.
- (g) If the Consultant fails to comply with any final decision reached as a result of arbitration

proceedings pursuant to GCC Clause 13. Termination under this provision shall become effective upon the expiration of thirty (30) days after delivery of the notice of termination or on such later date as may be specified by the MCA Entity.

- (h) If the Compact expires, is suspended or terminates in whole or in part in accordance with the terms of the Compact. Suspension or termination under this provision shall become effective immediately upon delivery of the notice of suspension or termination, as the case may be, in accordance with the terms of the notice. If this Contract is suspended pursuant to this GCC Sub-Clause 20.1(h), the Consultant has an obligation to mitigate all expenses, damages and losses to the MCA Entity during the period of the suspension.
- (i) If an event has occurred that would be grounds for suspension or termination under Applicable Law. Suspension or termination under this provision shall become effective immediately upon delivery of the notice of suspension or termination, as the case may be, in accordance with the terms of the notice. If this Contract is suspended pursuant to this GCC Sub-Clause 20.1(i), the Consultant has an obligation to mitigate all expenses, damages and losses to the MCA Entity during the period of the suspension.

By the Consultant

20.2 The Consultant may terminate this Contract, upon written notice to the MCA Entity in accordance with the time period specified below, such notice to be given after the occurrence of any of the events specified in paragraphs (a) through (e) of this GCC Sub-Clause 20.2.

- (a) If the MCA Entity fails to pay any money due to the Consultant pursuant to this Contract that is not otherwise subject to dispute pursuant to GCC Clause 13 hereof within forty-five (45) days after receiving written notice from the Consultant that such payment is overdue. Termination under this provision shall become effective upon the expiration of thirty (30) days after delivery of the notice of termination unless the payment that is the subject of such notice of termination is made by the MCA Entity to the Consultant within such thirty (30) days.
- (b) If, as the result of an event of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60)

days. Termination under this provision shall become effective upon the expiration of thirty (30) days after delivery of the notice of termination.

- (c) If the MCA Entity fails to comply with any final decision reached as a result of arbitration pursuant to GCC Clause 13. Termination under this provision shall become effective upon the expiration of thirty (30) days after delivery of the notice of termination.
- (d) If the Consultant does not receive a reimbursement of any Taxes that are exempt under the Compact within one hundred and twenty (120) days after the Consultant gives notice to the MCA Entity that such reimbursement is due and owing to the Consultant. Termination under this provision shall become effective upon the expiration of thirty (30) days after delivery of the notice of termination unless the reimbursement that is the subject of such notice of termination is made to the Consultant within such thirty (30) days.
- (e) If this Contract is suspended in accordance with GCC Sub-Clauses 20.1(h) or (i) for a period of time exceeding three (3) consecutive months; provided that the Consultant has complied with its obligation to mitigate in accordance with GCC Sub-Clauses 20.1(h) or (i) during the period of the suspension. Termination under this provision shall become effective upon the expiration of thirty (30) days after delivery of the notice of termination.

21. Payment Upon Termination

21.1 Upon termination of this Contract pursuant to GCC Sub-Clauses 20.1 or 20.2, the MCA Entity shall make, or cause to be made, the following payments to the Consultant:

- (a) payment pursuant to GCC Clause 17 for Services satisfactorily performed prior to the effective date of termination; and
- (b) except in the case of termination pursuant to paragraphs (a) through (d) and (g) of GCC Sub-Clause 20.1, reimbursement of any reasonable cost (as determined by the MCA Entity or MCC) incidental to the prompt and orderly termination of this Contract; provided, that in the case of suspension of this Contract pursuant to GCC Sub-Clauses 20.1 (h) or (i), the Consultant has complied with its obligation to mitigate in accordance with such clauses.

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| Disputes about Events of Termination | 21.2 | If either Party disputes whether an event specified in paragraphs (a), (b), (c), (e) or (g) of GCC Sub-Clause 20.1 or paragraphs (a) through (d) of GCC Sub-Clause 20.2 has occurred, such Party may, within forty-five (45) days after receipt of notice of termination from the other Party, refer the matter to dispute resolution in accordance with GCC Clause 13, and this Contract shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award. |
| Cessation of Rights and Obligations | 21.3 | Upon termination of this Contract pursuant to GCC Clause 20, or upon expiration of this Contract pursuant to GCC Sub-Clause 16.3, all rights and obligations of the Parties under this Contract shall cease, except (a) such rights and obligations as may have accrued on the date of termination or expiration, (b) the obligation of confidentiality set forth in GCC Clause 33, (c) the Consultant's obligation to permit inspection, copying and auditing of its accounts and records set forth in GCC Clause 37 and Annex B and (d) any right or obligation which a Party may have under the Applicable Law. |
| Cessation of Services | 21.4 | Upon termination of this Contract by notice of either Party to the other pursuant to GCC Sub-Clauses 20.1 or 20.2, the Consultant shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by the Consultant and equipment and materials furnished by the MCA Entity, the Consultant shall proceed as provided, respectively, by GCC Clauses 34 or 41. |

22. Force Majeure

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| Definition | 22.1 | For the purposes of this Contract, "Force Majeure" means an event or condition that (a) is not reasonably foreseeable and is beyond the reasonable control of a Party, and is not the result of any acts, omissions or delays of the Party relying on such event of Force Majeure, (or of any third person over whom such Party has control, including any Sub-Consultant), (b) is not an act, event or condition the risks or consequence of which such Party has expressly agreed to assume under this Contract, (c) could not have been prevented, remedied or cured by such Party's reasonable diligence, and (d) makes such Party's performance of its obligations under this Contract impossible or so impractical as to be considered |
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impossible under the circumstances.

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| No Breach of Contract | 22.2 | The failure of a Party to fulfil any of its obligations under this Contract shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event (a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this Contract, and (b) has informed the other Party as soon as practicable (and in no event later than five (5) days after the occurrence) about the occurrence of an event giving rise to a claim of Force Majeure. |
| Measures to be Taken | 22.3 | Subject to GCC Sub-Clause 22.6, a Party affected by an event of Force Majeure shall continue to perform its obligations under this Contract as far as is reasonably practical, and shall take all reasonable measures to minimize and otherwise mitigate the consequences of any event of Force Majeure. |
| | 22.4 | A Party affected by an event of Force Majeure shall provide evidence of the nature and cause of such event, and shall similarly give written notice of the restoration of normal conditions as soon as possible. |
| | 22.5 | Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure. |
| | 22.6 | During the period of its inability to perform the Services as a result of an event of Force Majeure, the Consultant, upon instructions by the MCA Entity, shall either: <ul style="list-style-type: none">(a) demobilize, in which case the Consultant shall be reimbursed for additional costs it reasonably and necessarily incurred and, if the Consultant is required by the MCA Entity to reactive its performance of the Services at the time of restoration of normal conditions, the additional costs the Consultant reasonably and necessarily incurred as part of such reactivation; or(b) continue with the Services to the extent possible, in which case the Consultant shall continue to be paid under the terms of this Contract and be reimbursed for additional costs reasonably and necessarily incurred. |
| | 22.7 | In the case of disagreement between the Parties as to the |

existence or extent of and event of Force Majeure, the matter shall be settled in accordance with GCC Clause 13.

23. Required Provisions; Flow Through Provisions

- 23.1 For the avoidance of doubt, the Parties agree and understand that the provisions set forth in Annex B reflect certain obligations of the Government and the MCA Entity under the terms of the Compact and related documents that are also required to be transferred onto any Consultant, Sub-Consultant or Associate who partakes in procurements or contracts in which MCC Funding is involved and that, as with other clauses of this Contract, the provisions of Annex B are binding obligations under this Contract.
- 23.2 In any subcontract or sub-award entered into by the Consultant, as permitted by the terms of this Contract, the Consultant shall ensure the inclusion of all the provisions contained in Annex B in any agreement related to such subcontract or sub-award.

24. Fraud and Corruption Requirements

- 24.1 MCC requires that the MCA Entity and any other beneficiaries of MCC Funding, including any bidders, suppliers, contractors, Sub-Consultants and Consultants under any MCC-funded contracts, observe the highest standards of ethics during the procurement and execution of such contracts.

MCC's Policy on Preventing, Detecting and Remediating Fraud and Corruption in MCC Operations ("MCC's AFC Policy") is applicable to all procurements and contracts involving MCC Funding and can be found on the MCC website. MCC's AFC Policy requires that companies and entities receiving MCC funds acknowledge notice of MCC's AFC Policy and certify that they have acceptable commitments and procedures in place to address the potential for fraudulent and corrupt practices.

