



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

NAME & ADDRESS OF FIRM	DATE: August 6, 2018
	REFERENCE: Consolidation of Territorial and Administrative Reform – STAR 2

Dear Sir / Madam:

We kindly request you to submit your Proposal for **"Municipal Revenues Planning Assistance"**.

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

Proposals may be submitted on or before **September 05, 2018, at 14:00**, via courier mail or hand delivery to the address below:

United Nations Development Programme
Str. "Skenderbej" Gurten Center, 2nd floor, Tirana, Albania
UNDP Procurement Team

Your Proposal must be expressed in the English, and valid for a minimum period of one hundred and twenty days (120).

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.

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 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 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,



Limya Eltayeb
Country Director
8/6/2018

Description of Requirements

Context of the Requirement	<p>Local governments in Albania remain at the center of reforms and transformation, following the major administrative and territorial reform. Several policy developments of key relevance to strengthening the local governance in general have followed suit in the last couple of years. The guiding framework of this transformation is the Strategy on Local Governance and Decentralization.</p> <p>Among key milestones of 2017 are the adoption of the Law on Local Finances, the establishment of the Consultative Council between the central government and the local ones, the improvement of the fiscal and operational transparency of local administrations, and a series of sub legal acts related to the new transferred functions. During 2018, Ministry of Finance and Economy continues work on development of sub legal acts of the new law on local self-government finances to become fully applicable.</p> <p>The new law 68/2017 "on local self-government finances" in Albania was approved with the scope to <i>"....to define the rules, principles and procedures of financing of local self-government units, including own source revenues from local taxes and fees, shared taxes, intergovernmental transfers, and other revenues as prescribed by law; To sanction the basic regulations for determining the size and allocation of intergovernmental transfers; To define policies, instruments and procedures for the management of local public finances; To regulate other important matters for the financing of local government functions"</i>.</p> <p>According to same law, Local Governments Units are financed from local taxes and fees and other local revenues funds transferred from the state budget, funds from shared national taxes and charges, local borrowing, donations and any other local revenue source defined by law.</p> <p>Public Expenditures and Financial Accountability assessment on local Public Finance Management systems were conducted in several municipalities in Albania during 2017. These assessments highlighted as major concern the poor performance in the Municipality's own revenue collections. According to data from Ministry of Finance and Economy, own local revenues counts on average 28% of total budget sources and the remaining part of it is central government transfers. As a result, local self-governments units spend their own money on operational expenses and are depending on central government decisions on capital investments.</p> <p>In the field of fiscal decentralization, there is an increase, albeit uneven, in fiscal autonomy, although the share of conditional transfers is still decisive for most municipalities. In the framework of extending the public financial management reform at local level, the Ministry of Finance and Economy has further developed the regulatory framework and mandatory standards for the preparation of Medium-Term Budget Program and the annual budgets for local governments, which has been tested in some municipalities and will be massively implemented starting with the 2019 budget.</p> <p>Poor revenue forecasting is another concern affecting financial situation in municipalities and become primary source of arrears creation. This is due to lack of detailed analysis based on proposed fiscal changes. The rate of revenue collection is notably below estimations and often municipalities cut expenditures during the year as not to run a deficit. LGUs engage in contracts which, due to bad forecasting are unable to fulfill.</p> <p>Implementation of the Territorial-Administrative Reform, new regulations and legislation on local self-governance have already brought an immediate need to increase capacities at LGU level. STAR2 will contribute to strengthening institutional and</p>
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	<p>administrative capacities of local governments in Albania, including on local public financial and fiscal management.</p> <p>UNDP provides assistance to local governance through its STAR2 project. STAR2 project is a joint commitment and contribution of several donors in support to the consolidation of the new LGUs resulting from territorial reform. The project is funded by the EU, Sweden, Italy, Switzerland, USAID and UNDP and has in focus several aspects of local government capacity building related to the proper functioning of the local administration, improvements in local service delivery and establishment of systems to enable and/or strengthen the culture of participatory decision making, transparency and accountability of local administrations.</p> <p>This assignment is developed within the framework of STAR2 project assistance to LGUs.</p>
Implementing Partner of UNDP	UNDP
Brief Description of the Required Services ¹	<p>The primary goal of a tax department (be it at central or local government) is to ensure collection of taxes and duties payable in accordance with the law and in such manner, that will sustain confidence in the tax system and its administration.</p> <p>The actions of taxpayers as well as weaknesses in a tax administration system mean that instances of failure to comply with the law are inevitable. Therefore, tax administration should have in place, structures, capable human resources and strategies to ensure that non-compliance with tax law is kept to a minimum.</p> <p>STAR2 assistance addresses low tax rate collection and enforcement at local level. Planning is important as it allows to prioritize work, get more done in less time, helps in producing quality work and keeps discipline. Revenue action plans will help local self-government officials to improve productivity by ensuring staying on the right track in the process of own revenue collection by use of monitoring means. The overall purpose of this activity is to equip targeted municipalities with tailor-made revenue action plans and enhance their capacities to revenue mobilization.</p> <p>The activity will target up to 29 pre-selected municipalities (list of municipalities in annex 1) in preparing dedicated action plans for own revenues collection. These are small and medium municipalities not receiving any direct assistance in PFM issues from other partners.</p> <p>The expected result of this activity will be an increased rate of own revenues collection in targeted municipalities, up to 15% at the end of year 2019.</p>
List and Description of Expected Outputs to be Delivered	<p>The Service Provider shall develop and implement tailor-made revenue action plans for 29 municipalities, compliant to law no 139/2015 "On Local Self - Governance", Law 68/2017 "on Local Self-Government Finance", law 9632/2006 "on Local taxes" amended, law 9920/2008 "on Tax procedures", DCM no.132/2017 for "The methodology for determining the taxable value of immovable property "buildings", the tax base for the specific category, the nature and priority of the information and data on the determination of the tax base, as well as the criteria and rules for the alternative valuation of the obligation of the tax", and other relevant legal and sublegal acts.</p> <p>The Service Provider shall develop revenue action plans on the following:</p> <ol style="list-style-type: none"> 1. tax on buildings – tax on building is an important revenue source to local governments, covering around 20% of total own revenues². Recently the government of Albania has approved value-based tax system on buildings and adopted evaluation procedure of buildings³. The

