



REQUEST FOR PROPOSAL (RFP) (For Low-Valued Services)

TO: All potential vendors	DATE: 14 April 2017
FROM: United Nations Development Programme UN House 14201, United Nations Street -14, Sukhbaatar District, Ulaanbaatar, Mongolia	REFERENCE: RFP/2017/002

Dear Sir / Madam:

We kindly request you to submit your Proposal to conduct public expenditure analysis of air pollution and costs of inaction or ineffective air pollution mitigation measures.

Please be guided by the form attached hereto as Annex 2, in preparing your Proposal.

Proposals may be submitted on or before 10 a.m. 1 May 2017 and via email, courier mail or fax to the address below:

United Nations Development Programme
UN House 14201, UN Street 14, Sukhbaatar district, Ulaanbaatar, Mongolia
Fax: 976-11-326221; email: bids.mn@undp.org

Your Proposal must be expressed in the English, and valid for a minimum period of 120 days.

In the course of preparing your Proposal, it shall remain your responsibility to ensure that it reaches the address above on or before the deadline. Proposals that are received by UNDP after the deadline indicated above, for whatever reason, shall not be considered for evaluation. If you are submitting your Proposal by email, kindly ensure that they are signed and in the .pdf format, and free from any virus or corrupted files.

Services proposed shall be reviewed and evaluated based on completeness and compliance of the Proposal and responsiveness with the requirements of the RFP and all other annexes providing details of UNDP requirements.

The Proposal that complies with all of the requirements, meets all the evaluation criteria and offers the best value for money shall be selected and awarded the contract. Any offer that does not meet the requirements shall be rejected.

Any discrepancy between the unit price and the total price shall be re-computed by UNDP, and the unit price shall prevail and the total price shall be corrected. If the Service Provider does not accept the final price based on UNDP's re-computation and correction of errors, its Proposal will be rejected.

No price variation due to escalation, inflation, fluctuation in exchange rates, or any other market

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factors shall be accepted by UNDP after it has received the Proposal. At the time of Award of Contract or Purchase Order, UNDP reserves the right to vary (increase or decrease) the quantity of services and/or goods, by up to a maximum twenty five per cent (25%) of the total offer, without any change in the unit price or other terms and conditions.

Any Contract or Purchase Order that will be issued as a result of this RFP shall be subject to the General Terms and Conditions attached hereto. The mere act of submission of a Proposal implies that the Service Provider accepts without question the General Terms and Conditions of UNDP, herein attached as Annex 3.

Please be advised that UNDP is not bound to accept any Proposal, nor award a contract or Purchase Order, nor be responsible for any costs associated with a Service Providers preparation and submission of a Proposal, regardless of the outcome or the manner of conducting the selection process.

UNDP's vendor protest procedure is intended to afford an opportunity to appeal for persons or firms not awarded a Purchase Order or Contract in a competitive procurement process. In the event that you believe you have not been fairly treated, you can find detailed information about vendor protest procedures in the following link:

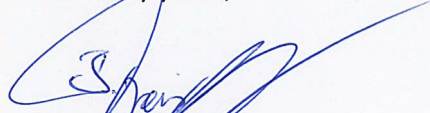
<http://www.undp.org/content/undp/en/home/operations/procurement/protestandsanctions/>

UNDP encourages every prospective Service Provider to prevent and avoid conflicts of interest, by disclosing to UNDP if you, or any of your affiliates or personnel, were involved in the preparation of the requirements, design, cost estimates, and other information used in this RFP.


UNDP implements a zero tolerance on fraud and other proscribed practices, and is committed to preventing, identifying and addressing all such acts and practices against UNDP, as well as third parties involved in UNDP activities. UNDP expects its Service Providers to adhere to the UN Supplier Code of Conduct found in this link : http://www.un.org/depts/ptd/pdf/conduct_english.pdf

Thank you and we look forward to receiving your Proposal.

Sincerely yours,



Beate Trankmann

Resident Representative 

United Nations Development Programme, Mongolia

Description of Requirements

Context of the Requirement	The overall purpose of the analysis/study is to collect overall evidence to support policy for reducing/eliminating the consequences of respiratory diseases caused by air pollution in Ulaanbaatar through coherent policy commitment.			
Implementing Partner of UNDP	The firm will be guided by the team of UNDP specialists from the country and regional offices and also coordinate its efforts with UNICEF initiative on healthcare sector PEIR. The firm will interact with a joint Steering Committee which is expected to be established as the governance mechanism for the initiative co-led UNDP, UNICEF and the Ministry of Finance with participation of key line ministries including Ministry of Health (Public Health Institute), Ministry of Energy etc as well as other key national institutions including official from UB City municipality.			
Brief Description of the Required Services ¹	It is proposed to carry out a public expenditure and institutional review (PEIR) study to strengthen advocacy for long-term political commitment to reduce air pollution. The review will cover institutional framework and expenditure analysis of ministries of Finance, Environment and Tourism, Energy, UB municipality and other relevant authorities. Refer to detailed TOR under Annex 4.			
List and Description of Expected Outputs to be Delivered	<ul style="list-style-type: none"> - Inception Report with detailed work plan; - Public Expenditure and Institutional Review of energy sector expenditure causing air pollution - Estimated current and future costs of inaction or existing ineffective measures of air pollution mitigation - Cost Benefit (or Cost Effectiveness) Analysis of proposed policy interventions - Financing Framework (Strategy) on Addressing Air Pollution in Ulaanbaatar - Brief on key messages and recommendations for policy makers and development practitioners - Presentation of the recommendations to the Steering Committee on the Project. 			
Person to Supervise the Work/Performance of the Service Provider	<i>Daniela Gasparikova, DRR</i>			
Frequency of Reporting	<i>Regular consultations</i>			
Location of work	<input type="checkbox"/> Exact Address/es [pls. specify] <input checked="" type="checkbox"/> At Contractor's Location			
Expected duration of work	4 months			
Target start date	15 May 2017			
Latest completion date				
Travels Expected for International expert (s)	Destination/s	Estimated Duration	Brief Description of Purpose of the Travel	Target Date/s

¹ A detailed TOR may be attached if the information listed in this Annex is not sufficient to fully describe the nature of the work and other details of the requirements.