Any entity receiving an award (including, but not limited to, both contracts and grants) of MCC Funding of over \$500,000 will be required to certify that they will adopt and implement a code of business ethics and conduct within ninety (90) days of Contract award. Such entity will also include the substance of this clause in subcontracts that have a value in excess of \$500,000. Information regarding the establishment of business ethics and conduct programs can be obtained from numerous sources, including but not limited to:

<http://www.oecd.org/corruption/Anti-CorruptionEthicsComplianceHandbook.pdf>;

<http://cctrends.cipe.org/anti-corruption-compliance-guide/>

- (a) For purposes of the Contract, the terms set forth below are defined as follows, and sometimes referred to collectively in this document as “Fraud and Corruption”:
 - (i) “**coercion**” means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of any party, to improperly influence the actions of a party in connection with the implementation of any contract supported, in whole or in part, with MCC funding, including such actions taken in connection with a procurement process or the execution of a contract;
 - (ii) “**collusion**” means a tacit or explicit agreement between two or more parties to engage in a coercive, corrupt, fraudulent, obstructive or prohibited practice, including any such agreement designed to fix, stabilize, or manipulate prices or to otherwise deprive the Accountable Entity of the benefits of free and open competition;
 - (iii) “**corruption**” means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of a public official, Accountable Entity staff, MCC staff, consultants, or employees of other entities engaged in work supported, in whole or in part, with MCC funding, including such work involving taking or reviewing selection decisions, otherwise advancing the selection process or contract execution, or the making of any payment to any third party in connection with or in furtherance of a contract.;
 - (iv) “**fraud**” means any act or omission, including any misrepresentation, that knowingly or recklessly misleads or attempts to mislead a party in order to obtain a financial or other benefit in connection with the implementation of any contract supported, in whole or in part, with MCC funding, including any act or omission designed to influence (or attempt to influence) a selection process or the execution of a contract, or to avoid (or attempt to avoid) an obligation;
 - (v) “**obstruction of investigation into allegations of fraudulent or corrupt practice**” means any act taken in connection with the implementation of any contract supported, in whole or in part, with MCC funding: (a) that results in the deliberate destroying, falsifying, altering or concealing of evidence or making false statement(s) to investigators or any official in order to impede an investigation into allegations of a coercive, collusive, corrupt, fraudulent, or prohibited

practice; or (b) that threatens, harasses, or intimidates any party to prevent him or her from either disclosing his or her knowledge of matters relevant to an investigation or from pursuing the investigation; or (c) that is intended to impede the conduct of an inspection and/or the exercise of audit rights of MCC and/or the Office of the Inspector General (OIG) responsible for MCC provided under a compact, threshold program agreement, or related agreements. “

(vi) “***prohibited practice***” means any action that violates Section E (Compliance with Anti-Corruption, Anti-Money Laundering, Terrorist Financing, and Trafficking in Persons Statutes and Other Restrictions) of the Annex of General Provisions that will be made a part of MCC-funded contracts.

- (b) MCC may cancel any portion or all of the MCC Funding allocated to the Contract if it determines at any time that representatives of the MCA Entity, the Consultant or any other beneficiary of the MCC Funding were engaged in any coercion, collusion, corruption, fraud, obstruction or prohibited practices during the selection process or the performance of the Contract, or another MCC-funded contract, without the MCA Entity, the Consultant or such other beneficiary having taken timely and appropriate action satisfactory to MCC to remedy the situation.
- (c) MCC and the MCA Entity may pursue sanction of the Consultant, including declaring the Consultant ineligible, either indefinitely or for a stated period of time, to be awarded any MCC-funded contract if at any time either MCC or the MCA Entity determines that the contractor has, directly or through an agent, engaged in any coercion, collusion, corruption, fraud, obstruction or prohibited practices in competing for, or in performance of, the Contract or another MCC-funded contract.
- (d) If the MCA Entity or MCC determines that the Consultant, any subcontractor, any of the Consultant’s Personnel, or any agent or affiliate of any of them has, directly or indirectly, engaged in coercion, collusion, corruption, fraud, obstruction or prohibited practices, in competing for or in the performance of the Contract, then the MCA Entity or

MCC may, by notice, immediately terminate the Contract, and the provisions of GCC Sub-Clause 20.1 shall apply.

- (e) Should any of the Consultant's Personnel be determined to have engaged in coercion, collusion, corruption, fraud, obstruction or prohibited practices during the competition for or execution of the Contract, but the MCA Entity or MCC determines not to terminate the Contract in accordance with the immediately preceding sub-paragraph, then the relevant Consultant's Personnel shall be removed in accordance with GCC Clause 12.

25. Combatting Trafficking in Persons

25.1 MCC, along with other United States Government entities, has adopted a zero tolerance policy with regard to Trafficking in Persons ("TIP") through its Counter-Trafficking in Persons Policy.¹⁰ In pursuance of this policy:

- (a) **Defined Terms.** For purposes of the application and interpretation of this Sub-Clause:

- (i) The terms "coercion," "commercial sex act," "debt bondage," "employee," "forced labor," "fraud," "involuntary servitude," and "sex trafficking" have the meanings given such terms in the MCC Counter-Trafficking in Persons Policy ("MCC C-TIP Policy") and such definitions are incorporated by reference into this Sub-Clause; and
- (ii) "Trafficking in Persons" means (a) Sex trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; (b) The recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

Prohibition. Contractors, subcontractors, Consultants, Sub-Consultants and any of their respective Personnel shall not engage in any form of Trafficking in Persons during the period of performance of any contract funded, in whole or in part, with MCC funding and must also comply with those prohibitions described in U.S. laws and Execute Orders regarding TIP, including

¹⁰ <https://www.mcc.gov/resources/doc/policy-counter-trafficking-in-persons-policy>

using misleading recruitment practices; charging employees recruitment fees; or destroying, concealing, confiscating, or otherwise denying access by an employee to the employee's identity documents.

(b) Consultant Requirements.

(i) Each contractor, subcontractor, Consultant or Sub-Consultant shall:

- a. notify its employees of the MCC C-TIP Policy and of the actions that will be taken against Personnel for violations of this policy. Such actions may include, but are not limited to, removal from the contract, reduction in benefits, or termination of employment; and
- b. take appropriate action, up to and including termination, against Personnel or subcontractors or Sub-Consultants that violate the prohibitions set out in this policy.

(ii) Each Consultant shall:

- a. certify that it is not engaged in, facilitating, or allowing any activities constituting Trafficking in Persons, or related activities also prohibited under this policy, for the duration of the Contract;
- b. provide assurances that activities constituting Trafficking in Persons, or related activities also prohibited under this policy, will not be tolerated on the part of its Personnel, subcontractors or Sub-Consultants (as the case may be), or their respective employees; and
- c. acknowledge that engaging in such activities is cause for suspension or termination of employment or of the Contract.

(iii) A bidder, supplier, contractor, subcontractor, Consultant or Sub-Consultant shall inform the MCA Entity immediately of:

- a. any information it receives from any source (including law enforcement) that alleges its Personnel, subcontractor, Sub-Consultant, or the employee of a subcontractor or Sub-Consultant, has engaged in conduct that violates this policy; and any actions taken against any Personnel, subcontractor, subcontractor/consultant, or the employee of a subcontractor or Sub-Consultant,

pursuant to these requirements.

- (c) **Remedies.** Once the incident has been confirmed and depending on the severity of each case, the MCA Entity will apply remedies, which could include:
- (i) the MCA Entity requiring the Consultant to remove the involved Personnel, Sub-Consultant or any of its involved Personnel, or any involved agent or affiliate;
 - (ii) the MCA Entity requiring the termination of a subcontract or sub-award;
 - (iii) suspension of Contract payments until the breach is remedied to the satisfaction of the MCA Entity;
 - (iv) loss of incentive payment, consistent with the incentive plan set out in the Contract, if any, for the performance period in which the MCA Entity determined non-compliance;
 - (v) the MCA Entity pursuing sanctions against the Consultant, including declaring the Consultant ineligible, either indefinitely or for a stated period of time, to be awarded any MCC-funded contract; and termination of the Contract by the MCA Entity for default or cause in accordance with the termination clause of the Contract
 - (vi) termination of the Contract by the MCA Entity for default or cause in accordance with the termination clause of the Contract

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| 26. Gender and Social Inclusion | 26.1 The Consultant shall ensure that its activities under the Contract comply with the MCC Gender Policy ¹¹ and the MCA Entity's Social and Gender Integration Plan, as relevant to the activities performed under this Contract. The MCC Gender Policy requires that activities funded by MCC specifically address social and gender inequalities to ensure opportunities for the participation and benefit of women and vulnerable groups, as well as to ensure that its activities do not cause significant negative social and gender impacts. |
| 27. Prohibition of Harmful Child Labor | 27.1 The Consultant shall not employ any child to perform any work that is economically exploitative, or is likely to be hazardous to, or to interfere with the child's education, or to be |

¹¹ Available at: <https://assets.mcc.gov/guidance/mcc-policy-gender.pdf>

harmful to the child's health or physical, mental, spiritual, moral or social development. The Consultant will identify the presence of all persons under the age of eighteen (18). Where Applicable Law does not specify a minimum age, the Consultant shall ensure that children aged below 15 are not employed to perform work under this contract. Where Applicable Law diverges from this specified age standard, the higher age should apply. Children under the age of eighteen (18) will not be employed in hazardous work. All work of persons under the age of eighteen (18) will be subject to an appropriate risk assessment and regular monitoring of health, working conditions, and hours of work.

