Invitation To Bid: Request For Proposals For A Health Care Cost Accounting System In Brcko District Of BiH

The OHR is requesting proposals from qualified independent accounting firms to conduct a professional analysis and propose a modern, transparent and efficient cost accounting system in accordance with international accounting and auditing standards (IAS), consistent with applicable BiH laws, for the Brcko District Health Care and health Insurance Institutions.

Brcko District

The Brcko District is a single administrative unit of local self-government under the sovereignty of Bosnia and Herzegovina. Brcko was placed under international supervision (Brcko Final Award / Brcko Arbitration – August 18, 1999, available at OHR website: www.ohr.int).

The Brcko District Government serves an area of 493 square kilometers with a population of about 85,000. The Brcko District Government has a total payroll of KM 52 million covering 2,623 employees. (the organizational chart of the Brcko District Government s available at www.brcko.ba). The Department of Health Care (with a total of 637 employees) is in charge of health care, health insurance and social policy and operates a hospital and several first aid clinics. The hospital serves the needs of the District residents and neighboring municipalities in the Entities.

The current system does not lend itself to a clear reporting of real costs and other details. The funds required by the

health care system are provided by the general BD budget, based on previous expenditures, but not based on the actual costs. There is no systematic system of accounting for the actual costs and thus there are no reliable data at hand as to whether the expenditures are justified or whether the District can afford its health care system or, respectively, has to adjust it.

Nature of Auditing Service Required

We are seeking a modern, transparent and efficient cost accounting system in accordance with international accounting and auditing standards (IAS) and which is consistent with applicable BiH laws. The objective is to ensure that the District's accounting system for health care conforms with international standards, is user friendly and enables the health care system to calculate the actual costs of operation, determine the contributions due (from Entities patients), develop an enhanced collection system, analyze the economic situation of the health care program and develop a business plan and budget with multi-year financial projections for five years.

The contractor is expected to:

- Evaluate the existing accounting system and introduce accounting procedures that are in line with International Accounting and Auditing Standards (IAS)
- Propose methods and mechanisms for the exchange of information between departments/agencies within and outside the Government that are relevant for the entitlement to health care, billing and enforcing collection (medical facilities, the Departments for Health Care, Budget and Finance, the District Revenue Agency, the Health Insurance Fund, employment office, and pension funds)
- Suggest a user-friendly record keeping system
- Determine the actual costs for personnel, operating and

administrative costs and the costs for treatment.

- Ensure there exits an adequate audit trail and sufficient analysis of the financial statements.
- Revise existing code structure and propose, if necessary, a structure of the chart of account, activity codes, transaction codes and cost accounting codes, to cerate separate information systems for each business activity.
- Establish a procedure for backing up information maintained by the accounting system.
- Introduce system using internal controls such as user identification passwords, audit trails for the recording or editing of data by users in order to avoid erasing original entries.
- Enable the Department of Health and the health insurance funds to close the financial year and transfer the ending account balances to opening account balances for the new financial year.
- Enable accounting staff to operate the fixed assets module and determine the depreciation calculations.
- Enable the production of both standardized and non-standard report.
- Implement system control features to prevent the accidental or malicious loss of alternation of accounting data.
- Conduct intensive on-the-job training of staff so they can operate the system in accordance with IAS.
- Conduct a seminar to develop a business plan and budget with multi-year financial projections, with topics to include (but not necessarily limited to) evaluation of businesses, investment priorities, securing of funds, budget projections, reporting against budget.

The draft report shall be submitted promptly to OHR for review after the survey and study data collection has been finished.

Remark: All supporting documents collected during the fieldwork are part of the contract and must be provided with

the final version.

The final version of the report should be available for OHR four weeks after OHR has reviewed the draft and the requested necessary corrections have been incorporated.

INSTRUCTIONS TO BIDDERS

Bidders are requested to note the following requirements:

Proposal must be in English, and include one original and one copy.

The proposal should clarify the methodology proposed for the work and **best timeframe** for completion.

Names and functions of individual consultants, with their CV's, should be included. A list of institutions or clients where similar work has been accomplished and contact person must be submitted. Samples of the proposed solutions should be included with the Proposal.

The proposal price should be in Euros, and be a single comprehensive price including all costs related to the work, travel, accommodation, fees, expenses, and subsistence.

OHR is a diplomatic organisation within B&H and is exempt from payment of all taxes and duties associated with purchases. Your price should therefore be free of all such taxes and duties.

Payment terms should be clearly stated. OHR normal terms are by bank transfer 30 days after delivery/final report.

The proposal must be valid for acceptance for 90 days, and the price fixed for the duration of the contract.

Preparation of proposal must be undertaken without financial compensation from OHR.

The proposal should be in sealed envelope, clearly marked

“REQUEST FOR PROPOSALS FOR HEALTH CARE ACCOUNTING SERVICES” and delivered NO LATER than 21 May 2004 to the following address:

OHR Head of Logistic
Emerika Bluma 1
71000 Sarajevo
Bosnia and Herzegovina

Evaluation

Proposals will be considered by the OHR against the stated scope of work, the individuals and methodology proposed, price, timeframe, and any other relevant element. The OHR team may wish to interview bidders.

OHR shall remain at liberty to enter discussion or negotiations with any bidder, or to award on the basis of the proposals received, or to conclude the matter without award. The decision of the team will be final.

Questions

We believe you have all the information necessary to prepare your proposal, but any questions or requirements for clarification, should be in writing only to the Head of Logistics on Fax No +387 33 283 565 or e-mail tender@ohr.int, and not to other officers of OHR. It is in all bidders interest to register their intention to bid so that everyone may receive answers to any questions put by other bidders. Please address this registration to e-mail tender@ohr.int.