



REQUEST FOR PROPOSAL (RFP)

All interested	DATE: September 26, 2017
	REFERENCE: 54-2017-UNDP-UKR-RFP-RPP

Dear Sir / Madam:

We kindly request you to submit your Proposal for conducting services of **Small Grants for Strengthening Organizational Structures in the Authorities of Donetsk and Lugansk Oblasts**.

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

Proposals may be submitted on or before **23:59 (Kyiv time) Tuesday, October 10, 2017** and via email to the address below:

United Nations Development Programme
tenders.ua@undp.org
Procurement Unit

Your Proposal must be expressed in the **English or Ukrainian or Russian**, and valid for a minimum period of **90 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.

NB. The Offeror shall create 2 archive files (*.zip format only!): one should include *technical proposal*, another one should include *financial proposal* and be encrypted with password. Both files should be attached to the email letter.

During evaluation process only technically compliant companies will be officially asked by UNDP procurement unit via email to provide password to archive with financial proposal. Please do not include the password either to email letter or technical proposal and disclose before official request.

Messages should **not exceed 5 MB in size**. Offers larger than 5 MB should be split into several messages and each message subject should indicate "part x of y" besides the marking mentioned in the announcement and the solicitation documents. Messages larger than 5 Mb will not be delivered. *All electronic submissions are confirmed by an automatic reply.*

The Offeror shall mark the email letter/s:

Subject of the message should include: **“54-2017-UNDP-UKR-RFP-RPP”** and **“The initiative to organize the provision of small grants / fellowships to strengthen organizational structures and provide assistance to cover the shortage of personnel in Donetsk and Lugansk regional civil-military administrations and regional government administrations”**.

Body of the message should include: **Name of the offeror**

Archive files should be marked as: **Technical proposal** and **Financial proposal**

Note: if the email letters or archive files are not marked as per the instructions in this clause, the procuring UNDP entity will not assume responsibility for the Proposal's misplacement or premature opening.

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 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 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/business/protest-and-sanctions.html>

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.undp.org/content/dam/undp/img/corporate/procurement/UN%20Supplier%20Code%20of%20Conduct.pdf>

Thank you and we look forward to receiving your Proposal.

Sincerely yours,



Ms. Andra Brige
Deputy Country Director
(Operations)
UNDP Ukraine

A.D.

Annex 1

Description of Requirements

Project name:	"Recovery and Peacebuilding Program"
Brief Description of the Required Services	The initiative to organize the provision of small grants / fellowships to strengthen organizational structures and provide assistance to cover the shortage of personnel in Donetsk and Lugansk regional civil-military administrations and regional government administrations (hereinafter Donetsk and Lugansk OCMA-OGA) within the framework of the United Nations Development Programme "Recovery and Peacebuilding Program" with the financial support of the Swiss Confederation and Sweden. The program aims to support the integrated restoration of governance functions, the involvement of community representatives, including women, who command respect for governance structures, providing a balanced approach to presenting different political views.
The overall objective	UNDP in Ukraine needs services of consulting companies (Contractor) for the assistance of the Donetsk OCMA-OGA and Lugansk OCMA-OGA in the rehabilitation and improvement of their work. The contractor must perform a functional analysis of the organizational structure and needs of public administrations. Guided by the results revealed in the process of functional analysis, to develop a plan of action necessary for improving the work and conditions of these administrations operation. The assessment will be carried out jointly with the relevant state administration authorities. This intervention will ensure the recovery and capacity building of the staff.
Person to Supervise the Work/Performance of the Service Provider	Program Coordinator of Local Government and Decentralization Reform component of Recovery and Peacebuilding Program.
Frequency of Reporting	According to TOR attached
Progress Reporting Requirements	According to TOR attached
Location of work	According to TOR attached
Expected duration of work	According to the proposed timeframe specified in the attached TOR
Target start date	October 2017
Latest completion date	May 2018
Travels Expected	According to TOR attached
Special Security Requirements	n/a
Facilities to be Provided by UNDP (i.e., must be excluded from Price Proposal)	n/a
Implementation Schedule indicating breakdown and	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required

timing of activities/sub-activities	
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 (USD) – strongly advised to use as a risk mitigation measure against the impact of the local currency devaluation. UNDP shall arrange the payment in local currency based on the UN Operational Exchange Rate prevailing at the time of invoicing. For details please see: http://treasury.un.org <input type="checkbox"/> Euro <input checked="" type="checkbox"/> UAH
Value Added Tax on Price Proposal	<input type="checkbox"/> must be inclusive of VAT and other applicable indirect taxes (VAT should be clearly indicated in separate line), if applicable <input checked="" 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"/> 30 days <input type="checkbox"/> 60 days <input checked="" type="checkbox"/> 90 days <input type="checkbox"/> 120 days <p>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.</p>
Partial Quotes	<input checked="" type="checkbox"/> Not permitted <input type="checkbox"/> Permitted
A pre-proposal conference will be held on:	<p>Pre-Bidding Conference will be held on 2nd of October, 2017 at 3 pm at the following address: UNDP Ukraine 1, Klovsky Uzviz, Kyiv Ukraine. Skype Conference shall be supported for interested bidders unable to attend the Pre-Bidding Conference. Interested bidders are required to register for Pre-Bidding Conference by submitting their company name, list of attending representatives and their contact information as well as Skype ID (for bidders willing to participating via Skype Conference) at the following e-mail: procurement.ua@undp.org Attn: Procurement Unit Subject: 54-2017-UNDP-UKR-RFP-RPP – Pre-Bidding Conference Registration</p>
Payment Terms ¹	The contractor is invited to assess the complexity of work on the implementation by each of these stages, and to offer the customer

¹ 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

	<p>the preferred percentage of the total proposed value of the contract.</p> <ol style="list-style-type: none"> 1. Preparatory stage. 2. Initial stage. 3. Implementation stage. 4. Final report. <p>Payment terms: Not later than thirty (30) days as of meeting the following conditions:</p> <ol style="list-style-type: none"> a) UNDP's written acceptance (i.e., not mere receipt) of the quality of the outputs; b) Receipt of invoice from the Contractor.
Person(s) to review/inspect/ approve outputs/completed services and authorize the disbursement of payment	Program Coordinator of Local Government and Decentralization Reform component of Recovery and Peacebuilding Program.
Type of Contract to be Signed	<input type="checkbox"/> Purchase Order <input type="checkbox"/> Institutional Contract <input checked="" type="checkbox"/> Contract for Professional Services <input type="checkbox"/> Long-Term Agreement <input type="checkbox"/> Other Type of Contract
Criteria for Contract Award	<input type="checkbox"/> Lowest Price Quote among technically responsive offers <input checked="" type="checkbox"/> Highest Combined Score (based on the 70% technical offer and 30% price weight distribution) <input checked="" type="checkbox"/> Full acceptance of the UNDP Contract General Terms and Conditions (GTC). This is a mandatory criterion 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	<p><u>Technical Proposal (70%)</u></p> <input checked="" type="checkbox"/> Experience of the Organization 21% <input checked="" type="checkbox"/> Proposed work plan, methodology and approach 36% <input checked="" type="checkbox"/> Personnel and invited experts/consultants 43% <p><u>Financial Proposal (30%)</u></p> <p>To be computed as a ratio of the Proposal's offer to the lowest price among the proposals received by UNDP.</p>
UNDP will award the contract to:	<input checked="" type="checkbox"/> One and only one Contractor <input type="checkbox"/> One or more Contractors, depending on the following factors:

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.