28. Prohibition of Sexual Harassment

28.1 The Consultant shall prohibit sexual harassment behaviors directed at Compact beneficiaries, MCA Entity employees or MCA Entity consultants. Examples of sexual harassment include, but are not limited to, the following behaviors: unwelcome sexual advances; requests for sexual favors; verbal or physical harassment of a sexual nature; or offensive remarks about a person's sex, sexual orientation or non-conformity with gender stereotypes. The MCA Entity may investigate allegations of sexual harassment as it determines appropriate. The Consultant shall fully cooperate with any investigation conducted by the MCA Entity regarding breach of this provision. The Consultant will ensure that any incident of sexual harassment investigated by the MCA Entity has been resolved to the MCA Entity's satisfaction.

29. Non-Discrimination and Equal Opportunity

29.1 The MCA Entity adheres to the principle of equal opportunity and fair treatment in its employment practices. The MCA Entity expects that the Consultant shall not make employment decisions on the basis of personal characteristics unrelated to inherent job requirements. Personal characteristics include sex, race, nationality, ethnic, social and indigenous origin, religion or belief, disability, age, sexual orientation, and gender identity. The MCA Entity expects that the Consultant shall base its employment decisions on the principle of equal opportunity and fair treatment, and shall not discriminate with respect to aspects of the employment relationship, including recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment, access to training, promotion, termination of employment or retirement, and discipline. Special measures of protection or assistance to remedy past discrimination or selection for a

particular job based on the inherent requirements of the job shall not be deemed discrimination.

30. Grievance Mechanism for
Consultant and Subcontractor
Personnel

30.1 The Consultant shall provide a grievance mechanism for Personnel, including Sub-consultant staff if a separate Sub-consultant grievance mechanism does not exist, to raise workplace concerns. The Consultant shall inform its Personnel of the grievance mechanism at the time of recruitment and make it easily accessible to them. The mechanism should involve an appropriate level of management and address concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned, without any retribution. The mechanism should also allow for anonymous complaints to be raised and addressed. The mechanism should not impede access to other judicial or administrative remedies that might be available under the law or through existing arbitration procedures, or substitute for grievance mechanisms provided through collective agreements.

31. Standard of Performance

31.1 The Consultant shall perform the Services and carry out its obligations under this Contract with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and shall observe sound management practices, and employ appropriate technology and safe and effective equipment, machinery, materials and methods. The Consultant shall always act, in respect of any matter relating to this Contract or to the Services, as faithful adviser to the MCA Entity, and shall at all times support and safeguard the MCA Entity's legitimate interests in any dealings with Sub-Consultants or third parties.

Law Governing Services

31.2 The Consultant shall perform the Services in accordance with Applicable Law and shall take all practicable steps to ensure that any Sub-Consultants, as well as the Personnel of the Consultant and any Sub-Consultants, comply with the Applicable Law.

32. Conflict of Interests

32.1 The Consultant shall hold the MCA Entity's interests paramount, without any consideration for future work, and strictly avoid conflict with other assignments or its own corporate interests.

Consultant Not to Benefit from
Commissions, Discounts, etc.

32.2 The payment of the Consultant pursuant to GCC Clause 17 shall constitute the Consultant's only payment in connection with this Contract and, subject to GCC Clause 32.3, the

Consultant shall not accept for its own benefit any trade commission, discount or similar payment in connection with activities pursuant to this Contract or in the discharge of its obligations under this Contract, and the Consultant shall use its best efforts to ensure that any Sub-Consultants, as well as the Personnel and agents of either of them, similarly shall not receive any such additional payment.

- 32.3 Furthermore, if the Consultant, as part of the Services, has the responsibility of advising the MCA Entity on the procurement of goods, works or services, the Consultant shall comply with the “MCC Program Procurement Guidelines” from time to time in effect as posted on the MCC website at www.mcc.gov/ppg and shall at all times exercise such responsibility in the best interest of the MCA Entity. Any discounts or commissions obtained by the Consultant in the exercise of such procurement responsibility shall be for the account of the MCA Entity.

Consultant and Affiliates Not to Engage
in Certain Activities

- 32.4 The Consultant agrees that, during the term of this Contract and after its termination, the Consultant and any entity affiliated with the Consultant, as well as any Sub-Consultants and any entity affiliated with such Sub-Consultants, shall be disqualified from providing goods, works or services (other than consulting services) resulting from or directly related to the Services.

Prohibition of Conflicting Activities

- 32.5 The Consultant shall not engage, and shall cause its Personnel as well as its Sub-Consultants and their Personnel not to engage, either directly or indirectly, in any business or professional activities that would conflict with the activities assigned to them under this Contract.

33. Confidential Information; Rights of
Use

- 33.1 Except with the prior written consent of the MCA Entity, or as may be required to comply with Applicable Law, the Consultant and its Personnel shall not (and shall cause any Sub-Consultants and their Personnel not to) at any time (a) communicate to any person or entity any confidential information acquired in the course of the Services, or (b) make public the recommendations formulated in the course of, or as a result of, the Services.
- 33.2 The Consultant and its Personnel shall not (and shall cause any Sub-Consultants and their Personnel not to),

without the previous written consent of the MCA Entity, disclose this Contract, or any provision of this Contract, or any specification, plan, drawing, pattern, sample or information provided by or on behalf of the MCA Entity in connection therewith, to any person other than a person employed by the Consultant in the performance of this Contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

33.3 The Consultant and its Personnel shall not (and shall cause any Sub-Consultants and their Personnel not to), without the previous written consent of the MCA Entity, make use of any document or information related to or delivered in connection with this Contract, except for the purpose of performing this Contract.

33.4 Any document related to or delivered in connection with this Contract, other than this Contract itself, shall remain the property of the MCA Entity and shall be returned (including, except as provided in GCC Clause 34, all the copies) to the MCA Entity on completion of the Consultant's performance under this Contract.

34. Documents Prepared by the Consultant to be the Property of the MCA Entity

34.1 All plans, drawings, specifications, designs, reports, other documents and software prepared by the Consultant under this Contract shall become and remain the property of the MCA Entity, and the Consultant shall, not later than upon termination or expiration of this Contract, deliver all such documents to the MCA Entity, together with a detailed inventory thereof in accordance with this GCC Sub-Clause 34.1 and Sub-Clause 33.4, and in format and substance specifically required in the Terms of Reference. The Consultant may retain a copy of such documents and software, and use such software for its own use with prior written approval of the MCA Entity. If license agreements are necessary or appropriate between the Consultant and third parties for purposes of the development or use of any such computer programs, the Consultant shall obtain the MCA Entity's prior written approval to such agreements, and the MCA Entity shall be entitled at its discretion to require recovering the expenses related to the development of the program(s) concerned. Other restrictions about the future use of these documents and software, if any,

shall be **specified in the SCC**.

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| 35. Liability of the Consultant | 35.1 Subject to additional provisions, if any, set forth in the SCC , the Consultants' liability under this Contract shall be provided by the Applicable Law. |
| 36. Insurance to be taken out by the Consultant | 36.1 The Consultant (a) shall take out and maintain, and shall cause any Sub-Consultants to take out and maintain, at its (or the Sub-Consultants', as the case may be) own cost but on terms and conditions approved by the MCA Entity, insurance against the risks, and for the coverage specified in the SCC and in Annex B, and (b) at the MCA Entity's request, shall provide evidence to the MCA Entity showing that such insurance has been taken out and maintained and that the current premiums have been paid. The Consultant shall ensure that insurance is in place prior to commencing the Services as stated in GCC Sub-clause 16.2. |
| 37. Accounting, Inspection and Auditing | 37.1 The Consultant shall keep accurate and systematic accounts and records in respect of the provision of the Services under this Contract, in accordance with the provisions of Annex B and internationally accepted accounting principles and in such form and detail as will clearly identify all relevant time changes and costs, receipt and use of goods and services and the basis thereof, together with a detailed inventory thereof. |
| Reporting Obligations | 37.2 The Consultant shall maintain such books and records and submit to the MCA Entity the reports, documents and other information specified in Annexes B and C, in the form, in the numbers and within the time periods set forth in such Annexes. The Consultant shall submit to the MCA Entity such other reports, documents and information as may be requested by the MCA Entity from time to time. Final reports shall be delivered in an electronic form specified by the MCA Entity in addition to the hard copies specified in Annexes B and C. The Consultant consents to the MCA Entity's sharing of the reports, documents and information delivered by the Consultant pursuant to this Contract with MCC and the Government. |
| 38. Consultant's Actions Requiring the MCA Entity's Prior Approval | 38.1 In addition to any modification or variation of the terms and conditions of this Contract pursuant to GCC Sub-Clause 16.4, the Consultant shall obtain the MCA |

Entity's prior approval in writing before taking any of the following actions:

- (a) any change or addition to the Personnel listed in Annex D;
- (b) in accordance with Section 5.1 above, entering into a subcontract with a Sub-Consultant for the performance of a major item of the Services; and
- (c) any other action that may be **specified in the SCC**.