	Ulaanbaatar	10 days	For 2 Int'l experts	Beginning of the assignment												
	Ulaanbaatar	3-5 days	For Team Leader	End of the assignment												
Special Security Requirements	<input type="checkbox"/> Security Clearance from UN prior to travelling <input type="checkbox"/> Completion of UN's Basic and Advanced Security Training <input checked="" type="checkbox"/> Comprehensive Travel Insurance <input type="checkbox"/> Others [pls. specify]															
Implementation Schedule indicating breakdown and timing of activities/sub-activities	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required															
Names and curriculum vitae of individuals who will be involved in completing the services	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required															
Currency of Proposal	<input checked="" type="checkbox"/> United States Dollars <input type="checkbox"/> Euro <input type="checkbox"/> Local Currency															
Value Added Tax on Price Proposal ²	<input checked="" type="checkbox"/> must be inclusive of VAT and other applicable indirect taxes to be stated separately in the Financial offer <input type="checkbox"/> must be exclusive of VAT and other applicable indirect taxes															
Validity Period of Proposals (Counting for the last day of submission of quotes)	<input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input checked="" type="checkbox"/> 120 days In exceptional circumstances, UNDP may request the Proposer to extend the validity of the Proposal beyond what has been initially indicated in this RFP. The Proposal shall then confirm the extension in writing, without any modification whatsoever on the Proposal.															
Partial Quotes	<input checked="" type="checkbox"/> Not permitted															
Payment Terms ³	<table border="1"> <thead> <tr> <th>Outputs</th><th>Percentage</th><th>Timing</th><th>Condition for Payment Release</th></tr> </thead> <tbody> <tr> <td>Output - 1</td><td>20% of the total contract price</td><td>2 weeks after signing the contract;</td><td>Within thirty (30) days from the date of meeting the following conditions:</td></tr> <tr> <td>Output - 2</td><td>40% of the total contract price</td><td>8 weeks after signing the contract;</td><td>a) UNDP's written acceptance (i.e., not mere receipt) of the quality of the outputs; and</td></tr> </tbody> </table>				Outputs	Percentage	Timing	Condition for Payment Release	Output - 1	20% of the total contract price	2 weeks after signing the contract;	Within thirty (30) days from the date of meeting the following conditions:	Output - 2	40% of the total contract price	8 weeks after signing the contract;	a) UNDP's written acceptance (i.e., not mere receipt) of the quality of the outputs; and
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Output - 1	20% of the total contract price	2 weeks after signing the contract;	Within thirty (30) days from the date of meeting the following conditions:													
Output - 2	40% of the total contract price	8 weeks after signing the contract;	a) UNDP's written acceptance (i.e., not mere receipt) of the quality of the outputs; and													

² VAT exemption status varies from one country to another. Pls. check whatever is applicable to the UNDP CO/BU requiring the service.

³ UNDP preference is not to pay any amount in advance upon signing of contract. If the Service Provider strictly requires payment in advance, it will be limited only up to 20% of the total price quoted. For any higher percentage, or any amount advanced exceeding \$30,000, UNDP shall require the Service Provider to submit a bank guarantee or bank cheque payable to UNDP, in the same amount as the payment advanced by UNDP to the Service Provider.

				b) Receipt of invoice from the Service Provider.	
	Output - 3	40% of the total contract price	By end of the contract date.		
Type of Contract to be Signed	<input type="checkbox"/> Purchase Order <input type="checkbox"/> Institutional Contract <input checked="" type="checkbox"/> Contract for Professional Services				
Criteria for Contract Award	<input checked="" type="checkbox"/> Highest Combined Score (based on the 80% technical offer and 20% price weight distribution) <input checked="" type="checkbox"/> Full acceptance of the UNDP Contract General Terms and Conditions (GTC). This is a mandatory criteria and cannot be deleted regardless of the nature of services required. Non acceptance of the GTC may be grounds for the rejection of the Proposal.				
Criteria for the Assessment of Proposal	Technical Proposal (passing threshold - 70% of total technical score of 1000) <input checked="" type="checkbox"/> Expertise of the Firm 30% <input checked="" type="checkbox"/> Methodology, Its Appropriateness to the Condition and Timeliness of the Implementation Plan 50% <input checked="" type="checkbox"/> Qualification and Experience of Key Personnel 20% Financial Proposal (20%) To be computed as a ratio of the Proposal's offer to the lowest price among the proposals received by UNDP.				
UNDP will award the contract to:	<input checked="" type="checkbox"/> One and only one Service Provider				
Annexes to this RFP ⁴	<input checked="" type="checkbox"/> Form for Submission of Proposal (Annex 2) <input checked="" type="checkbox"/> General Terms and Conditions / Special Conditions (Annex 3) ⁵ <input checked="" type="checkbox"/> Detailed TOR (Annex 4) <input checked="" type="checkbox"/> Detailed technical evaluation criteria (Annex 5) <input type="checkbox"/> Others ⁶ [pls. specify]				
Contact Person for Inquiries (Written inquiries only) ⁷	Procurement Officer Bids.mn@undp.org Any delay in UNDP's response shall be not used as a reason for extending the deadline for submission, unless UNDP determines that such an extension is necessary and communicates a new deadline to the Proposers.				
Other Information [pls. specify]					

⁴ Where the information is available in the web, a URL for the information may simply be provided.

⁵ Service Providers are alerted that non-acceptance of the terms of the General Terms and Conditions (GTC) may be grounds for disqualification from this procurement process.

⁶ A more detailed Terms of Reference in addition to the contents of this RFP may be attached hereto.