Annexes to this RFP	<input checked="" type="checkbox"/> Form for Submission of Proposal (Annex 2) <input checked="" type="checkbox"/> General Terms and Conditions / Special Conditions - Available through the Link: http://www.undp.org/content/dam/undp/img/corporate/procurement/infoforbidders/GTCsforcontracts-Goods-and-or-Services-2015.pdf <input checked="" type="checkbox"/> Detailed TOR and Evaluation Criteria (Annex 3) <input checked="" type="checkbox"/> Contract for professional services template (Annex 4)
Contact Person for Inquiries (Written inquiries only) ²	<i>Procurement Unit</i> <i>UNDP Ukraine</i> <i>procurement.ua@undp.org</i> 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.

² *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.*

Documents to be submitted in proposal	<ul style="list-style-type: none"> ☑ Copies of registration documents ☑ Financial Statement or Financial results for 2015 -2016 (copies of income statement and balance sheet) ☑ Company profile (establishment date, capacity, quantity of employees, key personnel information) ☑ Letter of interest/proposal, providing methodology on how the work will be conducted and/or approached (2 pages max); ☑ Proposed working plan, with suggested timeline as well as responsible staff for each activity; ☑ Description of the methods on how initiative to organize the provision of small grants / fellowships to strengthen organizational structures and provide assistance to cover the shortage of personnel in Donetsk and Lugansk regional administrations will be achieved (2 pages max) ☑ Description of the organization's experience and CVs of the team members (head of the expert team and key experts), including information on the previous participation in the implementation of similar projects / tasks. ☑ At least 3 recommendation letters from previous Clients ☑ List of similar work previously performed by the organization (performance of contracts for the provision of professional services in the field of grant program management) with indication of the Customer, his contact details, contract value and scope of work performed. <p>Should part of the work under this ToR to be sub-contracted, the Proposer can provide samples from the expected sub-contractors. Sub-contracting arrangements in this case must be clearly described in the Technical Proposal.</p>
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Other Information Related to the RFP	<p><u>Administrative Requirements:</u></p> <p>Submitted offers will be reviewed on “Pass” or “Fail” basis to determine compliance with the below formal criteria/ requirement/s:</p> <ul style="list-style-type: none"> ✓ Offers must be submitted within the stipulated deadline ✓ Offers must meet required Offer Validity ✓ Offers have been signed by the proper authority ✓ Offers include requested company/organization documentation, including documentation regarding the company/organization’s legal status and registration <p>✓ Offers must comply with general administrative requirements:</p> <ul style="list-style-type: none"> a) An officially registered organization (non-profit, non-governmental, public, educational institution) whose legal status should allow both receiving UNDP funds without obligation to pay taxes and transfer funds (grants / fellowships) to advisors without the obligation to pay taxes due to received cash means; b) At least 3 years of documented experience of working with local and regional authorities and implementing agreements for the provision of consultation services. c) in the field of personnel policy of government authorities and executive authorities, local government; d) in the provision of authority bodies with consulting services on the development of analytical reports on local government, local development, public administration and related issues in Ukraine or abroad (at least 3 successful projects have been completed); e) Experience in implementing a project or agreements for the provision of professional services in the management of grant programs (at least 2 projects); f) Previous required experience in targeted regions; g) At least 3 positive feedbacks, recommendations on previous projects from customers. h) Applicant should ensure participation of the head of expert team (a person who will implement the general leadership on organizing small grants initiatives to strengthen organizational structures in the Donetsk and Luhansk oblasts) and at least two key experts. <p>Other information is available on http://procurement-notice.undp.org; For the information, please contact procurement.ua@undp.org</p>
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Annex 2

FORM FOR SUBMITTING SERVICE PROVIDER'S PROPOSAL³

(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery⁴)

[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 54-2017-UNDP-UKR-RFP-RPP dated 9/26/2017, and all of its attachments, as well as the provisions of the UNDP General Contract Terms and Conditions:

A. Qualifications of the Service Provider

BRIEF COMPANY PROFILE	
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:	
Full registration name	
Year of foundation	
Legal status	If Consortium, please provide written confirmation from each member
Legal address	
Actual address	
Bank information	
VAT payer status	
Contact person name	
Contact person email	
Contact person phone	
Company/Organization's core activities	

³ This serves as a guide to the Service Provider in preparing the Proposal.

⁴ Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers – for verification purposes

Profile – describing the nature of business, field of expertise, licenses, certifications, accreditations (If any);	Please indicate here
Business Licenses – Registration Papers, Tax Payment Certification, etc	EDRPOU, ID tax number Copies of State registration and Tax registration should be attached
Latest Audited Financial Statement or Financial results (2015 -2016)	Copies of income statement and balance sheet to indicate Its financial stability, liquidity, credit standing, and market reputation
Track Record performed within the last 2 years	Please indicate here the List of clients for similar services as those required by UNDP, indicating description of contract scope, contract duration, contract value, contact references; Brief description of previous products developed by the company (list);
Certificates and Accreditation	Please indicate here applicable including Quality Certificates, Patent Registrations, Environmental Sustainability Certificates, etc.
Please provide contact details of at least 3 previous partners for reference	Please attach the signed reference letters <i>if any</i> .
Company is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List.	Yes/No (Please choose)
Other relevant information	

B. Proposed Methodology for the Completion of Services

The Service Provider must describe how it will address/deliver the demands of the RFP; providing a detailed description of the essential performance characteristics, reporting conditions and quality assurance mechanisms that will be put in place, while demonstrating that the proposed methodology, and expected deliverables, implementation schedule for each deliverable/output will be appropriate to the local conditions and context of the work.

Must include:

- a) Letter of interest/proposal, providing methodology on how the work will be conducted and/or approached (2pages max);*
- b) A proposed work plan with a detailed list of key activities and events;*
- c) Description of the methods on how initiative to organize the provision of small grants / fellowships to strengthen organizational structures and provide assistance to cover the shortage of personnel in Donetsk and Lugansk regional administrations will be achieved (2 pages max);*
- d) Description of the organization's experience and CVs of the team members (head of the expert team and key experts), including information on the previous participation in the implementation of similar projects / tasks*
- e) List of similar work previously performed by the organization (performance of contracts for the provision of professional services in the field of grant program management) with indication of the Customer, his contact details, contract value and scope of work performed.*

C. Qualifications of Key Personnel

If required by the RFP, the Service Provider must provide:

- a) Names and qualifications of the key personnel that will perform the services; description of roles of key personnel (who is Team Leader, who are supporting, etc.);*
- b) CVs demonstrating qualifications;*
- c) Written confirmation from each team member that they are available for the entire duration of the contract.*

At least:

- 1) head of the expert team*
- 2) Key experts (2 persons)*

Financial Proposal

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.