39. Obligations with Respect to Subcontracts

39.1 Notwithstanding the MCA Entity's approval for the Consultant to enter into a subcontract pursuant to GCC Clause 38, the Consultant shall retain sole and full responsibility for the Services and all payments due to subcontractors thereof. In the event that any Sub-Consultants are found by the MCA Entity to be incompetent or incapable in discharging assigned duties, the MCA Entity may require that the Consultant provide a replacement, with qualifications and experience acceptable to the MCA Entity, or to resume the performance of the Services itself.

40. Use of Funds

40.1 The Consultant shall ensure that its activities do not violate provisions relating to use of funds and the prohibition of activities likely to cause a significant environmental, health or safety hazard, as set out in Annex B. Environmental, health, and safety hazards are defined in Appendix A of the MCC Environmental Guidelines available at www.mcc.gov.

41. Equipment, Vehicles and Materials Furnished by the MCA Entity

41.1 Equipment, vehicles and materials made available to the Consultant by the MCA Entity, or purchased by the Consultant wholly or partly with funds provided by the MCA Entity, shall be the property of the MCA Entity and shall be marked accordingly. Upon termination or expiration of this Contract, the Consultant shall make available to the MCA Entity an inventory of such equipment, vehicles and materials and shall dispose of such equipment, vehicles and materials in accordance with the MCA Entity's instructions. While in possession of such equipment, vehicles and materials, the Consultant, unless otherwise instructed by the MCA Entity in writing, shall insure them in an amount equal to their full replacement value.

42. Equipment and Materials Provided by the Consultant 42.1 Equipment, vehicles or materials brought into the MCA Country by the Consultant, Sub-Consultants and Personnel, or purchased by them without funds provided by the MCA Entity, and used either for provision of the Services or personal use shall remain the property of the Consultant, its Sub-Consultants or the Personnel concerned, as applicable.
43. Assistance and Exemptions 43.1 Unless otherwise **specified in the SCC**, the MCA Entity shall use its best efforts to ensure that the Government shall:
- (a) Provide the Consultant, Sub-Consultants and Personnel with work permits and such other documents as shall be necessary to enable the Consultant, Sub-Consultants or Personnel to perform the Services.
 - (b) Arrange for the Personnel and, if appropriate, their eligible dependents to be provided promptly with all necessary entry and exit visas, residence permits, exchange permits and any other documents required for their stay in the Government's country.
 - (c) Facilitate prompt clearance through customs of any property required for the Services and of the personal effects of the Personnel and their eligible dependents.
 - (d) To the extent permitted by Applicable Law, exempt the Consultant, Sub-Consultants and their Personnel employed for the Services from any requirement to register or obtain any permit to practice their profession or to establish themselves either individually or as a corporate entity.
 - (e) Grant to the Consultant, Sub-Consultants and their Personnel the privilege, pursuant to the Applicable Law, of bringing into the MCA Country reasonable amounts of foreign currency for the purposes of the Services or for the personal use of the Personnel and their dependents and of withdrawing any such amounts as may be earned therein by the Personnel in the execution of the Services.
44. Access to Land 44.1 The MCA Entity warrants that the Consultant, Sub-Consultants and their Personnel shall have, free of charge, unimpeded access to all land in the MCA Country in respect of which access is required for the performance of the Services. The MCA Entity will be responsible for any damage to such land or any property thereon resulting from

such access and will indemnify the Consultant, Sub-Consultants and their Personnel in respect of liability for any such damage, unless such damage is caused by the default or negligence of the Consultant or Sub-Consultants or their Personnel.

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| 45. Change in the Applicable Law Related to Taxes and Duties | 45.1 | If, after the date of this Contract, there is any change in the Applicable Law with respect to Taxes and duties which increases or decreases the cost incurred by the Consultant in performing the Services, payments to the Consultant shall not be adjusted. However, the provisions of GCC Sub-Clause 18(e) shall be applicable in such a situation. |
| 46. Services, Facilities and Property of the MCA Entity | 46.1 | The MCA Entity shall make available to the Consultant and the Personnel, for the purposes of performing the Services and free of any charge, the services, facilities and property described in Annex G at the times and in the manner specified in Annex G. |
| | 46.2 | In case that such services, facilities and property shall not be made available to the Consultant as and when specified in Annex G, the Parties shall agree on (a) any time extension that it may be appropriate to grant to the Consultant for the performance of the Services, (b) the manner in which the Consultant shall procure any such services, facilities and property from other sources, and (c) the additional payments, if any, to be made to the Consultant as a result thereof pursuant to GCC Sub-Clause 17.1. |
| 47. Payment | 47.1 | In consideration of the Services performed by the Consultant under this Contract, the MCA Entity shall make to the Consultant payments in the manner provided in GCC Clause 17. |
| 48. Counterpart Personnel | 48.1 | The MCA Entity shall make available to the Consultant free of charge such professional and support counterpart personnel, to be nominated by the MCA Entity with the Consultant's advice, if specified in Annex G. |
| | 48.2 | If counterpart personnel are not provided by the MCA Entity to the Consultant as and when specified in Annex G, the MCA Entity and the Consultant shall agree on (a) how the affected part of the Services shall be carried out, and (b) the additional payments, if any, to be made by the MCA Entity to the Consultant as a result thereof pursuant to GCC Sub-Clause 17.1. |

- 48.3 Professional and support counterpart personnel, excluding the MCA Entity's liaison personnel, shall work under the exclusive direction of the Consultant. If any member of the counterpart personnel fails to perform adequately any work assigned to such member by the Consultant that is consistent with the position occupied by such member, the Consultant may request the replacement of such member, and the MCA Entity shall not unreasonably refuse to act upon such request.
49. Good Faith
- 49.1 The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.
50. Operation of the Contract
- 50.1 The Parties recognize that it is impractical in this Contract to provide for every contingency which may arise during the life of this Contract, and the Parties hereby agree that it is their intention that this Contract shall operate fairly as between them, and without detriment to the interest of either of them, and that, if during the term of this Contract either Party believes that this Contract is operating unfairly, the Parties will use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness.

SPECIAL CONDITIONS OF CONTRACT

Amendments of, and Supplements to, Clauses in the General Conditions of Contract of this Contract	
GCC 1.1	<p>(a) “Applicable Law” means the laws and any other instruments having the force of law in Kingdom of Morocco, as they may be issued and in force from time to time.</p> <p>(m) “Local Currency” means Moroccan Dirham (MAD).</p> <p>(n) “MCA Country” means the country of Kingdom of Morocco.</p>
GCC 3.1	This Contract shall be executed in the English language.
GCC 4.1	<p>The addresses for serving notices under this Contract are:</p> <p><u>For the MCA Entity:</u> Abdelghani Lakhdar Director General MCA-Morocco Complexe administratif et culturel de la Fondation Mohammed VI des œuvres sociales de l’éducation-formation, Avenue Allal EL FASSI - Madinat AL IRFANE Hay Riad, Rabat, MOROCCO Att.: The Procurement Agent Address: Complexe administratif et culturel de la Fondation Mohammed VI des œuvres sociales de l’éducation-formation, Avenue Allal EL FASSI - Madinat AL IRFANE Hay Riad, Rabat, MOROCCO Email: procurement@mcamorocco.ma</p> <p><u>For the Consultant:</u> Name Title Name of Audit Firm Address Telephone: Phone Number Email: Email Address</p>
GCC 8.1	<p>The Member in charge is [insert name of member]</p> <p><i>[Note: If the Consultant consists of a joint venture or another association of more than one entity, the name of the entity whose address is specified in SCC 9.1 should be inserted here. If the Consultant consists only of one entity, this is not applicable.]</i></p>
GCC 9.1	<p>The Authorized Representatives are:</p> <p><u>For the MCA Entity:</u></p>

	<p>MCA-Morocco Complexe administratif et culturel de la Fondation Mohammed VI des œuvres sociales de l'éducation-formation, Avenue Allal EL FASSI - Madinat AL IRFANE Hay Riad, Rabat, MOROCCO Att.: Abdelghani Lakhdar Director General</p> <p><u>Email</u>: procurement@mcamorocco.ma</p> <p><u>For the Consultant</u>:</p> <p>Name Title Name of Audit Firm Address</p> <p>Telephone: Phone Number Email: Email Address</p>
GCC 10.3	Written notification to the MCA Entity of adjustments is required.
GCC 10.5	A resident project manager shall be required for the duration of this Contract.
GCC 13.2	<p>All disputes shall be settled by arbitration in accordance with the following provisions:</p> <ol style="list-style-type: none"> 1. <u>Selection of Arbitrators</u>. Each dispute submitted by a Party to arbitration shall be heard by a sole arbitrator or an arbitration panel composed of three arbitrators, in accordance with the following provisions: <ol style="list-style-type: none"> (d) Where the Parties agree that the dispute concerns a technical matter, they may agree to appoint a sole arbitrator or, failing agreement on the identity of such sole arbitrator within thirty (30) days after receipt by the other Party of the proposal of a name for such an appointment by the Party who initiated the proceedings, either Party may apply to Casablanca International Mediation and Arbitration Center (CIMAC) for a list of not fewer than five (5) nominees and, on receipt of such list, the Parties shall alternately strike names therefrom, and the last remaining nominee on the list shall be the sole arbitrator for the matter in dispute. If the last remaining nominee has not been determined in this manner within sixty (60) days of the date of the list, CIMAC shall appoint, upon the request of either Party and from such list or otherwise, a sole arbitrator for the matter in dispute. (e) Where the Parties do not agree that the dispute concerns a technical matter, the MCA Entity and the Consultant shall each appoint one arbitrator, and these two arbitrators shall jointly appoint a third