⁷ This contact person and address is officially designated by UNDP. If inquiries are sent to other person/s or address/es, even if they are UNDP staff, UNDP shall have no obligation to respond nor can UNDP confirm that the query was received.

FORM FOR SUBMITTING SERVICE PROVIDER'S PROPOSAL⁸

(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery⁹)

[insert: Location].

[insert: Date]

To: [insert: Name and Address of UNDP focal point]

Dear Sir/Madam:

We, the undersigned, hereby offer to render the following services to UNDP in conformity with the requirements defined in the RFP dated [specify date], and all of its attachments, as well as the provisions of the UNDP General Contract Terms and Conditions:

A. Qualifications of the Service Provider

The Service Provider must describe and explain how and why they are the best entity that can deliver the requirements of UNDP by indicating the following:

- a) Profile – describing the nature of business, field of expertise, special permissions/licenses, certifications, accreditations, litigation history if any;*
- b) Business Licenses – Registration Papers, Tax Payment Certification, etc.*
- c) Latest Audited Financial Statement – income statement and balance sheet to indicate its financial stability, liquidity, credit standing, and market reputation, etc. ;*
- d) Track Record – list of clients for similar services as those required by UNDP, indicating description of contract scope, contract duration, contract value, contact references;*
- e) Certificates and Accreditation – including Quality Certificates, Patent Registrations, Environmental Sustainability Certificates, etc.*
- f) Written Self-Declaration that the company is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List.*

B. The Proposer's responsiveness to the TOR

This section should demonstrate the Proposer's responsiveness to the TOR by

- identifying the specific components proposed, addressing the requirements, as specified, point by point;*
- providing a detailed description of the essential performance characteristics proposed;*
- demonstrating how the proposed approach and methodology meets or exceeds the requirements and whether it will be appropriate to the local conditions and context of the work;*
- detailing reporting conditions and quality assurance mechanisms that will be put in place;*
- indicating Implementation timelines/schedule; and*
- describing potential risks and providing mitigation measures.*

⁸ This serves as a guide to the Service Provider in preparing the Proposal.

⁹ Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers – for verification purposes

C. Qualifications of Key Personnel

The Proposer must provide:

- a) *Names and qualifications of the key personnel that will perform the services indicating who is Team Leader, who are other experts, etc.;*
- b) *CV demonstrating qualifications, educational background and experience, including English language skills as required in the TOR;*
- c) *Staff/Time Allocation providing a spreadsheet to show the activities of each staff member and the time allocated for his/her involvement; and*
- d) *Written confirmation from each personnel that they are available for the entire duration of the contract.*

D. Cost Breakdown by Cost Component:

The Proposer is required to prepare the Financial Proposal in an envelope separate from the rest of the RFP as indicated in the Instruction to Proposers and are requested to provide the cost summary based on the following format/forms to ease the comparability. The proposers may provide additional detailed calculations under a separate page and in a different format. The financial evaluation shall weigh 20% of total scoring and the offerors are expected to provide realistic, logical offer based on a survey of the market, project environment, etc.

Description of Activity	UoM (daily or monthly rate)	Unit rate	Quantity	Total
I. Personnel Services				
a. Expertise 1				
b. Expertise 2				
c. Expertise 3				
d. Expertise 4				
e. Expertise 5				
II. Travel related Expenses	UoM	Unit rate	Quantity	Total
1. Transportation				
2. Daily allowance (indicate number of team members traveling)				
III. Other Related Costs				
1. Communications				
2. Photocopy/stationery				
3. Others				
Grand total				

[Name and Signature of the Service Provider's Authorized Person]

[Designation]

[Date]

General Terms and Conditions for Services

1.0 LEGAL STATUS:

The Contractor shall be considered as having the legal status of an independent contractor vis-à-vis the United Nations Development Programme (UNDP). The Contractor's personnel and sub-contractors shall not be considered in any respect as being the employees or agents of UNDP or the United Nations.

2.0 SOURCE OF INSTRUCTIONS:

The Contractor shall neither seek nor accept instructions from any authority external to UNDP in connection with the performance of its services under this Contract. The Contractor shall refrain from any action that may adversely affect UNDP or the United Nations and shall fulfill its commitments with the fullest regard to the interests of UNDP.

3.0 CONTRACTOR'S RESPONSIBILITY FOR EMPLOYEES:

The Contractor shall be responsible for the professional and technical competence of its employees and will select, for work under this Contract, reliable individuals who will perform effectively in the implementation of this Contract, respect the local customs, and conform to a high standard of moral and ethical conduct.

4.0 ASSIGNMENT:

The Contractor shall not assign, transfer, pledge or make other disposition of this Contract or any part thereof, or any of the Contractor's rights, claims or obligations under this Contract except with the prior written consent of UNDP.

5.0 SUB-CONTRACTING:

In the event the Contractor requires the services of sub-contractors, the Contractor shall obtain the prior written approval and clearance of UNDP for all sub-contractors. The approval of UNDP of a sub-contractor shall not relieve the Contractor of any of its obligations under this Contract. The terms of any sub-contract shall be subject to and conform to the provisions of this Contract.

6.0 OFFICIALS NOT TO BENEFIT:

The Contractor warrants that no official of UNDP or the United Nations has received or will be offered by the Contractor any direct or indirect benefit arising from this Contract or the award thereof. The Contractor agrees that breach of this provision is a breach of an essential term of this Contract.

7.0 INDEMNIFICATION:

The Contractor shall indemnify, hold and save harmless, and defend, at its own expense, UNDP, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the Contractor, or the Contractor's employees, officers, agents or sub-contractors, in the performance of this Contract. This provision shall extend, inter alia, to claims and liability in the nature of workmen's compensation, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the Contractor, its employees, officers, agents, servants or sub-contractors. The obligations under this Article do not lapse upon termination of this Contract.