The Financial Proposal must provide a detailed cost breakdown. Provide separate figures for each functional grouping or category.

Any estimates for cost-reimbursable items, such as travel and out-of-pocket expenses, should be listed separately.

In case of an equipment component to the service provider, the Price Schedule should include figures for both purchase and lease/rent options. UNDP reserves the option to either lease/rent or purchase outright the equipment through the Contractor.

The format shown on the following pages is suggested for use as a guide in preparing the Financial Proposal. The format includes specific expenditures, which may or may not be required or applicable but are indicated to serve as examples.

A. Cost Breakdown per Deliverables*

The key steps and a description of the results that must be obtained in the specified time frames are listed below.

The contractor is invited to assess the complexity of work on the implementation by each of these stages, and to offer the customer the preferred percentage of the total proposed value of the agreement.

No	The results in accordance with the TOR	Percentage of Total Price (Weight relative to payment)	Amount without VAT, indicate currency
1	Completion of Preparatory stage and report submission.		
2	Completion of Initial stage and report submission.		
3	Completeion Implementation stage and report submission.		
4	Submission of Final report.		
	Total, excl VAT (pls. indicate currency)	100%	

**This shall be the basis of the payment tranches*

B. Cost Breakdown by Cost Component:

The Proposers are requested to provide the cost breakdown for the above given prices for each deliverable based on the following format. UNDP shall use the cost breakdown for the price reasonability assessment purposes as well as the calculation of price in the event that both parties have agreed to add new deliverables to the scope of Services.

Applicants are advised not to change Point 1 (Grant Pool) and leave it in the Financial Proposal.

- a) the (a person who will implement the general leadership on organizing small grants initiatives to strengthen organizational structures in the Donetsk and Luhansk oblasts) and at least two key experts.

No	Activity / Expenses	Unit of measure	Quantity	Price per unit	Total, excl VAT
1	Grant pool	1		54,000.00 USD	
2	Personnel				
	head of expert team	1 month of work	8		
	key expert	1 month of work	8		
	key expert	1 month of work	8		
	Other specialist (if any)				
	...				
3	Grant administration (recalculation of funds, project implementation monitoring, etc.)	grant	6		
	Other expenses (specify)				
	...				
4	Distribution of information about the contest and informing the public				
	Design and printing of info materials (if required)				
	Other (if required)				
	...				
5	Organizational and technical activities to conduct consultations				
	Travels of the head of the expert team and experts for consultations (if necessary)	travel			
	Accommodation of the head of the expert team and experts for consultations (if necessary)	day			
	Other expenses (if necessary, specify activity/expenses)				
	...				

6	Administration cost				
	Office rent (if required)	month			
	Communications expenses (phone)	month			
	Internet	month			
	...				
7	Other expenses (if necessary, specify activity/expenses)				
	...				
	...				
	TOTAL, excl VAT				

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

[Designation]

[Date]

**** Dear partners!**

The United Nations Office in Ukraine would like to inform you that the purchase of goods and services announced in the tender will be carried out within the project of international technical assistance.

According to the provisions of the Tax Code of Ukraine (paragraph 197.11), an exemption from VAT is provided for operations that are financed through material and technical assistance.

The procedure for obtaining the right to exemption from taxation for operations that are made within international technical assistance projects is regulated by the Decree of the Cabinet of Ministers of Ukraine No.153 dated February 15, 2002.

According to this procedure, the price of the contract is determined "without VAT" and the tax invoice is drawn up in accordance with paragraph 2 of Order No. 1307. In the left part of this invoice, the corresponding mark "X" should be made and the type of reason 12 should be indicated. At the same time in the column "Recipient" (buyer) the name of the legal entity (UN Office in Ukraine) should be indicated, and in the column "Individual tax number of the beneficiary" (buyer) should be indicated conventional TIN (taxpayer reg. No.) "200000000000".

Based on the above stated, we request that you prepare your bid proposals / invoices for payment without VAT taking into account the provisions of the Ukrainian legislation stated in the above mentioned normative acts.

If you have any additional questions, please contact the offices of the State Fiscal Service of Ukraine at the place of registration of your company for additional advice within the Article 52 of the Tax Code of Ukraine.

**** Уважаемые партнеры!**

Уважаемые партнеры!

Представительство ООН в Украине информирует Вас, что приобретение товаров и услуг объявленных в тендере 054-2017-UNDP-UKR-RFQ-RPP производиться в рамках выполнения проекта международной технической помощи.

Согласно положений Налогового Кодекса Украины (п. 197.11) предусмотрено освобождение от налогообложения НДС операций, которые финансируются за счет материально-технической помощи.

Порядок получения права на освобождение от налогообложения операций, которые производятся в рамках проектов международной технической помощи регламентируется постановлением Кабинета Министров Украины от 15 февраля 2002 года №153.

В случае наличия права на применение этой НДСной льготы на дату получения аванса от ПРООН вы должны составить и зарегистрировать в ЕРНН налоговую накладную (далее — НН), которая заполняется следующим образом:

- в графе «Складена на операції, звільнені від оподаткування» верхней левой части делается пометка «Без ПДВ»;
- в раздел А табличной части НН (строки I - X) вносятся обобщающие данные по операциям, на которые складывается такая НН, а именно: в строке I указывается общая сумма средств, подлежащих уплате с учетом НДС; в строке IX — общий объем поставки товаров/услуг. Строки II - VIII раздела А не заполняются;
- в графе 2 раздела В указывается номенклатура услуг поставщика (продавца);
- в графа 3.3 раздела В — код услуги согласно ГКПУ. Графа 3.3 заполняется на всех этапах поставки услуг.
- в графе 4 и 5 — единица измерения услуг;
- в графе 6 — количество (объем) поставки услуг;
- в графе 7 — цена поставки единицы услуги без учета НДС;
- в графе 8 — указывается код ставки НДС 903;
- в графе 9 — код льготы согласно Справочнику других налоговых льгот налоговых льгот, утвержденному ГФС по состоянию на дату составления НН — «14060523».
- в графе 10 — объем поставки без учета НДС (сумма аванса). Детально — в материалах «Налоговая накладная – 2017: порядок заполнения» и «Новая налоговая накладная в образцах».

Что касается налогового кредита с НДС по покупкам материалов для выполнения соответствующих строительных работ, то здесь правила его компенсации, предусмотренные п. 198.5 НКУ, не действуют. Ведь согласно п. 198.5 НКУ на операции по поставке товаров и услуг, освобождение от налогообложения НДС которых предусмотрено п. 197.11 НКУ, правила начисления налоговых обязательств не распространяются.

Это значит, что в ходе использования материалов, которые покупались с НДС, для выполнения данных работ налоговый кредит компенсировать не нужно, соответственно не нужно и начислять для этого налоговые обязательства.

Исходя из вышесказанного, просим Вас формировать Ваши тендерные заявки/счета на оплату без НДС учитывая положения украинского законодательства, изложенного в перечисленных нормативных актах.