	<p>arbitrator, who shall chair the arbitration panel. If the arbitrators named by the Parties do not succeed in appointing a third arbitrator within thirty (30) days after the latter of the two arbitrators named by the Parties has been appointed, the third arbitrator shall, at the request of either Party, be appointed by CIMAC.</p> <p>(f) If, in a dispute subject to SCC Sub-Clause 13.2.1(b), one Party fails to appoint its arbitrator within thirty (30) days after the other Party has appointed its arbitrator, the Party which has named an arbitrator may apply to CIMAC to appoint a sole arbitrator for the matter in dispute, and the arbitrator appointed pursuant to such application shall be the sole arbitrator for that dispute.</p> <p>2. <u>Rules of Procedure</u>. Except as stated herein, arbitration proceedings shall be conducted in accordance with the rules of procedure for arbitration of CIMAC as in force on the date of this Contract.</p> <p>3. <u>Substitute Arbitrators</u>. If for any reason an arbitrator is unable to perform his function, a substitute shall be appointed in the same manner as the original arbitrator.</p> <p>4. <u>Nationality and Qualifications of Arbitrators</u>. The sole arbitrator or the third arbitrator appointed pursuant to paragraphs (a) through (c) of Sub-Clause SCC 13.2.1 shall be an internationally recognized legal or technical expert with extensive experience in relation to the matter in dispute and shall not be a national of the Consultant's home country or of the Government's country. For the purposes of this Clause, "home country" means any of:</p> <ul style="list-style-type: none"> (a) the country of incorporation of the Consultant; or (b) the country in which the Consultant's principal place of business is located; or (c) the country of nationality of a majority of the Consultant's shareholders; or (d) the country of nationality of the Sub-Consultants concerned, where the dispute involves a subcontract. <p>5. <u>Costs</u>. Upon the occurrence of a dispute, the Parties shall agree on the allocation of the costs associated with any settlement efforts before arbitration or associated with arbitration. Where the Parties fail to agree on the allocation, the allocation shall be determined by the arbitrator.</p> <p>6. <u>Miscellaneous</u>. In any arbitration proceeding under this Contract:</p> <ul style="list-style-type: none"> (a) proceedings shall, unless otherwise agreed by the Parties, be held in Rabat, Morocco; <p>the English language shall be the official language for all purposes; and the decision of the sole arbitrator or of a majority of the arbitrators shall be final and binding and shall be enforceable in any court of competent jurisdiction, and the Parties hereby waive any objections to or claims of immunity in respect of such</p>
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	<p>7. <u>MCC Right to Observe</u>. MCC has the right to be an observer to any arbitration proceeding associated with this Contract, at its sole discretion, but does not have the obligation to participate in any arbitration proceeding. Whether or not MCC is an observer to any arbitration associated with this Contract, the Parties shall provide MCC with written English transcripts of any arbitration proceedings or hearings and a copy of the reasoned written award within ten (10) days after (a) each such proceeding or hearing or (b) the date on which any such award is issued. MCC may enforce its rights under this Contract in an arbitration conducted in accordance with this provision or by bringing an action in any court that has jurisdiction. The acceptance by MCC of the right to be an observer to the arbitration shall not constitute consent to the jurisdiction of the courts or any other body of any jurisdiction or to the jurisdiction of any arbitral panel.</p>																														
GCC 16.1	This Contract shall enter into force on the date of signing of the Contract by both parties.																														
GCC 16.2	The Effective Date shall be date .																														
GCC 16.3	The Contract shall expire on date .																														
GCC 17.1	<p>The amount of the fixed price Contract is XXXXXX [US Dollars] OR XXXXXX [Local Currency] OR XXXXXX [US Dollars] and XXXXXX [Local Currency] (the “Contract Price”).</p> <p>The accounts are:</p> <p>For US Dollars: [insert account number]</p> <p>For Local Currency: [insert account number]</p> <p>Payments for the deliverables shall be made according to the following schedule of percentages of the amounts included in the Contract:</p> <table><tr><th rowspan="2">Contract Period</th><th colspan="2">Audit Period Covered</th><th rowspan="2">Price (U.S. Dollars)</th></tr><tr><th>From</th><th>To</th></tr><tr><td>Base Audit Period</td><td>May 5, 2015</td><td>September 30, 2018</td><td>Amount</td></tr><tr><td>1st Option Period</td><td>October 1, 2018</td><td>March 31, 2019</td><td>Amount</td></tr><tr><td>2nd Option Period</td><td>April 1, 2019</td><td>September 30, 201</td><td>Amount</td></tr><tr><td>3rd Option Period</td><td>October 1, 2019</td><td>March 31, 2020</td><td>Amount</td></tr><tr><td>4th Option Period</td><td>April 1, 2020</td><td>September 30, 2020</td><td>Amount</td></tr><tr><td colspan="3">Total Contract Price</td><td>Total Amount</td></tr></table> <p>Subject to (i) satisfactory completion by the Consultant, (ii) No Objection by MCC of the Audit Planning Document, Draft Audit Report, and Final Audit Report, (iii) acceptance by MCA-Morocco of the Audit Planning Document, Draft Audit Report after receiving MCC No Objection, and (iv) acceptance by MCA-Morocco of the meeting minutes of the Entrance and Exit Conferences,</p>	Contract Period	Audit Period Covered		Price (U.S. Dollars)	From	To	Base Audit Period	May 5, 2015	September 30, 2018	Amount	1 st Option Period	October 1, 2018	March 31, 2019	Amount	2 nd Option Period	April 1, 2019	September 30, 201	Amount	3 rd Option Period	October 1, 2019	March 31, 2020	Amount	4 th Option Period	April 1, 2020	September 30, 2020	Amount	Total Contract Price			Total Amount
Contract Period	Audit Period Covered		Price (U.S. Dollars)																												
	From	To																													
Base Audit Period	May 5, 2015	September 30, 2018	Amount																												
1 st Option Period	October 1, 2018	March 31, 2019	Amount																												
2 nd Option Period	April 1, 2019	September 30, 201	Amount																												
3 rd Option Period	October 1, 2019	March 31, 2020	Amount																												
4 th Option Period	April 1, 2020	September 30, 2020	Amount																												
Total Contract Price			Total Amount																												

payments for each of the deliverables and conferences set forth in the following table shall be made in the amounts and percentages indicated below:

Contract Period	%	Deliverable or Milestone	Component Price (U.S. Dollars)
Base Audit Period	20%	Audit Planning Document	
	20%	Entrance Conference	
	20%	Exit Conference	
	20%	Draft Audit Report	
	20%	Final Audit Report	
1 st Option Period	20%	Audit Planning Document	
	20%	Entrance Conference	
	20%	Exit Interview	
	20%	Draft Audit Report	
	20%	Final Audit Report	
2 nd Option Period	20%	Audit Planning Document	
	20%	Entrance Conference	
	20%	Exit Conference	
	20%	Draft Audit Report	
	20%	Final Audit Report	
3 rd Period	20%	Audit Planning Document	
	20%	Entrance Conference	
	20%	Exit Interview	
	20%	Draft Audit Report	
	20%	Final Audit Report	
4 th Option Period	20%	Audit Planning Document	
	20%	Entrance Conference	
	20%	Exit Conference	
	20%	Draft Audit Report	
	20%	Final Audit Report	

The amounts, set forth above, includes all of the Auditor's costs and profits as well as any tax obligation that may be imposed on the Auditor for the relevant period including on travel, transportation, lodging, and per diem allowances or expenses required to provide the audit services.