8.0 INSURANCE AND LIABILITIES TO THIRD PARTIES:

- 8.1 The Contractor shall provide and thereafter maintain insurance against all risks in respect of its property and any equipment used for the execution of this Contract.
- 8.2 The Contractor shall provide and thereafter maintain all appropriate workmen's compensation insurance, or the equivalent, with respect to its employees to cover claims for personal injury or death in connection with this Contract.
- 8.3 The Contractor shall also provide and thereafter maintain liability insurance in an adequate amount to cover third party claims for death or bodily injury, or loss of or damage to property, arising from or in connection with the provision of services under this Contract or the operation of any vehicles, boats, airplanes or other equipment owned or leased by the Contractor or its agents, servants, employees or sub-contractors performing work or services in connection with this Contract.
- 8.4 Except for the workmen's compensation insurance, the insurance policies under this Article shall:
- 8.4.1 Name UNDP as additional insured;
 - 8.4.2 Include a waiver of subrogation of the Contractor's rights to the insurance carrier against the UNDP;
 - 8.4.3 Provide that the UNDP shall receive thirty (30) days written notice from the insurers prior to any cancellation or change of coverage.
- 8.5 The Contractor shall, upon request, provide the UNDP with satisfactory evidence of the insurance required under this Article.

9.0 ENCUMBRANCES/LIENS:

The Contractor shall not cause or permit any lien, attachment or other encumbrance by any person to be placed on file or to remain on file in any public office or on file with the UNDP against any monies due or to become due for any work done or materials furnished under this Contract, or by reason of any other claim or demand against the Contractor.

10.0 TITLE TO EQUIPMENT:

Title to any equipment and supplies that may be furnished by UNDP shall rest with UNDP and any such equipment shall be returned to UNDP at the conclusion of this Contract or when no longer needed by the Contractor. Such equipment, when returned to UNDP, shall be in the same condition as when delivered to the Contractor, subject to normal wear and tear. The Contractor shall be liable to compensate UNDP for equipment determined to be damaged or degraded beyond normal wear and tear.

11.0 COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS:

- 11.1 Except as is otherwise expressly provided in writing in the Contract, the UNDP shall be entitled to all intellectual property and other proprietary rights including, but not limited to, patents, copyrights, and trademarks, with regard to products, processes, inventions, ideas, know-how, or documents and other materials which the Contractor has developed for the UNDP under the Contract and which bear a direct relation to or are produced or prepared or collected in consequence of, or during the course of, the performance of the Contract, and the Contractor acknowledges and agrees that such products, documents and other materials constitute works made for hire for the UNDP.
- 11.2 To the extent that any such intellectual property or other proprietary rights consist of any intellectual property or other proprietary rights of the Contractor: (i) that pre-existed the performance by the Contractor of its obligations under the Contract, or (ii) that the Contractor may develop or acquire, or may have developed or acquired, independently of the performance of its obligations under the Contract, the UNDP does not and shall not claim any ownership interest thereto, and the Contractor grants to the UNDP a perpetual license to use such intellectual property or other proprietary right solely for the purposes of and in accordance with the requirements of the Contract.

11.3 At the request of the UNDP; the Contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring or licensing them to the UNDP in compliance with the requirements of the applicable law and of the Contract.

11.4 Subject to the foregoing provisions, all maps, drawings, photographs, mosaics, plans, reports, estimates, recommendations, documents, and all other data compiled by or received by the Contractor under the Contract shall be the property of the UNDP, shall be made available for use or inspection by the UNDP at reasonable times and in reasonable places, shall be treated as confidential, and shall be delivered only to UNDP authorized officials on completion of work under the Contract.

12.0 USE OF NAME, EMBLEM OR OFFICIAL SEAL OF UNDP OR THE UNITED NATIONS:

The Contractor shall not advertise or otherwise make public the fact that it is a Contractor with UNDP, nor shall the Contractor, in any manner whatsoever use the name, emblem or official seal of UNDP or THE United Nations, or any abbreviation of the name of UNDP or United Nations in connection with its business or otherwise.

13.0 CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION:

Information and data that is considered proprietary by either Party and that is delivered or disclosed by one Party ("Discloser") to the other Party ("Recipient") during the course of performance of the Contract, and that is designated as confidential ("Information"), shall be held in confidence by that Party and shall be handled as follows:

13.1 The recipient ("Recipient") of such information shall:

13.1.1 use the same care and discretion to avoid disclosure, publication or dissemination of the Discloser's Information as it uses with its own similar information that it does not wish to disclose, publish or disseminate; and,

13.1.2 use the Discloser's Information solely for the purpose for which it was disclosed.

13.2 Provided that the Recipient has a written agreement with the following persons or entities requiring them to treat the Information confidential in accordance with the Contract and this Article 13, the Recipient may disclose Information to:

13.2.1 any other party with the Discloser's prior written consent; and,

13.2.2 the Recipient's employees, officials, representatives and agents who have a need to know such Information for purposes of performing obligations under the Contract, and employees officials, representatives and agents of any legal entity that it controls controls it, or with which it is under common control, who have a need to know such Information for purposes of performing obligations under the Contract, provided that, for these purposes a controlled legal entity means:

13.2.2.1 a corporate entity in which the Party owns or otherwise controls, whether directly or indirectly, over fifty percent (50%) of voting shares thereof; or,

13.2.2.2 any entity over which the Party exercises effective managerial control; or,

13.2.2.3 for the UNDP, an affiliated Fund such as UNCDF, UNIFEM and UNV.

13.3 The Contractor may disclose Information to the extent required by law, provided that, subject to and without any waiver of the privileges and immunities of the United Nations, the Contractor will give the UNDP sufficient prior notice of a request for the disclosure of Information in order to allow the UNDP to have a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made.

13.4 The UNDP may disclose Information to the extent as required pursuant to the Charter of the UN, resolutions or regulations of the General Assembly, or rules promulgated by the Secretary-General.

13.5 The Recipient shall not be precluded from disclosing Information that is obtained by the Recipient from a third party without restriction, is disclosed by the Discloser to a third party without any obligation of confidentiality, is previously known by the Recipient, or at any time is developed by the Recipient completely independently of any disclosures hereunder.