В случае возникновения дополнительных вопросов просим Вас обращаться в отделения Государственной Фискальной Службы Украины по месту регистрации Вашего предприятия для получения дополнительной консультации в рамках статьи 52 Налогового Кодекса Украины.

Annex 3

Terms of Reference (TOR)

Name of projects: "Recovery and Peacebuilding Program"

Component "Local Governance and Decentralization Reform"

Description of Assignment: "Small Grants for Strengthening Organizational Structures in the Authorities of Donetsk and Lugansk Oblasts"

Country / place of implementation: Ukraine/ Donetsk and Lugansk Oblasts

Possible business trips (if applicable): Business trips within Ukraine

Start date of the assignment implementation: October 2017

Timelines for assignment implementation/ or completion date (if applicable): 8 months from the date of signing the agreement.

Name and position of the project manager: Liudmyla Skoropada / Program Coordinator of Local Government and Decentralization Reform component of Recovery and Peacebuilding Program.

I. Preamble

The initiative to organize the provision of small grants / fellowships to strengthen organizational structures and provide assistance to cover the shortage of personnel in Donetsk and Lugansk regional civil-military administrations and regional government administrations (hereinafter Donetsk and Lugansk OCMA-OGA) within the framework of the United Nations Development Programme "Recovery and Peacebuilding Program" with the financial support of the Swiss Confederation and Sweden. The program aims to support the integrated restoration of governance functions, the involvement of community representatives, including women, who command respect for governance structures, providing a balanced approach to presenting different political views.

In this regard, UNDP is announcing a contest to find an organization that will administer small grants / fellowship program to temporarily attract advisors, in order to cover the staff shortage of Donetsk and Lugansk administrations.

The project beneficiaries are the Donetsk OCMA-OGA and Lugansk OCMA-OGA that are temporarily located in the Anti-Terrorist Operation Zone in Government Controlled Areas.

Context

The ongoing conflict in Donbas led to significant changes in people's lives in Donetsk and Lugansk oblasts, causing worsening of public relations and confidence, political and economic processes, and ultimately to a sharp decline in the level of safety and quality of people's lives. Resulting from the conflict migration has led to an increase in the number of vulnerable people, especially older people, disabled people, women with children, who constitute the majority among registered internally displaced persons. The impact of the conflict on the ability of the authorities - especially at the local level - to provide basic social, administrative and public services to communities was also negative.

Assistance to government authorities in performing their functions in conflict zones is critical not only to ensure a rapid economic rehabilitation and recovery, the stable provision of social and other services to both local communities and internally displaced persons, but also in order to strengthen public confidence in the government and its ability to perform the function of protecting all citizens, including the most vulnerable, and to guarantee a high level of equality among the regions of Ukraine. Improving

relations between the government and society remains the best contribution to the process of establishing peace that can be made by public authorities (civil-military administrations).

The evaluation of the qualitative aspects of impact carried out by UNDP, made it possible to determine that the regional and local authorities in the conflict zones need the following diverse support:

- Rehabilitation of infrastructure and resources needed to carry out their activities (management and provision of services);
- Development of a common policy, vision and planning of rehabilitation tasks;
- Identification of financial resources, financial management skills and financial autonomy, including receiving and using (with guarantee of reporting) funds aimed at rehabilitation;
- Staff - both in quantitative aspect and in relation to new areas of advisory support, associated with various components of the decentralization process (administrative, fiscal, territorial, etc.)
- Support in strengthening institutional and organizational development;
- Development of the ability to coordinate work in crisis conditions, external relations, strategic communications, innovations in the provision of services, customer relations, collective self-management and social responsibility;
- Development of the ability to improve administration on - human resources, legislation, budget and finances, supply, income increase and information gathering (for example, on vulnerable segments, gender segregation) - and improve management and service delivery to the local community;
- Anti-corruption initiatives at the local level;
- Dialogue on the policy of implementing the decentralization in Donbass (including the implementation of unchanged constitutional amendments that should affect the system of self-government at the regional and local levels).

II. The key objectives of the assignment

The key objective of the assignment is to contribute to the rehabilitation and improvement of Donetsk and Lugansk OCMA-OGA functioning in the issues of policy formation, general management and provision of services. With the help of the funds (grant fund) provided by UNDP, civil-law agreements will be concluded for the provision of services, which will attract experts / advisors to strengthen the human resources of Donetsk and Lugansk OCMA-OGA.

The main assignment of the Contractor is:

- to develop and agree with UNDP selection criteria and matrix of needs assessment of advisors;
- to carry out needs assessment of advisors to the governors on a voluntary basis in Donetsk and Lugansk OCMA-OGA;
- to determine the number of advisors for fellowships, and, in cooperation with administrations, determine the range of assignments for advisors and calculate the maximum amount of fellowships in accordance with the level of complexity of assignments;
- in cooperation with UNDP and the management of Donetsk and Lugansk OCMA-OGA to organize a contest commission for the selection of competent personnel from different regions of Ukraine and further harmonization of candidacy candidates with governors;
- to announce and hold a contest within the program for engagement of advisors in order to shortlist

candidates for advisors.

- to sign the agreements and to provide small grants / fellowships from the grant fund (provided by UNDP) to the specialists involved for the services provided by the advisors.

The total budget of the UNDP fund to cover the staff shortage is approximately \$ 54,000. The size of each of the grants may vary, but it is expected that the average grant / fellowship will be approximately \$ 1,500 per advisor per month. Thus, it is planned to allocate grants to attract 6 advisors (3 for Donetsk and 3 for Lugansk administration) for (6) six months.

III. Scope of work and expected results

UNDP in Ukraine needs services of consulting companies (Contractor) for the assistance of the Donetsk OCMA-OGA and Lugansk OCMA-OGA in the rehabilitation and improvement of their work. The contractor must perform a functional analysis of the organizational structure and needs of public administrations. Guided by the results revealed in the process of functional analysis, to develop a plan of action necessary for improving the work and conditions of these administrations operation. The assessment will be carried out jointly with the relevant state administration authorities. This intervention will ensure the recovery and capacity building of the staff.

Within eight months from the beginning of the project, the Contractor shall perform (for Donetsk and Luhansk administrations) the following assignments agreed with UNDP:

- arrange temporary attraction of competent personnel from Donetsk, Lugansk and other oblasts of Ukraine for the position of advisors under the governors in regional state administrations as a public service;
- provide small grants / fellowships for advisors to be shortlisted by the contest commission and coordinated with the Chairmen of OGA;

The purpose of this activity is to identify qualified specialists from different oblasts of Ukraine who have the opportunity and are willing to work for six months in Donetsk and Lugansk OGA and to assist in the restoration of functionality and provision of services.