GCC 17.3

Invoice Delivery

The original signed invoices, together with the MCA-Morocco certificates of acceptance, and all copies and all related correspondence and documents, shall be delivered to the MCA-Morocco Finance Director at the following address:

Bouchra Belhsen
Finance Director
MCA-Morocco

Complexe administratif et culturel de la Fondation Mohammed VI des œuvres sociales de l'éducation-formation, Avenue Allal EL FASSI - Madinat AL

	<p>IRFANE Hay Riad, Rabat, MOROCCO</p> <p>E-mail: belhsen@mcamorocco.ma</p> <p>Rejection of Invoice</p> <p>At any stage of the invoice review process, the Finance Director or Fiscal Agent can reject the invoice in case he/she finds a discrepancy in the invoice, terms and conditions of the contract, and supporting documentation, or if the invoice includes items that may not be purchased with MCC funds as per the terms and conditions of the Compact, PIA, Supplemental Agreements, <i>MCC Program Procurement Guidelines</i>, <i>MCC Cost Principles</i>, <i>MCA-Morocco Fiscal Accountability Plan</i> or this Contract. If discrepancies, mistakes, or missing documentation cannot be appropriately corrected, MCA-Morocco shall reject the invoice and return it to the Consultant with a cover letter identifying the reasons for its rejection and suggesting potential remedial action within seven (7) days of making such assessment.</p>
GCC 17.5	<p>The interest rate to be applied in the case of late payments is the Federal Funds Rate as stated on the website:</p> <p>http://www.federalreserve.gov/releases/h15/current/default.htm</p>
GCC 35.1	<p>Except for instances of gross negligence and/or willful misconduct, the total liability of the Consultant in relation to the Services, shall be limited to an amount equal to the total amount of the Contract Price stated herein. For the avoidance of doubt no limitation shall apply in circumstances of gross negligence and/or willful misconduct. Nothing in this Contract shall be intended to limit the Consultant's liability for any implied terms which cannot be excluded or limited by law.</p>
GCC 36.1	<p>The risks and the minimum coverage shall be as follows:</p> <ul style="list-style-type: none"> (a) third party motor vehicle liability insurance in respect of motor vehicles operated in Morocco by the Consultant or its Personnel or any Sub-Consultants or their Personnel, with a minimum coverage consistent with the laws of Morocco; (b) third party liability insurance, with a minimum coverage of USD 100,000 or otherwise consistent with the laws of Morocco; (c) professional liability insurance, with a minimum coverage of an amount and currency equal to the value of the contract; (d) employer's liability and workers' compensation insurance in respect of the Personnel of the Consultant and of any Sub-Consultants, in accordance with the relevant provisions of the Applicable Law, as well as, with respect to such Personnel, any such life, health, accident, travel or other insurance as may be appropriate; and (e) insurance against loss of or damage to (i) equipment purchased in whole or in part with funds provided under this Contract, (ii) the

	<p>Consultant's property used in the performance of the Services, and (iii) any documents prepared by the Consultant in the performance of the Services.</p>
GCC 38.1	<p>MCA-Morocco shall determine at its sole discretion whether to exercise an Option Period regardless of the performance of the Auditor, provided however that MCA-Morocco shall first obtain the written consent of MCC prior to exercising such Option Period. At the same time, MCA-Morocco and MCC reserve the right not to activate an Option Period.</p> <p>In addition, during the Term of the Contract, MCA-Morocco may exercise services for On-Call Audits of Covered Providers ("Covered Provider Audits") and/or On-Call Audits of Grantees, Contractors, Service Providers, or other Recipient Organizations ("Compliance Audits"). The process for, and requirements related to, exercising services for On-Call Audit services are detailed in Annexes E and F of this Contract.</p> <p>Any modification or variation of the terms and conditions of this Contract, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties, and approval by MCC.</p>

ANNEXES TO CONTRACT

Annex A: Description of Services

This Annex A shall incorporate by reference: the proposal dated **[insert date of awarded Proposal]** submitted by **[insert name of Consultant awarded the Contract]** in connection with the procurement for this Contract (the “Proposal”). In the event of any inconsistency between this Description of Services and the Proposal, the priority of interpretation shall be given to this Description of Services.

Annex B: Additional Provisions

The additional provisions of contract can be found on the MCC website:
<https://www.mcc.gov/resources/doc/annex-of-general-provisions>

NB: These provisions must be downloaded and attached to the Contract

Annex C: Reporting Requirements

The reporting process is summarized in the table below, but full details are found in Annex A, Description of Services, particularly in sections:

- VI. Audit reports
- VII. Inspection and acceptance of audit work and the associated deliverables
- VIII. Relationships and responsibilities
- X. Terms of performance
- XI. Audit deliverables and minutes of discussion
- XII. Communications to MCC
- XIII. Type of contract
- XIV. Terms of payment
- XV. Payment conditions

Process Summary*

***For the purposes of this section, if the audit is of a Covered Provider or another recipient organization that is not MCA-Morocco, the Auditor must consult with MCC for more information and confirm with MCC the appropriate delivery, acceptance, and approval process as some of the processes may change.**

- AE = MCA-Morocco
- RO = MCA-Morocco, Covered Provider, or Recipient Organization

Step	Deliverable/ Action	Responsible Party	Discussion
1	Audit Plan	AE	AE submits MCA-Morocco Audit Plan to MCC for No Objection not later than 60 days prior to the end of the 1 st audit period
2	Planning Document	Auditor	Auditor submits Planning Document to AE 21 days after payment by MCA-Morocco, the Covered Provider, or recipient organization (as relevant to each audit) of the previous audit period's Final Audit Report
3		AE	AE transmits Planning Document to MCC for review and No Objection
4		MCC	MCC provides No Objection within 21 days, if the Document is acceptable
5		AE	AE accepts the deliverable and pays the Auditor
6	Entrance Conference	Auditor	The Fiscal Agent (or RO) compiles the Fund Accountability Statements(s) and provides them to

			the Auditor
7		Auditor	The Auditor holds an Entrance Conference with the RO, and provides the RO with meeting minutes. If the audit is not of the AE, the auditor provides MCA-Morocco with meeting minutes.
8		AE	The AE pays the Auditor for the Entrance Conference, and field work commences
9	Fieldwork	Auditor	The Auditor conducts and completes its fieldwork
10	Exit Interview	Auditor	After completion of fieldwork, the Auditor discusses its preliminary audit findings with the AE or Covered Provider, and provides the AE or Covered Provider with the opportunity to provide clarifications, etc.
11	Draft Audit Report	Auditor	The Auditor prepares its Draft Audit Report, and submits it to the AE or Covered Provider within 45 calendar days after the acceptance of the Planning Document by MCA-Morocco, the Covered Provider, or recipient organization (as relevant to each audit).
12	Exit Conference	Auditor	The Auditor holds a meeting with the AE or Covered Provider to discuss the Draft Audit Report, and submits minutes of the meeting to the AE
13		AE	The AE reviews and accepts the meeting minutes, pays the Auditor for the Exit Conference, and submits the meeting minutes (for information) and the Draft Audit Report to MCC (for review)
14	MCC Review and No Objection of the Draft Audit Report	MCC	MCC reviews and provides No Objection to the Draft Audit Report within 21 calendar days of receipt: a) if the Report is not satisfactory to MCC, MCC will return the report to the Auditor for revision, with a copy to the AE or covered provider; b) if the Report is satisfactory to MCC, MCC will provide No Objection to the Report and will authorize the AE to accept it and to pay the Auditor
15		AE	The AE accepts the deliverable, and pays the Auditor for the Draft Audit Report
16	Final Audit Report	Auditor	When all revisions to the Draft Report have been completed, the Auditor signs and submits to the AE as the Final Audit Report, and the AE transmits to MCC for No Objection
17		MCC	Within 14 calendar days of receiving the Final Audit

			<p>Report, MCC will review and send its No Objection and the Final Audit Report to the AE CEO with a transmittal letter with comments, instructions, and whatever actions are required by the AE or Covered Provider to correct any (i) significant deficiencies or material weaknesses in internal control, (ii) material instances of noncompliance, or (iii) to refund MCC for any ineligible or unsupported costs questioned in the report</p> <p>In providing its No Objection on the Final Audit Report, MCC authorizes the AE to accept the report and pay the Auditor</p>
18		AE	The AE accepts the deliverable, and pays the Auditor for the Final Report
19		AE	Upon receiving the Final Audit Report from MCC, the AE prepares a Corrective Action Plan, if necessary, and submits it along with a copy of the Final Audit Report to the AE Board of Directors; within 30 calendar days after receiving No Objection on the Final Audit Report from MCC, the AE CEO shall submit a draft Corrective Action Plan to MCC
20	OIG Desk Review of Final Audit Reports	OIG	MCC will transmit all Final Audit Reports to the OIG for its review.

Communications to MCC

All communications and audit deliverables related to the MCA-Morocco audit program must be transmitted to MCA-Morocco and then by the MCA-Morocco Finance Director to his/her MCC Program Financial Services counterpart and to the following, additional individuals and mailboxes at MCC:

Name		Email Address
General Mailbox		mccaudits@mcc.gov
Alice Miller	Chief Risk Officer	milleram@mcc.gov
Jude Koval	Director of Internal Controls and Compliance	kovaljg@mcc.gov

Annex D: Key Professional Personnel and Sub-Consultants

Note: List under:

- D-1 Titles [**and names, if already available**], detailed job descriptions and minimum qualifications of foreign Key Professional Personnel to be assigned to work in [**Country**], and estimated staff-months for each.
- D-2 Same as D-1 for foreign Key Professional Personnel to be assigned to work outside [**Country**].
- D-3 List of approved Sub-Consultants (if already available) and same information with respect to their Personnel as in D-1 or D-2.
- D-4 Same information as D-1 for local Key Professional Personnel.
- D-5 Working hours, holidays, sick leave and vacations, as provided for in GCC Clause 11 (if applicable)

Team Composition and Task Assignments

Name of Staff	Area of Expertise	Position Assigned	Task Assigned
<i>Key Personnel</i>			
<i>Additional Professional Staff</i>			

Annex E: Fixed Unit Rates for On-Call Audit Services / Requirements for Exercising On-Call Services

[The information to be included in Annex E will be the same information as proposed by the Auditor in the Financial Proposal FIN-4]

Fixed unit rates for On-Call Audit services

To exercise a service for either an On-Call Covered Provider Audit or an On-Call Compliance Audit, MCA-Morocco will issue a formal request to exercise a service to the Auditor. The request will include a Description of Service for the additional On-Call Audit service, a description of the entity to be audited, the audit period covered, the applicable agreements and supplemental documents, and any other relevant information.