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.

² data from www.financatvendore.al

³ DCM 132/2018

	<p>SP will provide detailed workflow for tax on buildings collection based on the methodology approved and relevant legislation.</p> <p>2. <u>cleaning tariff</u> (dealing with urban waste collection, transport, treatment and street and municipal parks / recreation area cleaning) – (18% of total own revenues⁴). Based on relevant legislation the SP will provide detailed workflow on tariff collection.</p> <p>3. <u>tax/tariffs enforcement</u> - based on relevant legislation and best practices the SP will provide detailed workflow of tax/tariffs enforcement and collection of fines and penalties.</p> <p>Action plans need support by the top executive (mayor/deputy mayor) of the municipality <u>as to gain approval and be part of daily work of the municipality</u>. The activity shall be inclusive of the following tasks:</p> <p>3.1 Preparatory work</p> <p>1- The work will start with in depth analyses of the 29 pre-selected municipalities on tax management processes. The analysis will take into consideration the current assessment situation on “Best performing municipalities in tax management and enforcement” in all 61 municipalities on tax management processes, structures and human capacities prepared by UNDP/STAR2. Service Provider will:</p> <ul style="list-style-type: none"> ○ analyze tax management systems on the selected municipalities; ○ identify challenges of tax management systems on the selected municipalities; ○ provide best practices if applicable from the selected municipalities; ○ provide general recommendations; <p>2- Based on current legislation⁵, it is upon municipality discretion to decide on the way local tax/tariffs are collected, including use of fiscal agents. Identification of tax collections agents as potential facilitators of tax/tariff collection at local level, were applicable would be part of the revenue action plans. This would mean working with water supply companies (typical tax agent), or any other relevant, and municipality on streamlining revenue management procedures and accountability as well as helping municipalities negotiate outsource services. This might not be feasible in all municipalities; analyses will determine municipality/municipalities where this might be applicable in the sample of 29.</p> <p>Field visits/interviews and any other instrument proposed by the SP will be used to establish communication and ensure commitment of municipalities, introduce project activities and outcomes, perform in depth analyses, identify possible tax agents for the targeted municipalities.</p> <p>3.2 Development of standard revenues action plans</p> <p>Service Provider based on the in-depth assessment of the 29 targeted municipalities/legislation/best practices will develop <u>a standard model of</u></p>
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⁴ data from www.financatvendore.al