The components of this activity will be:

- Development of job descriptions and project assignments for the advisors, that should be temporarily filled during the project implementation;
- Popularization of the project and identification of eligible candidates (attraction and selection in accordance with the objectives of the assignment);
- Payment of fellowships and funds related to the project (amounts must be identified and proposed by the Contractor, based on market prices and taking into account risk factors and are subject to final approval by UNDP)

IMPLEMENTATION OF THE SMALL GRANTS PROJECT AND PROGRAMS OF ATTRACTING SPECIALISTS TO STRENGTHEN ORGANIZATIONAL STRUCTURES IN THE AUTHORITIES OF DONETSK AND LUGANSK OBLASTS.

1. Development of the methodology and identification of an approach to the provision of services. Assessment of personnel requirements of Donetsk and Lugansk OCMA-OGA.

It is expected that the methodology will include all possible elements for assessing staff priorities and

needs, namely:

- Identifying the structural, organizational work system of the department / management, whose functions will be strengthened by the advisors;
- identification of key staffing needs in the area of work; justification of the need and prerequisites for the position of advisors;
- the approach to the selection of advisors considers the questionnaire or other form of testing in order to determine professional competence in the selected area of work and provides for a transparent and objective shortlisting procedure;
- A general description of the functions to create terms of reference for the advisors. In addition, the proposed methodology should include a work plan with a list of key activities.

Result:

- Provided matrix of organizational assessment of the OGA potential;
- A primary needs assessment of public administrations in additional staff was carried out according to the current legislation;
- Selection committees on the implementation of the project have been established (in cooperation of UNDP, the Contractor and the head of the OGA) and their personal composition have been approved;
- Priority directions of work and the number of advisors are determined;
- Job responsibilities are developed and the scope of functions for advisors is determined, draft contracts are prepared;
- A methodology has been developed to determine the amount of grants / fellowships, depending on the level of complexity of the assignments;

Approximate implementation period: one month from the date of signing the agreement with the contractor.

2. Advertising the recruitment of advisors and shortlisting procedure.

Results:

- The booklet-advertisement in A4 format (1 page) is developed in electronic form, which contains brief information about the Project, competitive requirements and the deadline for submission of proposals for shortlisting of advisors (in terms of a civil law agreement) for Donetsk and Lugansk OCMA-OGA;
- Printed and distributed announcements about the contest are provided through the appropriate information channels, on specialized websites, through electronic mailing;
- A system for providing feedback, additional information on participation in the project was developed and implemented;
- The system of shortlisting advisors with principles of gender balance is developed. The system should provide a transparent mechanism for shortlisting advisors who have a high professional level and competence in certain areas of the civil service (through questionnaires, tests or other effective methods proposed by the Contractor).
- After the competitive selection, the staff of advisors is coordinated with the heads of Donetsk OCMA-OGA and Lugansk OCMA-OGA;
- Agreements for the provision of consulting services between the Contractor and the advisor were signed as well as certain forms of reports and the procedure for their provision in consultation with UNDP;

- A full list of personnel is provided, including all shortlisting documents.

Approximate implementation period: two months from the date of signing the agreement with the contractor.

3. Organization of the process of performing the duties by the advisors in accordance with the approved scope of functions.

Ensuring the advisors with job positions at Donetsk and Lugansk OCMA-OGA is the responsibility of these administrations. The contractor is responsible for the timely payment of fees / fellowships for a certain amount of work performed to the advisors involved.

Results:

- The assignments have been performed and relevant reports have been received under the coordination and recommendations of the Heads of Donetsk OCMA-OGA and Lugansk OCMA-OGA.
- Printing and dissemination of the materials on the work performed by the advisors under the Heads of OGA is ensured.

Transfer of funds from the Contractor to the adviser should be carried out with the schedule of payments specified in the agreement for the provision of consulting services between the Contractor and the advisor.

After the payment is made, the Contractor must provide supporting documents to UNDP, which will show the actual crediting of funds to the bank accounts of advisors.

The basis for payment is a request for a tranche from the Contractor with a list of agreements. Further payments to the Contractor are made after the submission of reports to UNDP, which will confirm the crediting of funds to the bank accounts of advisors.

Approximate implementation period: eight months from the date of signing the agreement with the contractor.

The Contractor shall provide an appropriate reference to UNDP, the Swiss Confederation and the Government of Sweden on all the products (visual materials) created during the process of performing the agreement.

4. Monitoring of project implementation and general work of the Contractor.

Result:

- Regular monitoring of project implementation through verifying reports was carried out;
- The reports of advisors and all supporting and documented confirmation of the delivered payments have been handed over to UNDP.
- The final report and other reports on request are prepared and provided to the UNDP.

IV. REQUIREMENTS FOR MONITORING / REPORTING

The Contractor will report to the Program Coordinator of the Local Governance and Decentralization Reform component of the United Nations Development Programme Recovery and Peacebuilding Program. Payment will be made in several stages in accordance with the proposed payment schedule below.

The Contractor must adhere to the UNDP-implemented monitoring, evaluation and quality control system, as well as provide the necessary information, reports and statistics data according to a pre-established schedule or as quickly as possible (within a reasonable timeframe). Interim and performance

reports should be provided in advance in a pre-approved by the UNDP contractor form, including business and financial sections, to the appropriate official, including the desired format for reporting data and financial indicators.

The format of the reports should be agreed upon at the first stage of the project implementation, but UNDP reserves the right to make the necessary changes and clarifications in the form of the reports.

All reports and researches are shared in soft copy to UNDP (formats * .docx, * .xlsx, * .pptx, * .pdf) on electronic media or in the form of electronic communication with the attached final products, which are also accompanied by a hard copy of the official letter from the Contractor on the handover of these products to UNDP.

Reporting will consist of four stages, each of which covers the following tasks: 1) preparatory stage; 2) the initial stage; 3) implementation of recruitment; 4) the final report. For each stage, the Contractor will submit a report with a brief overview of the work results and documents confirming the services provided by the advisors.

Reports should be submitted in Ukrainian and English.

Schedule for providing services and making payments

The key steps and a description of the results that must be obtained in the specified time frames are listed below.

The contractor is invited to assess the complexity of work on the implementation by each of these stages, and to offer the customer the preferred percentage of the total proposed value of the agreement.

No of Result	Description of the Result	Approximate date of completion
1.	Preparatory stage Development of a methodology and approach to the provision of services, development of an organizational assessment matrix and its implementation, a primary needs assessment of administrations based on legislation.	One month from the date of signing the agreement with the Contractor.
2.	Initial stage: Announcements about the recruitment of advisors and their shortlisting. - Needs assessment of staff, development of job descriptions and recruitment and shortlisting process. - The maximum amount of grants / fellowships, as well as the number of people, should be determined. The maximum amounts will be determined by analysis and the Contractor will make payments accordingly.	Two months from the date of signing the agreement with the Contractor.
3.	Implementation Organization of the process of performing the duties by the advisors in accordance with the approved scope of functions.	Eight months from the date of signing the agreement with the Contractor.
4.	Final report on the implementation, including - The list of personnel according to the organizational structure and their functions, as well as documented confirmation of the payments made for the provided consulting service.	Upon completion of the project implementation phase.