13.6 These obligations and restrictions of confidentiality shall be effective during the term of the Contract, including any extension thereof, and, unless otherwise provided in the Contract, shall remain effective following any termination of the Contract.

14.0 FORCE MAJEURE; OTHER CHANGES IN CONDITIONS

14.1 In the event of and as soon as possible after the occurrence of any cause constituting force majeure, the Contractor shall give notice and full particulars in writing to the UNDP, of such occurrence or change if the Contractor is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Contract. The Contractor shall also notify the UNDP of any other changes in conditions or the occurrence of any event that interferes or threatens to interfere with its performance of this Contract. On receipt of the notice required under this Article, the UNDP shall take such action as, in its sole discretion; it considers to be appropriate or necessary in the circumstances, including the granting to the Contractor of a reasonable extension of time in which to perform its obligations under this Contract.

14.2 If the Contractor is rendered permanently unable, wholly, or in part, by reason of force majeure to perform its obligations and meet its responsibilities under this Contract, the UNDP shall have the right to suspend or terminate this Contract on the same terms and conditions as are provided for in Article 15, "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days.

14.3 Force majeure as used in this Article means acts of God, war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force.

14.4 The Contractor acknowledges and agrees that, with respect to any obligations under the Contract that the Contractor must perform in or for any areas in which the UNDP is engaged in, preparing to engage in, or disengaging from any peacekeeping, humanitarian or similar operations, any delays or failure to perform such obligations arising from or relating to harsh conditions within such areas or to any incidents of civil unrest occurring in such areas shall not, in and of itself, constitute force majeure under the Contract..

15.0 TERMINATION

15.1 Either party may terminate this Contract for cause, in whole or in part, upon thirty (30) days notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Article 16.2 ("Arbitration"), below, shall not be deemed a termination of this Contract.

15.2 UNDP reserves the right to terminate without cause this Contract at any time upon 15 days prior written notice to the Contractor, in which case UNDP shall reimburse the Contractor for all reasonable costs incurred by the Contractor prior to receipt of the notice of termination.

15.3 In the event of any termination by UNDP under this Article, no payment shall be due from UNDP to the Contractor except for work and services satisfactorily performed in conformity with the express terms of this Contract.

15.4 Should the Contractor be adjudged bankrupt, or be liquidated or become insolvent, or should the Contractor make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the insolvency of the Contractor, the UNDP may, without prejudice to any other right or remedy it may have under the terms of these conditions, terminate this Contract forthwith. The Contractor shall immediately inform the UNDP of the occurrence of any of the above events.

16.0 SETTLEMENT OF DISPUTES

16.1 Amicable Settlement: The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of this Contract or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the parties.

16.2 Arbitration: Any dispute, controversy, or claim between the Parties arising out of the Contract or the breach, termination, or invalidity thereof, unless settled amicably under Article 16.1, above, within sixty (60) days after receipt by one Party of the other Party's written request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The decisions of the arbitral tribunal shall be based on general principles of international commercial law. For all evidentiary questions, the arbitral tribunal shall be guided by the Supplementary Rules Governing the Presentation and Reception of Evidence in International Commercial Arbitration of the International Bar Association, 28 May 1983 edition. The arbitral tribunal shall be empowered to order the return or destruction of goods or any property, whether tangible or intangible, or of any confidential information provided under the Contract, order the termination of the Contract, or order that any other protective measures be taken with respect to the goods, services or any other property, whether tangible or intangible, or of any confidential information provided under the Contract, as appropriate, all in accordance with the authority of the arbitral tribunal pursuant to Article 26 ("Interim Measures of Protection") and Article 32 ("Form and Effect of the Award") of the UNCITRAL Arbitration Rules. The arbitral tribunal shall have no authority to award punitive damages. In addition, unless otherwise expressly provided in the Contract, the arbitral tribunal shall have no authority to award interest in excess of the London Inter-Bank Offered Rate ("LIBOR") then prevailing, and any such interest shall be simple interest only. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute, controversy, or claim.

17.0 PRIVILEGES AND IMMUNITIES:

Nothing in or relating to this Contract shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including its subsidiary organs.

18.0 TAX EXEMPTION

18.1 Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, inter alia that the United Nations, including its subsidiary organs, is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. In the event any governmental authority refuses to recognize the United Nations exemption from such taxes, duties or charges, the Contractor shall immediately consult with the UNDP to determine a mutually acceptable procedure.

18.2 Accordingly, the Contractor authorizes UNDP to deduct from the Contractor's invoice any amount representing such taxes, duties or charges, unless the Contractor has consulted with the UNDP before the payment thereof and the UNDP has, in each instance, specifically authorized the Contractor to pay such taxes, duties or charges under protest. In that event, the Contractor shall provide the UNDP with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.

19.0 CHILD LABOUR

19.1 The Contractor represents and warrants that neither it, nor any of its suppliers is engaged in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child, including Article 32 thereof, which, inter alia, requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical mental, spiritual, moral or social development.

19.2 Any breach of this representation and warranty shall entitle UNDP to terminate this Contract immediately upon notice to the Contractor, at no cost to UNDP.

20.0 MINES:

20.1 The Contractor represents and warrants that neither it nor any of its suppliers is actively and directly engaged in patent activities, development, assembly, production, trade or manufacture of mines or in such activities in respect of components primarily utilized in the manufacture of Mines. The term "Mines" means those devices defined in Article 2, Paragraphs 1, 4 and 5 of Protocol II annexed to the Convention on Prohibitions and Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects of 1980.

20.2 Any breach of this representation and warranty shall entitle UNDP to terminate this Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind of UNDP.

21.0 OBSERVANCE OF THE LAW:

The Contractor shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the terms of this Contract.