Within 15 calendar days of the receipt of the request the Auditor will respond with the following information:

- a. A list of the available personnel to conduct the On-Call Audit, with qualifications equivalent to those described for the Key Professional Personnel and Additional Professional Personnel, collectively the “Basic Audit Team.”
- b. A work plan and corresponding proposal for the number of one-week periods which represent the estimated level of effort to complete the audit described in the request to exercise an On-Call Audit service.
- c. A proposed lump-sum fixed price amount to complete the On-Call Audit, based on the Weekly Unit Rate for the Basic Audit Team multiplied by the number of one-week periods corresponding to the level of effort proposed for the On-Call Audit service.

MCA-Morocco will amend the Contract to add additional On-Call Audit services based on the fixed unit rates below, as needed, after receiving MCC No Objection and determining price reasonableness of the proposed costs. Once the terms, scope, level of effort, and cost of an exercise of service for either an On-Call Covered Provider Audit or an On-Call Compliance Audit are determined, MCA-Morocco will issue one or more amendments to the Contract to incorporate the additional services requested.

(1) Weekly Rate for On-Call Audit of Covered Providers (“Covered Provider Audits”)

		Unit Rate for providing a Basic Audit Team ^{1,2} (in [US Dollars] [MAD])
Key Personnel		
[Name]	Audit Manager/Team Lead	
[Name]	Senior Auditor (#1)	
[Name]	Senior Auditor (#2)	
Additional Professional Staff		
[Name]	[Title]	
[Name]	[Title]	
Total Weekly Unit Rate for providing a Basic Audit Team for Covered Provider Audits		

(2) Weekly Rate for On-Call Audit of Grantees, Contractors, Service Providers, or other Recipient Organizations (“Compliance Audits”)

		Unit Rate for providing a Basic Audit Team ^{1,2} (in [US Dollars] [MAD])
<i>Key Personnel</i>		
[Name]	Audit Manager/Team Lead	
[Name]	Senior Auditor (#1)	
[Name]	Senior Auditor (#2)	
<i>Additional Professional Staff</i>		
[Name]	[Title]	
[Name]	[Title]	
Total Weekly Unit Rate for providing a Basic Audit Team for Compliance Audits		

Note 1: The Weekly Unit Rate presented for each of the two types of audits is intended to cover a single, fixed price for the Auditors to field a Basic Audit Team comprised of the following personnel (or alternative personnel with equivalent or better qualifications), consistent with the descriptions of Professional Personnel proposed in Annex A, Section IX of the Contract:

1. Audit Manager / Team Leader
2. Senior Auditor #1
3. Senior Auditor #2
4. [Audit Assistant #1]
5. [Audit Assistant #2]

Note 2: Weekly Unit Rate shall include all communications costs, office expenses, overhead costs for support personnel, and direct and indirect rates, and profit for a **one-week** period. The total rate shall be inclusive of all travel and transportation expenses, lodging, and per diem allowances that may be necessary for travel outside of Rabat.

Annex G: Services and Facilities to be Provided by the MCA Entity, Covered Provider, or Recipient Organization

MCA-Morocco, the Covered Provider, or recipient organization (as relevant to each audit) must ensure that they provide sufficient space in their offices for the Auditors to conduct their audit during the course of the assignment and must provide

The Auditors must ensure that all audit records related to the audited agreements are available to enable MCC and/or OIG auditors to accomplish and support their review. To this end, the MCC and OIG auditors must have access to all pertinent audit documentation files and records of the MCA-Morocco, Covered Provider, and recipient organization and be authorized to make excerpts, photocopies, and transcripts as deemed necessary by MCC and/or the OIG.

It is the responsibility of MCA-Morocco, the Covered Provider, or recipient organization (as relevant to each audit) to ensure that all records are available, all accounting entries and adjustments are made, and all other necessary steps are taken to make it possible for the Auditors to perform all the work necessary to be conduct the assignment.

Annex H: Compliance with Sanctions Certification Form

In satisfaction of clause G of the Additional Provisions at Annex B of the Contract, this form is to be completed by the Consultant. The Consultant shall make the initial submission of the completed form together with the signed Contract Agreement, and subsequently thereafter on the last business day prior to the last day of each quarter (March 31, June 30, September 30, December 31) after the signature of an MCC-Funded Contract¹², for the duration of the contract. The form is to be submitted to the MCA Entity Procurement Agent procurement@mcamorrocco.ma with a copy to MCC at: sanctionscompliance@mcc.gov. Instructions for completing this form are provided below.

Full Legal Name of Consultant: _____

Full Name and Number of Contract: _____

MCA Entity with which Contract Signed: _____

- ☐ All eligibility verifications have been completed in accordance with the “**Additional Provisions**” at **Annex B** to the **Contract**, in particular, with **Clause G “Compliance with Terrorist Financing Statutes and Other Restrictions.”** No MCC Funding¹³ has been provided to any individual, corporation, or other entity that appears in the enumerated lists, including the Contractor itself. No MCC Funding has been provided to a country, or a firm based in or having a significant portion of its operations in a country, that is subject to sanction or restriction by law or policy of the United States, including U.S. designated State Sponsors of Terrorism.
- OR**
- ☐ All eligibility verifications have been completed in accordance with the “**Additional Provisions**” at **Annex B** to the **Contract**, in particular, with **Clause G “Compliance with Terrorist Financing Statutes and Other Restrictions,”** and the following results were obtained (information to be provided for each result):
- Name of individual, corporation or other entity:
 - Eligibility verification source(s) where listed ineligible:
 - Position (if individual), or goods or services provided (if corporation or other entity):
 - Estimated value of work performed as of certification date:

I hereby certify that the information provided above is true and correct in all material respects and understand that any material misstatement, misrepresentation or failure to provide the information requested in this certification may be deemed a “fraudulent practice” for purposes of the contract between the Contractor and the MCA Entity, the MCC Program Procurement Guidelines, and other applicable MCC policy or guidance, including MCC’s Policy on Preventing, Detecting and Remediating Fraud and Corruption in MCC Operations.

Authorized Signature: _____ **Date:** _____

Printed Name of Signatory: _____

¹² “MCC-Funded Contract” is defined as a contract signed by an MCA Entity or Core Team, as opposed to a contract signed by MCC, under the provisions of MCC’s Program Procurement Guidelines, and using funding provided by MCC, through a Compact Program, a Threshold Program, or 609(g) funding.

¹³ “MCC Funding” is defined as funding provided by MCC, through a Compact Program, a Threshold Program, or 609(g) funding.

INSTRUCTIONS FOR COMPLETING THE COMPLIANCE WITH SANCTIONS CERTIFICATION FORM:

The Consultant shall perform the following procedures to verify the eligibility of firms, key personnel, subcontractors, vendors, suppliers, and grantees, in accordance with **Annex B** to the Contract, entitled “**Additional Provisions,**” in particular, with **Clause G “Compliance with Terrorist Financing Statutes and Other Restrictions,”** provided below.

The Consultant shall verify that any individual, corporation, or other entity that has access to or is a recipient of MCC Funding, including Consultant staff, consultants, sub-contractors, vendors, suppliers, and grantees, is not listed on any of the following:

1. System for Award Management (SAM) - <https://www.sam.gov/portal/SAM/#1>
2. World Bank Debarred List - <http://web.worldbank.org/external/default/main?contentMDK=64069844&menuPK=116730&pagePK=64148989&piPK=64148984&querycontentMDK=64069700&theSitePK=84266>
3. US Government Consolidated Screening List - https://2016.export.gov/ecr/eg_main_023148.asp

Documentation of the process takes two forms. The Consultant should prepare a table listing each staff member, consultant, sub-contractor, vendor, supplier, and grantee working on the Contract, such as the form provided below.

Name	Date Checked			Eligible (Y/N)
	SAM	World Bank Debarred List	US Government Consolidated Screening List	
Consultant (the firm itself)				
Staff Member #1				
Staff Member #2				
Consultant #1				
Consultant #2				
Sub-Contractor #1				
Sub-Contractor #2				
Vendor #1				
Supplier #1				
Grantee #1				

The Consultant should list the date on which the search was conducted using each eligibility verification source, and whether the staff member, consultant, sub-contractor, vendor, supplier, or grantee was determined to be eligible – that is, did not show up on any of the eligibility verification sources.