⁵ law 9632/2006 “on Local Tax”, amended

revenue collection plan inclusive of work flow, of each of the following: tax on buildings, cleaning tariff, and tax/tariffs enforcement.

The model action plan shall be inclusive, but not limited to:

- Activity proposed - provide definition of key processes that will be developed further into the actions plans;
- Workflow on tax on collection of tax on buildings, cleaning tariff and tax/tariffs enforcement;
- Timeline;
- Responsible unit/s - provide identification of roles and responsibilities;
- Fiscal agents as facilitators of tax collection at local level, were applicable; - provide roles and responsibilities, optimal would be support to municipality in outsource services and provide sample of a standard contract with a possible fiscal agent
- Identification of institutions involved in local revenue collection process and assist establishment of mutual collaboration;

The measurement of the impact of developed (and adopted revenue action plans) in the selected municipalities is very important. A monitoring plan of dedicated revenue action plans implementation should be developed accordingly.

Service Provider should provide methodology on the way own revenue collection and monitoring plans with be developed.

3.2 On the job assistance – development of tailor-made revenue action plans- personalized to all 29 municipalities

After successful delivery of the standard model of action plans, SP will provide on the job assistance to 29 selected municipalities to:

- (1) Develop tailor-made revenue action plans and monitoring plans based on the standard model;
- (2) Approve revenue action plans;
- (3) Assist implementation of the approved revenue action and monitoring plans
- (4) Monitor the impact of tailor-made revenue action plans.

On the job assistance on revenue action plans development shall include but not limited to meetings with municipal officials involved in the process, guidance, monitoring, support, facilitate collaboration with institutions involved, review of draft documents until their finalization and support to the adoption from the mayors, though the latter is in the discretion of municipal decision makers.

Where applicable, with the consent of the municipality, SP will help in outsource services providing sample of a typical contract with a fiscal agent and any other relevant documentation to the municipality.

	<p>3.3 online - Help – Desk – implementation and monitoring of the revenue action plans</p> <p>The Service Provider shall establish an Online Help desk to provide support to municipalities to set up and successfully implement the revenue action plans and at the same time monitoring the impact.</p> <p>The Online Help-desk shall target all 29 municipalities and be available for 4 months after plans approval.</p> <p>3.4 Dissemination of revenue action plans</p> <p>At the end of the activity it is proposed to plan for a series of informative workshops on revenue action plans development and implementation.</p> <p>The workshops will target all 61 municipalities. Participants will be management representative from each municipality (deputy mayor and general tax director). Workshops will be organized as a forum on local tax issues, at least three informative workshops, targeting participants of all municipalities in a half day presentations and discussions format. It is encouraged involvement of municipal officials in the presentation of the tailor-made action plans implementation and monitoring plans.</p> <p>The Service Provider shall be responsible to ensure participants attendance in the workshops, including logistical arrangements, sending the program to participants at least 3 days before the workshop starts; organize venue and coffee breaks; catering/lunch/ for each session; organize accommodation when necessary (all this included in the financial offer). Ensure participants registration and documentation of the process.</p> <p>Deliverables</p> <p>The deliverables for this assignment/ service are the bases for the evaluation of the activity and payment installments. Main deliverables are:</p> <ul style="list-style-type: none"> • report on preparatory work; • standard revenues action plan covering tax on building, cleaning tariff and tax/tariffs enforcement and standard monitoring plan; • municipal tailor-made revenue collection plans for the 29 municipalities • monitoring of action plans for the 29 municipalities • online help-desk • dissemination of revenue action plans • reports - 11 monthly progress reports and 1 final report;
Person to Supervise the Work/Performance of the Service Provider	<p>The Service Provider will work under the overall supervision of UNDP Albania /STAR2, to which the Service Provider will directly report, seek approval and obtain the acceptance of deliverables.</p> <p>During the whole preparation and delivery period, the Service Provider shall coordinate and cooperate closely with STAR2. In terms of support, the STAR 2/UNDP is expected to assess and provide feedback on the products delivered and related methodology and approach proposed.</p>
Frequency of Reporting	<p>The service provider shall submit monthly reports on the progress of the assignment and a final report including but not limited to description of the process, experience, evaluation of the activity results based on pre /post evaluation, findings from discussions with participants, recommendations for changes and improvements in all levels, policy, legal, institutional and capacity building aspects. In addition, monthly reporting will be associated with a discussion meeting with UNDP/STAR2.</p> <p>Respective annexes including lists of participants, photos from the activities and pre/post knowledge evaluations forms, shall be attached to each report.</p>