Upon completion of each stage of the work, the Contractor submits to UNDP an interim report on the work accomplished and the results achieved. Upon completion of all stages of work, the Contractor shall submit a Final Report, which includes summarized information on the work performed, results, as well as a financial report for the total duration of the agreement, and all documents supporting the grant / fellowship, including all hard copies of the personnel shortlisting process documents - no later than more than two weeks after the completion of the assignment.

V. EXPERIENCE AND QUALIFICATION REQUIREMENTS

- An officially registered organization (non-profit, non-governmental, public, educational institution) whose legal status should allow both receiving UNDP funds without obligation to pay taxes and transfer funds (grants / fellowships) to advisors without the obligation to pay taxes due to received cash means;
- At least 3 years of documented experience of working with local and regional authorities and implementing agreements for the provision of consultation services.
 - in the field of personnel policy of government authorities and executive authorities, local government;
 - in the provision of authority bodies with consulting services on the development of analytical reports on local government, local development, public administration and related issues in Ukraine or abroad (at least 3 successful projects have been completed);
 - Experience in implementing a project or agreements for the provision of professional services in the management of grant programs (at least 2 projects);
 - Previous required experience in targeted regions;
 - At least 3 positive feedbacks, recommendations on previous projects from customers.

Requirements for members of an expert team:

• Head of expert team:

- 1) Master / Specialist Degree or higher in the field of social sciences or in the related field;
 - 2) At least 5 years of experience in the field of project management;
 - 3) At least 5 years of confirmed professional experience in performing similar types of analysis, technical research and technical assistance;
 - 3) At least 5 years of confirmed experience in developing analytical reports on local government, local development, public administration and related issues in Ukraine or abroad.;
 - 4) At least 5 years of experience in optimizing organizational structures of institutions and services, development of organizations, management of local budget / funds;
- (The confirmed experience of successful work with international organizations would be desirable, but not obligatory);
- 5) Fluency in Russian / Ukrainian;
 - 6) The level of English is sufficient for writing reports.

• Functional requirements for key experts (in accordance with the requirements of TOR, 2 experts are needed one for each of the areas):

- 1) Master or Specialist Degree or higher in business administration, public administration, economic / social science or related field;

- 2) At least 2 years of experience in optimizing the organizational structures of institutions and services, including the experience of previous work with functional analysis;
- 3) At least 2 years of experience in the field of administrative and territorial reform, and the development of a regulatory and legal basis for its implementation;
- 4) The confirmed experience of successful work in international organizations would be desirable but not obligatory;
- 5) Fluency in Russian / Ukrainian;

IV. THE ASSESMENT CRITERIA

Assessment and Comparison of Proposals

Proposals assessment will be carried out in two stages, and the assessment of the technical proposal should be completed upon the opening and comparison of any financial proposal. Financial proposals will be considered only for those applications that scored 70% from passing technical score (or 490 points) of 700 possible points based on the assessment of their technical proposals.

At the first stage, the technical proposal is assessed for its compliance with the terms of reference (TOR) in accordance with the following assessment criteria.

At the second stage, the financial proposals of all participants of the contest that scored a passing score of 70% or higher (or 490 points or higher) based on the technical assessment will be considered.

The overall assessment will be carried out using the cumulative analysis method, according to which the share of technical and financial aspects in the overall assessment will be 70% and 30%, respectively. The cheapest financial offer (among applications that scored a passing technical point) will be selected as a starting point and will be awarded with the maximum number of points for the financial part (i.e 300). All other financial proposals will receive a score that is inversely proportional to the declared price; for example, 300 points x the lowest price / price stated in the proposal.

The proposal with the highest overall score, which will be determined through adding points received during technical and financial assessments, respectively, will win. The agreement will be concluded with the applicant, who submitted the winning application.

Criteria of technical assessment

Generalized form of technical proposal assessment		Assessment Percentage	Maximum score	Company / Other organization			
1	Experience of the company / organization that submits the	21%	150				
2	Proposed work plan, methodology and approach	36%	250				
3	Staff and involved experts / consultants	43%	300				
	Total Score	100%	700				
	Notes						

The forms for technical proposals assessment are listed on the following two pages. The maximum score

that can be reached for each assessment criterion indicates the relative importance or share of such a criterion in the overall assessment process.

Technical assessment forms:

Form 1. Experience of the company / organization that submits the proposal

Form 2. Proposed work plan, methodology and approach

Form 3. Staff

Technical Evaluation Criteria

Technical Proposal Assessment Form 1		Maximum score	Company / Other organization		
			A	B	C
Experience of the company / organization that submits the proposal.					
1.1	General organizational capacities (for example, the size of the firm / organization, the reputation of the organization and staff, the competence / experience with local and regional authorities and the implementation of agreements for advisory support (3-4 years - 10 points, 5-6 years - 15 points, 7 and more years - 20 points)	20			
1.2	Relevant experience in the field of the personnel policy of government authorities and executive authorities, local government (3-4 years - 20 points, 5-6 years - 30 points, 7 and more years - 40 points)	40			
1.3	The company has experience in providing consulting services to government authorities in developing analytical reports on local government, local development, public administration and related issues in Ukraine or abroad (the number of successfully developed analytical reports: 3 projects - 10 points, 4-5 projects - 20 points, more than 5 projects - 30 points)	30			
1.4	The company has experience in implementing the project or agreements for the provision of professional services in the management of grant programs / loans (the number of successfully developed projects that received funding: 2 projects - 10 points, 3 -5 projects - 25 points, 6 or more - 40 points)	40			

1.5	Experience of implementing assignments in the eastern region of Ukraine: <ul style="list-style-type: none"> • Work experience in Donetsk oblast - 5 points; • Work experience in Lugansk oblast - 5 points; 	10			
1.6	The possibility of submitting recommendations from previous customers regarding the implementation of similar assignments: Submission of 3 recommendations - 7 points; Submission of 4 or more recommendations - 10 points.	10			
Total score in form 1		150			

Technical Proposal Assessment Form 2		Maximum score	Company / Other organization		
			A	B	C
Proposed work plan, methodology and approach					
2.1	Does the submitted technical proposal adequately address the assignments and scope of work? In general, the technical proposal meets the assignments and scope of work - up to 25 points; The technical proposal meets the assignments, the scope of work is overestimated / understated - up to 50 points; The technical proposal logically and in detail describes the algorithm for addressing an issue with a commensurate scope of work - up to 70 points	70			
2.2	How well developed and reliable is the methodology of the assignment? The methodology was developed with incomplete understanding of the existing realities and the adequacy of the assignment - up to 30 points; The methodology logically describes the sequence of work - up to 60 points; The methodology contains criteria that indicate its realism - up to 90 points	90			
2.3	How well developed and reliable is the approach to the organization of work on the implementation of the Project on "SMALL GRANTS AND PROGRAMS OF ATTRACTING SPECIALISTS FOR STRENGTHENING ORGANIZATIONAL STRUCTURES IN THE AUTHORITIES OF DONETSK AND LUGANSK OBLASTS"? The developed approach contains certain inconsistencies - up to 30 points; Well-developed approach, high reliability for realism - up to 60 points; The organization demonstrated an absolutely developed approach that corresponds to reality conditions - up to 90 points	90			
Total score in form 2		250			