In addition, as all three lists are searchable databases that return a positive or negative search

results page upon submission of a name to be searched, in order to document the eligibility, the Consultant should print out and retain for each staff member, consultant, sub-contractor, vendor, supplier, or grantee the search results page for each eligibility verification source, which should read, “*Has Active Exclusion? No*” (in the case of SAM), “*No Matching Records found!*” (in the case of World Bank Debarred List), or “*No result*” (in the case of the US Government Consolidated Screening List).

If an adverse record(s) has/have been found for one or more individuals or entities, including for the Consultant itself, the Consultant must conduct additional research to determine whether the finding is a “false positive.” If it is a false positive, the Consultant will mark the staff member, consultant, sub-contractor, vendor, supplier, or grantee as eligible, and retain the research confirming that eligibility.

If, on the other hand, any of the Consultant’s personnel, consultants, sub-contractors, vendors, suppliers, or grantees are found to be ineligible at this stage, the MCA Entity will determine whether it is possible under the circumstances to allow the Consultant to make a substitution. This determination will be made on a case by case basis and will require approval by MCC regardless of the estimated value of the proposed contract.

In addition, in accordance with MCC Program Procurement Guidelines P1.A.1.7, the Consultant must ensure that MCC Funding is not used for goods or services from a country, or from a firm that is organized in or has its principal place of business or a significant portion of its operations in a country, that is subject to sanction or restriction by law or policy of the United States, including U.S. designated State Sponsors of Terrorism (<https://www.state.gov/j/ct/list/c14151.htm>).

All of these documents must be retained by the Consultant as part of the overall record of the Contract with the MCA Entity for the duration of the Contract, and for the further period after the Contract expiration that is required for document retention under the Contract (typically five years after the expiration date of the Compact Program or Threshold Program). Access to these documents must be provided to the MCA Entity, MCC, or their designees in accordance with the access provisions of the Contract.

Contract Annex B “Additional Provisions,” Paragraph G “Compliance with Terrorist Financing Statutes and Other Restrictions”

1. The Contract Party shall not provide material support or resources directly or indirectly to, or knowingly permit MCC Funding to be transferred to, any individual, corporation or other entity that such Party knows, or has reason to know, commits, attempts to commit, advocates, facilitates, or participates in any terrorist activity, or has committed, attempted to commit, advocated, facilitated or participated in any terrorist activity, including, but not limited to, the individuals and entities (i) on the master list of Specially Designated Nationals and Blocked Persons maintained by the U.S. Department of Treasury’s Office of Foreign Assets Control, which list is available at www.treas.gov/offices/enforcement/ofac, (ii) on the consolidated list of individuals and entities maintained by the “1267 Committee” of the United Nations Security Council, (iii) on the list maintained on www.sam.gov, or (iv) on such other list as the MCA Entity may request from time to time. For purposes of this

provision, “material support and resources” includes currency, monetary instruments or other financial securities, financial services, lodging, training, expert advice or assistance, safe houses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials.

2. The Contract Party shall ensure that its activities under this Agreement comply with all applicable U.S. laws, regulations and executive orders regarding money laundering, terrorist financing, U.S. sanctions laws, restrictive trade practices, boycotts, and all other economic sanctions promulgated from time to time by means of statute, executive order, regulation or as administered by the Office of Foreign Assets Control of the United States Treasury Department or any successor governmental authority, including, 18 U.S.C. Section 1956, 18 U.S.C. Section 1957, 18 U.S.C. Section 2339A, 18 U.S.C. Section 2339B, 18 U.S.C. Section 2339C, 18 U.S.C. Section 981, 18 U.S.C. Section 982, Executive Order 13224, 15 C.F.R. Part 760, and those economic sanctions programs enumerated at 31 C.F.R. Parts 500 through 598 and shall ensure that its activities under the Contract comply with any policies and procedures for monitoring operations to ensure compliance, as may be established from time to time by MCC, the MCA Entity, the Fiscal Agent, or the Bank, as may be applicable. The Contract Party shall verify, or cause to be verified, appropriately any individual, corporation or other entity with access to or recipient of funds, which verification shall be conducted in accordance with the procedures set out in Part 10 of the MCC Program Procurement Guidelines (Eligibility Verification Procedures) that can be found on MCC’s website at www.mcc.gov. The Contract Party shall (A) conduct the monitoring referred to in this paragraph on at least a quarterly basis, or such other reasonable period as the MCA Entity or MCC may request from time to time and (B) deliver a report of such periodic monitoring to the MCA Entity with a copy to MCC.
3. Other restrictions on the Contract Party shall apply as set forth in Section 5.4(b) of the Compact with respect to drug trafficking, terrorism, sex trafficking, prostitution, fraud, felony, any misconduct injurious to MCC or the MCA Entity, any activity contrary to the national security interests of the United States or any other activity that materially and adversely affects the ability of the Government or any other party to effectively implement, or ensure the effective implementation of, the Program or any Project or to otherwise carry out its responsibilities or obligations under or in furtherance of the Compact or any Supplemental Agreement or that materially and adversely affects the Program Assets or any Permitted Account.

Annex I: Self-Certification Form for Consultants/Contractors/Suppliers

The below self-certification form should be signed by the Consultant as part of the Contract. This self-certification declares that the Consultant will only procure goods and materials essential for the Contract, from suppliers that are free of forced and child labor and provide their direct workers with a safe and hygienic workplace.

As stipulated in the Contract in Sections 11.6, 11.7 and 27.1, the Consultant must comply with the International Finance Corporation's *Performance Standards on Environmental and Social Sustainability* regarding labor standards and protections. In turn, the Consultant must ensure that their primary suppliers, i.e., any person or legal entity who provides goods or materials essential for the Contract, do not use forced and child labor in the production of such goods and materials, and provide the Consultant's direct workers with a safe and hygienic workplace.

In acknowledgement of my understanding, I certify that with respect to this contract:

- ☐ I understand the requirements in the contract with the MCA-[Name of Country].
- ☐ [Name of Consultant] will ensure that all operations undertaken are done in accordance with the IFC Performance Standards, as described in Sections 11.6, 11.7 and 27.1 of the Contract.
- ☐ [Name of Consultant] does not and will not use forced or child labor, and provides workers with a safe and hygienic workplace.
- ☐ [Name of Consultant] does not and will not procure material or goods from suppliers that employ forced or child labor.
- ☐ [Name of Consultant] will only procure material or goods from suppliers that provide a safe and hygienic working place for all laborers.
- ☐ [Name of Consultant] has a system in place to monitor our suppliers, identify any new and emerging risks. This system also allows [Name of Consultant] to effectively remedy any risks.
- ☐ Where remedy is not possible for any new risks or incidents, [Name of Consultant] commits to severing ties with these suppliers.

Record any exceptions to the above here:

I HEREBY CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT IN ALL MATERIAL RESPECTS AND UNDERSTAND THAT ANY MATERIAL MISSTATEMENT, MISREPRESENTATION OR FAILURE TO PROVIDE THE INFORMATION

REQUESTED IN THIS CERTIFICATION MAY BE DEEMED A "FRAUD" FOR PURPOSES OF THE CONTRACT. I CONFIRM THAT I DULY REPRESENT [NAME OF CONSULTANT] AND HAVE THE LEGAL AUTHORITY TO SIGN.

Authorized Signature: _____ Date: _____

Printed Name of Signatory:

Annex J: Notice of Intent to Award

[The Notice of Intent to Award shall be filled in and sent to the successful Bidder in accordance with ITC Clause 26.1]

[date]

**THIS IS NOT A NOTICE OF AWARD OR LETTER OF ACCEPTANCE.
THE PURCHASER INTENDS NO CONTRACT TO BE FORMED
WITH THIS NOTICE.**

To: [insert name and address of the Supplier]

**Re: Audit of Resources Managed by Recipient Organizations under MCC-funded Grants,
Contracts, and Implementing Agreements
Bid Ref: RFP/QCBS/MCA-M/PP-13-R/COMPACT-PP-02**

As provided in the Bidding Document (ITC Clause 26.1) in connection with **[insert name of the Contract and identification number, as given in the Bidding Document]**, this notice is to inform you that we have selected you as the successful Bidder in the procurement associated with such Bidding Document and, following the expiration of the period for filing a bid challenge and the resolution of any bid challenges that are submitted in accordance with our bid challenge system as more fully described in the Bidding Document, we anticipate issuing to you a formal Notification of Award and Contract Agreement.

While we are providing you with this Notice of Intent to Award, it does NOT constitute the formation of a contract between you and us. You shall not acquire any legal or equitable rights and we do not extend and shall not accept any legal or equitable rights or obligations until and unless such time as you receive from us an executed Letter of Acceptance/Notification of Award, together with a form of Contract Agreement, and the requirements set forth in such Letter of Acceptance/Notification of Award have been fulfilled in a manner acceptable to us. We reserve the right to cancel this Notice of Intent to Award at any time prior to Contract award, without thereby incurring any liability.

Thank you for participating in the bidding process. For information about this notice, please contact the undersigned.

Signed:

In the capacity of:
[Print Name]