22.0 SEXUAL EXPLOITATION:

22.1 The Contractor shall take all appropriate measures to prevent sexual exploitation or abuse of anyone by it or by any of its employees or any other persons who may be engaged by the Contractor to perform any services under the Contract. For these purposes, sexual activity with any person less than eighteen years of age, regardless of any laws relating to consent, shall constitute the sexual exploitation and abuse of such person. In addition, the Contractor shall refrain from, and shall take all appropriate measures to prohibit its employees or other persons engaged by it from, exchanging any money, goods, services, offers of employment or other things of value, for sexual favors or activities, or from engaging in any sexual activities that are exploitive or degrading to any person. The Contractor acknowledges and agrees that the provisions hereof constitute an essential term of the Contract and that any breach of this representation and warranty shall entitle UNDP to terminate the Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind.

22.2 The UNDP shall not apply the foregoing standard relating to age in any case in which the Contractor's personnel or any other person who may be engaged by the Contractor to perform any services under the Contract is married to the person less than the age of eighteen years with whom sexual activity has occurred and in which such marriage is recognized as valid under the laws of the country of citizenship of such Contractor's personnel or such other person who may be engaged by the Contractor to perform any services under the Contract.

23.0 SECURITY:

23.1 The Contractor shall:

- (a) Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the services are being provided;
- (b) Assume all risks and liabilities related to the Contractor's security, and the full implementation of the security plan.

23.2 UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this contract. Notwithstanding the foregoing, the Contractor shall remain solely responsible for the security of its personnel and for UNDP's property in its custody as set forth in paragraph 4.1 above.

24.0 AUDITS AND INVESTIGATIONS:

24.1 Each invoice paid by UNDP shall be subject to a post-payment audit by auditors, whether internal or external, of UNDP or the authorized agents of the UNDP at any time during the term of the Contract and for a period of three (3) years following the expiration or prior termination of the Contract. The UNDP shall be entitled to a refund from the Contractor for any amounts shown by such audits to have been paid by the UNDP other than in accordance with the terms and conditions of the Contract. Should the audit determine that any funds paid by UNDP have not been used as per contract clauses, the company shall reimburse such funds forthwith. Where the company fails to reimburse such funds, UNDP reserves the right to seek recovery and/or to take any other action as it deems necessary.

24.2 The Contractor acknowledges and agrees that, at anytime, UNDP may conduct investigations relating to any aspect of the Contract, the obligations performed under the Contract, and the operations of the Contractor generally. The right of UNDP to conduct an investigation and the Contractor's obligation to comply with such an investigation shall not lapse upon expiration or prior termination of the Contract. The Contractor shall provide its full and timely cooperation with any such inspections, post-payment audits or investigations. Such cooperation shall include, but shall not be limited to, the Contractor's obligation to make available its personnel and any documentation for such purposes and to grant to UNDP access to the Contractor's premises. The Contractor shall require its agents, including, but not limited to, the Contractor's attorneys, accountants or other advisers, to reasonably cooperate with any inspections, post-payment audits or investigations carried out by UNDP hereunder.

25.0 ANTI-TERRORISM:

25.1 The Contractor agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received under this Contract are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Contract.

26.0 AUTHORITY TO MODIFY:

Pursuant to the Financial Regulations and Rules of UNDP, only the UNDP Authorized Official possesses the authority to agree on behalf of UNDP to any modification of or change in this Agreement, to a waiver of any of its provisions or to any additional contractual relationship of any kind with the Contractor. Accordingly, no modification or change in this Contract shall be valid and enforceable against UNDP unless provided by an amendment to this Agreement signed by the Contractor and jointly by the UNDP Authorized Official.

TERMS OF REFERENCE

PUBLIC EXPENDITURE ANALYSIS

OF AIR POLLUTION AND COSTS OF INACTION OR INEFFECTIVE AIR POLLUTION MITIGATION MEASURES

BACKGROUND

Mongolia is experiencing rapid urbanization and over 68 per cent of the population resides in urban areas. With winter temperature as low as -40°C for several months, burning of raw coal for heating contributes to air pollution. On top of it, about 64% of Mongolians aged 19-49 years old regularly smoke (Social Indicator Sample Survey, SISS, 2014, MOH, UNICEF, UNFPA). The Lot Quality Assurance Sampling (LQAS) survey conducted in Khovsgol and Nalaikh districts revealed that about 43% of households with children aged 0-59 months have at least one member of the family who smokes (LQAS survey report, 2014, UNICEF/LSTM).

Ulaanbaatar is among the cities with the highest levels of air pollution in the world during winter season, which is likely to increase over the next ten years unless major mitigating initiatives are taken. Although the Mongolian Government has undertaken a number of significant measures to address air pollution in the last 5 years, growing population combined with high emissions from burning raw coal in winter result in annual average concentrations of fine particulate matter (PM_{2.5}) over 7 times higher than WHO health-based guidelines and over 3 times higher than annual average Mongolian National Standards of 25µg/m³ resulting in devastating impacts on child health, including reduced foetal growth, preterm birth, and pneumonia.

Pneumonia, the “forgotten” killer¹⁰, is the second leading cause for under-5 mortality rate (U5MR) in Mongolia and has only been reduced by 5% since 2000, and now accounts 15% of total mortality of children under 5. The main cause for pneumonia is lung infection often complicated among children with poor nutrition status. Air pollution is recognised as a critical contributing factors of pneumonia. The 2010 global burden of disease study demonstrated the significant impact of air pollution on health in Mongolia especially in the long-term as pneumonia is one of the three air pollution related diseases that resulted in the most lost life years.

Air pollution exposures in children also result in lung damage that affects health and wellbeing throughout the rest of their lives. Children living in a highly polluted districts of central UB were found to have 50% lower lung function than children living in a rural provinces. During winter time morbidity due to acute respiratory infection and pneumonia reaches its peak and all children’s hospitals are full or under excess demand. Hospitalization rate during winter time is twice high compared to summer rate particularly children aged under five. About 60% of children affected admit hospital for average of 7-9 days.