Progress Reporting Requirements	Written communication
Location of work	The Service Provider will closely work with 29 Municipalities of Albania therefore the Service Provider must make sure to access all municipalities at different times during the implementation.
Expected duration of work	The implementation period of the assistance on revenue collection action plans for local governments will be 12 months. The Service Provider will be required to implement the planned activities according to the timelines indicated in the table of activities that are part of its proposal.
Target start date	15 September 2018
Latest completion date	31 August 2019
Travels Expected	Yes
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 type="checkbox"/> Comprehensive Travel Insurance <input type="checkbox"/> Others N/A
Facilities to be Provided by UNDP (i.e., must be excluded from Price Proposal)	<input type="checkbox"/> Office space and facilities <input type="checkbox"/> Land Transportation <input type="checkbox"/> Others N/A
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 type="checkbox"/> United States Dollars <input type="checkbox"/> Euro <input checked="" type="checkbox"/> Local Currency

Value Added Tax on Price Proposal ⁶	<input checked="" type="checkbox"/> must be inclusive of VAT and other applicable indirect taxes <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 <input type="checkbox"/> Permitted <i>[pls. provide conditions for partial quotes, and ensure that requirements are properly listed to allow partial quotes (e.g., in lots, etc.)]</i>
Payment Terms ⁷	Please note that based on the technical and financial evaluation criteria specified below in this RFP, UNDP will select a single Service Provider to carry out the work. UNDP shall affect payments to the Service Provider after acceptance by UNDP of the deliverables (with a prior clearance from the STAR 2 PMT), submission of the corresponding invoices submitted by the Service Provider, and in accordance with the following schedule of payments corresponding to the achievement of the indicated milestones and deliverables. (please refer to the ToRs for details).
Person(s) to review/inspect/ approve outputs/complete d services and authorize the disbursement of payment	STAR 2 Project Manager and Local Finance Expert
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 ⁸ <i>(if LTA will be signed, specify the document that will trigger the call-off. E.g., PO, etc.)</i> <input type="checkbox"/> Other Type of Contract <i>[pls. specify]</i>

⁶ VAT exemption status varies from one country to another. Pls. check whatever is applicable to the UNDP CO/BU requiring the service.

⁷ 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.

⁸ Minimum of one (1) year period and may be extended up to a maximum of three (3) years subject to satisfactory performance evaluation. This RFP may be used for LTAs if the annual purchases will not exceed \$100,000.00.

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 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>Technical Proposal (70%)</p> <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 40% <input checked="" type="checkbox"/> Management Structure and Qualification of Key Personnel 30% <p>Financial Proposal (30%)</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 Service Provider <input type="checkbox"/> One or more Service Providers, depending on the following factors: <i>[Clarify fully how and why will this be achieved. Please do not choose this option without indicating the parameters for awarding to multiple Service Providers]</i>
Annexes to this RFP ⁹	<input checked="" type="checkbox"/> Form for Submission of Proposal (Annex 2) <input checked="" type="checkbox"/> General Terms and Conditions / Special Conditions (Annex 3) ¹⁰ <input checked="" type="checkbox"/> Detailed TOR <i>[optional if this form has been accomplished comprehensively]</i> <input type="checkbox"/> Others ¹¹ <i>[pls. specify]</i>
Contact Person for Inquiries (Written inquiries only) ¹²	<p>UNDP Albania Procurement Unit procurement.al@undp.org</p> <p>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.</p>

⁹ Where the information is available in the web, a URL for the information may simply be provided.