Technical Proposal Assessment Form 3		Maximum score	Company / Other organization		
			A	B	C
Staff/Personnel					
	Head of the expert team				
3.1	Experience in project management (5 years - 10 points, 6-10 years - 15 points, more than 10 years - 25 points)	25			
3.2	Professional experience in performing similar analysis, technical research and technical assistance; (5 years - 10 points, 6-10 years - 15 points, more than 10 years - 30 points)	30			
3.3	Experience in the development of analytical reports on government administration, regional and local development, public administration (5 years - 10 points, 6-10 years - 15 points, over 10 years - 30 points)	40			
3.4	Experience in optimizing the organizational structures of institutions and services, management of local budgets / finances (5 years - 10 points, 6-10 years - 15 points, more than 10 years - 30 points)	30			
3.5	Experience of successful cooperation with international organizations (1-2 projects - 3 points, 3-5 projects - 5 points)	5			
3.6	Higher degree in the relevant field (education and qualification level "Master" / "Specialist" - 5 points, "Candidate of Sciences" or higher - 10 points)	10			
3.7	Fluency in Russian / Ukrainian and fluency in English (upper-intermediate - 5 points, fluency in Russian / Ukrainian and advanced in English -10 points)	10			
Interim score by criteria 3.1-3.7		150			
	Key Expert №1				
3.8	Experience in strengthening organizational structures, conducting functional analysis (2-4 years - 10 points, 5-6 years - 20 points, more than 6 years - 30 points)	30			
3.9	Experience in the field of reform process in Ukraine, relevant political and legislative activity (2-3 years - 10 points, 3-4 years - 15 points, more than 5 years - 25 points)	25			
3.10	Higher degree in the relevant field (education and qualification level "Master" / "Specialist" - 5 points, "Candidate of Sciences" or higher - 10 points)	10			

3.11	Experience of successful cooperation with international organizations (1-2 projects - 3 points, 3-5 projects - 5 points)	5			
3.12	Fluency in Russian / Ukrainian (upper-intermediate-5 points)	5			
Interim score by criteria 3.8-3.12		75			
Key Expert №2					
3.13	Experience in strengthening organizational structures, conducting functional analysis (3-4 years - 10 points, 5-6 years - 20 points, more than 6 years - 30 points)	30			
3.14	Experience in the field of reform process in Ukraine, relevant political and legislative activity (less than 3 years - 10 points, 3-4 years - 15 points, more than 5 years - 25 points)	25			
3.15	Higher degree in the relevant field (education and qualification level "Master" / "Specialist" - 5 points, "Candidate of Sciences" or higher - 10 points)	10			
3.16	Experience of successful cooperation with international organizations (1-2 projects - 3 points, 3-5 projects - 5 points)	5			
3.17	Fluency in Russian / Ukrainian - 5 points)	5			
Interim score by criteria 3.13-3.17		75			
Total score in form 3		300			

Annex 4

Model Contract for Professional Consulting Services

between UNDP and a Company or other entity⁵

Date _____

Dear Sir/Madam,

Ref.: _____/_____/_____ **[INSERT PROJECT NUMBER AND TITLE OR OTHER REFERENCE]**

The United Nations Development Programme (hereinafter referred to as "UNDP"), wishes to engage your **[company/organization/institution]**, duly incorporated under the Laws of _____ **[INSERT NAME OF THE COUNTRY]** (hereinafter referred to as the "Contractor") in order to perform services in respect of _____ **[INSERT SUMMARY DESCRIPTION OF THE SERVICES]** (hereinafter referred to as the "Services"), in accordance with the following Contract:

1. Contract Documents

- 1.1 This Contract is subject to the UNDP General Conditions for Professional Services attached hereto as Annex I. The provisions of such Annex shall control the interpretation of this Contract and in no way shall be deemed to have been derogated by the contents of this letter and any other Annexes, unless otherwise expressly stated under section 4 of this letter, entitled "Special Conditions".
- 1.2 The Contractor and UNDP also agree to be bound by the provisions contained in the following documents, which shall take precedence over one another in case of conflict in the following order:
 - a) this letter;
 - b) the Terms of Reference [ref.dated.....], attached hereto as Annex II;
 - c) the Contractor's technical proposal [ref....., dated], as clarified by the agreed minutes of the negotiation meeting⁶[dated.....], both documents not attached hereto but known to and in the possession of both parties.
- 1.3 All the above shall form the Contract between the Contractor and UNDP, superseding the contents of any other negotiations and/or agreements, whether oral or in writing, pertaining to the subject of this Contract.

2. Obligations of the Contractor

- 2.1 The Contractor shall perform and complete the Services described in Annex II with due diligence and efficiency and in accordance with the Contract.
- 2.2 The Contractor shall provide the services of the following key personnel:
Name Specialization Nationality Period of service

⁵This model contract is intended for services (studies, consultancies by firms, etc) to be obtained from companies as well as from NGOs, Universities, etc. It is not to be used for procuring goods or works. Any substantial deviations to the text should be made in consultation with BOM.

⁶ If there are updates to the technical proposal or correspondence exchanged in clarification of certain aspects, reference them too, provided that they are fully acceptable to UNDP. Otherwise, aspects which resolution is pending should be dealt with in this letter itself or in the Terms of Reference, as appropriate.

.....

2.3 Any changes in the above key personnel shall require prior written approval of _____ **[NAME and TITLE]**, UNDP.

2.4 The Contractor shall also provide all technical and administrative support needed in order to ensure the timely and satisfactory performance of the Services.

2.5 The Contractor shall submit to UNDP the deliverables specified hereunder according to the following schedule:

[LIST DELIVERABLES]	[INDICATE DELIVERY DATES]
----------------------------	----------------------------------

e.g.

Progress report	../../....
-----------------	------------

Final report	../../....
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2.6 All reports shall be written in the English language, and shall describe in detail the services rendered under the Contract during the period of time covered in such report. All reports shall be transmitted by the Contractor by _____ **[MAIL, COURIER AND/OR FAX]** to the address specified in 9.1 below.

2.7 The Contractor represents and warrants the accuracy of any information or data provided to UNDP for the purpose of entering into this Contract, as well as the quality of the deliverables and reports foreseen under this Contract in accordance with the highest industry and professional standards.

OPTION 1 (FIXED PRICE)

3. Price and Payment⁷

3.1 In full consideration for the complete and satisfactory performance of the Services under this Contract, UNDP shall pay the Contractor a fixed contract price of _____ **[INSERT CURRENCY & AMOUNT IN FIGURES AND WORDS]**.

3.2 The price of this Contract is not subject to any adjustment or revision because of price or currency fluctuations or the actual costs incurred by the Contractor in the performance of the Contract.

3.3 Payments effected by UNDP to the Contractor shall be deemed neither to relieve the Contractor of its obligations under this Contract nor as acceptance by UNDP of the Contractor's performance of the Services.