Reducing air pollution related health burdens in children will need political commitment to a transition to cleaner fuels, and long term investments in human and equipment resources. In order to get political comment there is need for robust evidence.

Therefore, an analysis of fiscal and economic costs of air pollution, as well as the analysis of the future costs of inaction now on economic, social and health impact caused by air pollution, in terms of human capital, social welfare, reduced productivity and performance in schools, increased medical care etc., is expected to enable some evidence for policy advocacy and inform discussions about evidence-based solutions. This

¹⁰ Global Action Plan on Pneumonia and Diarrhea

investment case has the potential for contributing to an effective advocacy effort and influence urgent policy decisions.

Hence, it is proposed to carry out a public expenditure and institutional review (PEIR) study to strengthen advocacy for long-term political commitment to reduce air pollution. The review will cover institutional framework and expenditure analysis of ministries of Finance, Environment and Tourism, Energy, UB municipality and other relevant authorities. UNICEF Mongolia is also carrying out a complementary PEIR on healthcare expenditures and economic costs caused by air pollution. UNDP will closely coordinate and cooperate with UNICEF in conducting the review and will facilitate creation of a Project Steering Committee with members from various government organizations to oversee the Project outputs. A consulting company (the Consultant) will be engaged in assisting the Ministries of Energy and Finance in conducting the PEIR and developing recommendations on improving situation with children respiratory diseases in Ulaanbaatar. The Consultant will be responsible to effectively collaborate with relevant government counterparts in performing the services.

OBJECTIVE

The overall purpose of the analysis/study is to collect overall evidence to support policy for reducing/eliminating the consequences of respiratory diseases caused by air pollution in Ulaanbaatar through coherent policy commitment.

The specific purpose of the analyses is to conduct public expenditures analysis and provide recommendations for the Government of Mongolia and Municipality of Ulaanbaatar on budget interventions and public financial management arrangements to significantly decrease the air pollution in Ulaanbaatar.

METHODOLOGY (SCOPE OF WORK)

- A. Agree the methodology and the implementation approach with the key government stakeholders.
- B. Conduct Public Expenditure and Institutional Review (PEIR) of energy sector expenditures, including:
 - a. Assessing the overall dynamics of public expenditure in energy sector and environment sector expenditures that relate to air pollution. Review and assess existing policies and expenditure priorities for next budget cycles.
 - b. Assessing total public sector expenditures of the energy sector associated with emission production and causing air pollution (directly contributing to the respiratory diseases). This would include assessment of “negative” expenditures on energy sector interventions that contribute to the respiratory diseases, as well as indication of possible options to generate related fiscal space (both on revenue generations, international financial support and fiscal efficiency).
 - c. Review existing policies and programmes related to air pollution such as energy, migration, urbanization, spatial planning, district heating, etc.
 - d. Review the current institutional mandates and coordination mechanisms / lack thereof, including at the national and municipal level, as well as current policy measures in place, to address air pollution mitigation and reform the energy system.
- C. Economic assessment of the negative externalities of air pollution
 - a. Assessing the economic impact of air pollution including loss of GDP opportunity costs, pollution prevention or avoidance costs, and long-term socio-economic costs impeding human capital development, such as labor productivity losses, sick days etc,

- D. Formulation of specific options on future steps to address the policy issue of air pollution in Mongolia, including:
- Development/ review and analysis of policy options in the energy sector (including expected investment and future operating costs) to decrease the negative impacts of the air pollution. Policy options must be assessed using effectiveness assessment toolkit (e.g. benefit-cost analysis or cost effectiveness analysis).
 - Development of costed scenarios for alternative policy interventions
- E. In consultations and cooperation with UNICEF-Mongolia, development of a coherent package of a Financing Framework (Strategy) on Addressing Air Pollution in Ulaanbaatar. The Strategy must clearly address energy sector issues, the primary effect on energy and non-energy sector public expenditures (including healthcare expenditures on respiratory diseases), assess the existing and required sources and level of financing (including gap analysis), present recommendations with financing scenarios and timeline for the recommended set of interventions. In doing so, the Consultant will closely cooperate with UNICEF, especially on contributing to and benefiting from their efforts on healthcare sector PEIR.
- F. Presentation of the Strategy to key stakeholders for validation.

EXPECTED OUTPUTS

The specific outputs by the Consultant are:

No.	Outputs	Target delivery date
1	- Inception Report with detailed work plan agreed with the UNDP, UNICEF and government stakeholders	1 June 2017
2	- Public Expenditure and Institutional Review of energy sector expenditure causing air pollution - Estimated current and future costs of inaction or existing ineffective measures of air pollution mitigation - Cost Benefit (or Cost Effectiveness) Analysis of proposed policy interventions - Financing Framework (Strategy) on Addressing Air Pollution in Ulaanbaatar	15 July 2017
3.	- Brief on key messages and recommendations for policy makers and development practitioners - Presentation of the recommendations to the Steering Committee on the Project, which is expected to be led by Ministry of Finance with the participation of key line ministries including Ministry of Health (Public Health Institute), Ministry of Energy etc as well as other key national institutions including official from UB City municipality.	15 September 2017

IMPLEMENTATION APPROACH

In order to implement the PEIR assessment and other analyses specified in the Expected Outputs section, a firm with the relevant international and national expertise will be brought on board to undertake the

analyses and develop recommendations, as well as regularly consult with the government stakeholders on the agreed methodology, progress and recommendations. The firm will be guided by the team of UNDP specialists from the country and regional offices and also coordinate its efforts with UNICEF initiative on healthcare sector PEIR. The firm will interact with a joint Steering Committee which is expected to be established as the governance mechanism for the initiative co-led UNDP, UNICEF and the Ministry of Finance with participation of key line ministries including Ministry of Health (Public Health Institute), Ministry of Energy etc as well as other key national institutions including official from UB City municipality.