3.4 UNDP shall effect payments to the Contractor after acceptance by UNDP of the invoices submitted by the Contractor to the address specified in 9.1 below, upon achievement of the corresponding milestones and for the following amounts:

<u>MILESTONE</u> ⁸	<u>AMOUNT</u>	<u>TARGET DATE</u>
-------------------------------	---------------	--------------------

Upon...../../....
-----------	-------	------------

Invoices shall indicate the milestones achieved and corresponding amount payable.

⁷ This version of section 3 is to be used for fixed price contracts. Fixed price contracts should normally be used when it is possible to estimate with reasonable accuracy the costs of the activities which are the subject of the Contract.

⁸ If an advance payment is granted, define the first milestone as "upon signature of the contract by both parties". Please note that advance payments should be granted only in exceptional cases, and that they must comply with UNDP policies and procedures.

OPTION 2 (COST REIMBURSEMENT)

3. Price and payment⁹

- 3.1 In full consideration for the complete and satisfactory performance of the Services under this Contract, UNDP shall pay the Contractor a price not to exceed _____ **[INSERT CURRENCY & AMOUNT IN FIGURES AND WORDS]**.
- 3.2 The amount contained in 3.1 above is the maximum total amount of reimbursable costs under this Contract. The Breakdown of Costs in Annex _____ **[INSERT ANNEX NUMBER]** contains the maximum amounts per cost category that are reimbursable under this Contract. The Contractor shall reflect in his invoices the amount of the actual reimbursable costs incurred in the performance of the Services.
- 3.3 The Contractor shall not do any work, provide any equipment, materials and supplies, or perform any other services which may result in any costs in excess of the amount under 3.1 or of any of the amounts specified in the Breakdown of Costs for each cost category without the prior written agreement of _____ **[NAME and TITLE]**, UNDP.
- 3.4 Payments effected by UNDP to the Contractor shall be deemed neither to relieve the Contractor of its obligations under this Contract nor as acceptance by UNDP of the Contractor's performance of the Services.
- 3.5 The Contractor shall submit invoices for the work done every _____ **[INSERT PERIOD OF TIME OR MILESTONES]**.

OR

- 3.5. The Contractor shall submit an invoice for _____ **[INSERT AMOUNT AND CURRENCY OF THE ADVANCE PAYMENT IN FIGURES & WORDS]** upon signature of this Contract by both parties and invoices for the work done every _____ **[INSERT PERIOD OF TIME OR MILESTONES]**.¹⁰
- 3.6 Progress and final payments shall be effected by UNDP to the Contractor after acceptance of the invoices submitted by the Contractor to the address specified in 9.1 below, together with whatever supporting documentation of the actual costs incurred is required in the Breakdown of Costs or may be required by UNDP. Such payments shall be subject to any specific conditions for reimbursement contained in the Breakdown of Costs.

4. Special conditions¹¹

- 4.1 The responsibility for the safety and security of the Contractor and its personnel and property, and of UNDP's property in the Contractor's custody, rests with the Contractor.

4.1.1. Security

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;

⁹ This version of section 3 is to be used for cost reimbursement contracts. Normally, cost reimbursement contracts should be used when it is not possible to estimate with reasonable accuracy the total costs of the activities which are the subject of the Contract.

¹⁰ This clause should be used if an advance payment is granted. Please note that advance payments should be granted only in exceptional cases, and that they must comply with UNDP policies and procedures. Any advance which represents 30% or more of the proposed total contract value must be cleared by the Office of Finance and Administration prior to contract signature, with the exception of contracts below \$50,000.

¹¹ Under this Section, you may propose special clauses in order to adapt the model contract to the specific situation. In this sample clause 4, several clauses of common use are given. If they are not required, they should be deleted. If there are no special conditions, please choose the alternative version of 4 in order to conform to clause 1.1.

- (b) assume all risks and liabilities related to the Contractor's security, and the full implementation of the security plan.
- 4.1.2 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.

4.2 Audits and Investigations

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.

- 4.2.1 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.

4.3 Anti-terrorism

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.

- 4.4 The advance payment to be made upon signature of the contract by both parties is contingent upon receipt and acceptance by UNDP of a bank guarantee for the full amount of the advance payment issued by a Bank and in a form acceptable to UNDP.¹²
- 4.5 The amounts of the payments referred to under section 3.6 above shall be subject to a deduction of _____ **[INSERT PERCENTAGE THAT THE ADVANCE REPRESENTS OVER THE TOTAL PRICE OF THE CONTRACT]** % (... percent) of the amount accepted for payment until the cumulative amount of the deductions so effected shall equal the amount of the advance payment.¹³

¹² This clause must be used when an advance payment of \$50,000 or more is granted to the Consultant and may be used for payments under \$50,000 when appropriate. Please note that advance payments should be exceptional, whatever their amount and must comply with UNDP Financial Regulations and Rules.

¹³ This clause must be used when an advance payment is granted (whatever the amount) in a cost reimbursement contract. A payment upon signature is considered an advance payment.

4.6 Owing to [.....], Article(s) [.....] of the General Conditions in Annex I shall be amended to read/be deleted.¹⁴

5. Submission of invoices

5.1 An original invoice shall be submitted by mail by the Contractor for each payment under the Contract to the following address:

5.2 Invoices submitted by fax shall not be accepted by UNDP.

6. Time and manner of payment

6.1 Invoices shall be paid within thirty (30) days of the date of their acceptance by UNDP. UNDP shall make every effort to accept an invoice or so advise the Contractor of its non-acceptance within a reasonable time from receipt.

6.2 All payments shall be made by UNDP to the following Bank account of the Contractor:

[NAME OF THE BANK], [ACCOUNT NUMBER], [ADDRESS OF THE BANK]

7. Entry into force. Time limits.

7.1 The Contract shall enter into force upon its signature by both parties.

7.2 The Contractor shall commence the performance of the Services not later than _____ **[INSERT DATE]** and shall complete the Services within _____ **[INSERT NUMBER OF DAYS OR MONTHS]** of such commencement.

7.3 All time limits contained in this Contract shall be deemed to be of the essence in respect of the performance of the Services.

8. Modifications

8.1 Any modification to this Contract shall require an amendment in writing between both parties duly signed by the authorized representative of the Contractor and _____ **[NAME AND TITLE]** UNDP.

9. Notifications

For the purpose of notifications under the Contract, the addresses of UNDP and the Contractor are as follows:

For the UNDP:

_____ **[INSERT CONTRACT REFERENCE & NUMBER]**

For the Contractor:

[INSERT NAME, ADDRESS AND TELEX, FAX AND CABLE NUMBERS]

If the above terms and conditions meet with your agreement as they are typed in this letter and in the Contract Documents, please initial every page of this letter and its attachments and return to this office one original of this Contract, duly signed and dated.

Yours sincerely,

[INSERT NAME AND TITLE]

For **[INSERT NAME OF THE COMPANY/ORGANIZATION]**

¹⁴ This is a sample clause for the rare cases where there is a conflict with a provision of the General Conditions which does not involve privileges and immunities, arbitration or some other fundamental aspects of the UNDP legal status. All such changes to the General Conditions shall require consultation with OLPS/BOM.