DUTY STATION

The Contractor will be working home based with up to two missions to Mongolia as follows:

- The 2 international experts are expected to travel to Ulaanbaatar for 10 days at the beginning of the assignment, and
- the Team leader for 3-5 days at the end of the assignment to present the results.

TEAM COMPOSITION

The CPEIR team will be made up of the following experts:

- i) International expert on public financial management
- ii) International expert on energy
- iii) National public financial management expert
- iv) National energy and environment sector expert or energy/environment economist
- v) National institutional/governance expert

QUALIFICATIONS AND REQUIREMENTS FOR THE CONTRACTOR

(1) Requirements for the contractor:

- Be a legal entity (research institution, NGO, consulting company etc)
- Have proven experience of conducting a similar analysis at national or international level
- Track record and working knowledge of Ulaanbaatar or Mongolia in general in the expertise areas.

(2) Qualifications requirement for individual team members:

The team of the contracted firm/institution shall have experienced members listed in team composition section and below are the requirements:

International PFM Expert/Team Leader

- Advanced degree in public administration, public finance, public policy, or related areas.
- At least 10 years of professional experience, of which at least 5 years of experience of international consulting in development areas.
- Proven experience in policy analysis, public financial management, and advisory role to senior government stakeholders.
- Practical experience in working with Ministries of Finance, Planning, and Local Government in budgeting areas is an advantage.
- Experience in managing teams and projects at national and sub-national level.
- Experience of working in the Central/East Asia region.
- Excellent English communication skills, both written and oral is required.

International expert on energy

- Advanced degree in energy, environment, or related areas.
- At least 10 years of professional experience, of which at least 5 years of experience of international consulting in development areas.
- Proven experience in energy policy analysis and advisory role to senior government stakeholders.
- Excellent English communication skills, both written and oral is required.
- Experience of working in the Central/East Asia region is an advantage.

National public financial management expert

- Higher education degree in economics, public finance, financial management, or related areas.
- At least 7 years of professional experience in PFM sector in Mongolia, including experience in working with the Ministry of Finance.
- Proven experience in budget/public finance policy analysis and advisory role to government stakeholders.
- Proven English communication skills, both written and oral.

National energy and environment sector expert or energy/environment economist

- Higher education degree in energy, environment, or related areas.
- At least 7 years of professional experience in energy and/or environment sectors in Mongolia, including experience in the area of air pollution issues faced in Ulaanbaatar.
- Proven experience in energy policy analysis and advisory role to government stakeholders.
- Proven English communication skills, both written and oral.

National institutional/governance expert

- Higher education degree in public administration, or related areas.
- At least 7 years of professional experience in public administration sector and/or institutional reforms in Mongolia.
- Proven experience in public policy analysis and advisory role to government stakeholders.
- Proven English communication skills, both written and oral.
- Higher education degree in each listed expertise area.
- Proven experience conducting similar analysis in their respective area.
- Good understanding of current air pollution issues faced in Ulaanbaatar.

TIME-FRAME AND DURATION

The assignment will take place for the period of 4 months with target commencement date as 15 May, 2017.

EVALUATION METHOD

Cumulative analysis: 80% - technical and 20% - financial

DETAILED TECHNICAL EVALUATION CRITERIA

Evaluation Criteria	
Proposed Technical Evaluation Criteria	Points Obtainable
I. Expertise of firm / organisation submitting proposal (Points obtainable 300 Points)	
1.1 Reputation of Organisation and Staff (Competence / Reliability)	50
1.2 Litigation and Arbitration history	15
1.3 General Organisational Capability which is likely to affect implementation (i.e. loose consortium, holding company or one firm, size of the firm / organisation, strength of project management support e.g. project financing capacity and project management controls)	45
1.4 Extent to which any work would be subcontracted (subcontracting carries additional risks which may affect project implementation, but properly done it offers a chance to access specialised skills.	15
1.5 Quality assurance procedures, warranty	30
Sub total (1.1 to 1.5)	155
1.6 Relevance of:	
- Specialised Knowledge	50
- Experience on Similar Programme / Projects	70
- Experience on Projects in the Region	15
- Work for UNDP/ major multilateral/ or bilateral programmes	10
Sub Total for 1.6	145
Total for Expertise of firm / organisation submitting proposal (I)	300
II. Proposed Work Plan and Approach (Points obtainable 500 Points)	
2.1 To what degree does the Offeror understand the task?	50
2.2 Have the important aspects of the task been addressed in sufficient detail?	40
2.3 Are the different components of the project adequately weighted relative to one another?	25
2.4 Is there evidence that the proposal been prepared based on an in-depth understanding and prior knowledge of the project environment?	60
2.5 Is the conceptual framework adopted appropriate for the task?	75
2.6 Is the scope of task well defined and does it correspond to the TOR?	150
2.7 Is the presentation clear and is the sequence of activities and the planning logical, realistic and promise efficient implementation to the project?	100
Total for Proposed Work Plan and Approach (II)	500
III. Personnel (Points obtainable 200 Points)	
3.1 International PFM Expert/Team Leader	
Experience in public financial management reforms and budget formulation research and analysis processes	20
Experience in managing teams and projects at national and sub-national level	15
Knowledge of the region	15
Language Qualifications	10

Sub Total for Task Manager	60
3.2 International expert on energy	
International Experience on energy	15
Experience in policy-oriented research	10
Knowledge of the region	15
Language Qualifications	5
Sub Total for International Experts	105
3.3 National public financial management expert	
General Qualification	5
Experience in conducting policy-oriented research	10
Professional Experience in the area of specialisation	20
3.4 National energy and environment sector expert or energy/environment economist	
General Qualification	5
Experience in conducting policy-oriented research	5
Professional Experience in the area of specialisation	20
3.5 National institutional/governance expert	
General Qualification	5
Experience in conducting policy-oriented research	10
Professional Experience in the area of specialisation	15
Sub Total National Experts	95
Total for Personnel (III)	200
Grand Total (A+B+C)	1000