¹⁰ 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.

¹¹ A more detailed Terms of Reference in addition to the contents of this RFP may be attached hereto.

¹² 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.

Other Information [pls. specify]	<p><input checked="" type="checkbox"/> Company Profile, which should <u>not</u> exceed fifteen (15) pages, including printed brochures and product catalogues relevant to the goods/services being procured</p> <p><input type="checkbox"/> Members of the Governing Board and their Designations duly certified by the Corporate Secretary, or its equivalent document if Bidder is not a corporation</p> <p><input checked="" type="checkbox"/> List of Shareholders and Other Entities Financially Interested in the Firm owning 5% or more of the stocks and other interests, or its equivalent if Bidder is not a corporation</p> <p><input checked="" type="checkbox"/> Tax Registration/Payment Certificate issued by the Internal Revenue Authority evidencing that the Bidder is updated with its tax payment obligations, or Certificate of Tax exemption, if any such privilege is enjoyed by the Bidder</p> <p><input checked="" type="checkbox"/> Certificate of Registration of the business, including Articles of Incorporation, or equivalent document if Bidder is not a corporation</p> <p><input type="checkbox"/> Trade name registration papers, if applicable</p> <p><input type="checkbox"/> Local Government permit to locate and operate in the current location of office or factory</p> <p><input checked="" type="checkbox"/> Official Letter of Appointment as local representative, if Bidder is submitting a Bid in behalf of an entity located outside the country</p> <p><input type="checkbox"/> Quality Certificate (e.g., ISO, etc.) and/or other similar certificates, accreditations, awards and citations received by the Bidder, if any</p> <p><input type="checkbox"/> Environmental Compliance Certificates, Accreditations, Markings/Labels, and other evidences of the Bidder's practices which contributes to the ecological sustainability and reduction of adverse environmental impact (e.g., use of non-toxic substances, recycled raw materials, energy-efficient equipment, reduced carbon emission, etc.), either in its business practices or in the goods it manufactures</p> <p><input type="checkbox"/> Patent Registration Certificates, if any of technologies submitted in the Bid is patented by the Bidder</p> <p><input type="checkbox"/> Plan and details of manufacturing capacity, if Bidder is a manufacturer of the goods to be supplied</p> <p><input type="checkbox"/> Certification or authorization to act as Agent in behalf of the Manufacturer, or Power of Attorney, if bidder is not a manufacturer</p> <p><input checked="" type="checkbox"/> Latest Audited Financial Statement (Income Statement and Balance Sheet) including Auditor's Report for the past 3 years</p> <p><input checked="" type="checkbox"/> Statement of Satisfactory Performance from the Top 3 Clients in terms of Contract Value the past 5 years</p> <p><input type="checkbox"/> List of Bank References (Name of Bank, Location, Contact Person and Contact Details)</p> <p><input checked="" type="checkbox"/> All information regarding any past and current litigation during the last five (5) years, in which the bidder is involved, indicating the parties concerned, the subject of the litigation, the amounts involved, and the final resolution if already concluded.</p> <p><input type="checkbox"/> List of signed contracts and copies of contracts for Software Information Systems or similar IT work in the last 3 years, with an amount of at least 1,500,000 USD of total values of contracts on annual basis, with the Proposer standing as Contractor party.</p> <p><input checked="" type="checkbox"/> Current Ratio for the last 3 years (current assets/current liabilities) > 1</p> <p><input checked="" type="checkbox"/> Proposer's experience for at least 7 consecutive years in providing similar services to central and public local administration and/or the private sector</p>
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FORM FOR SUBMITTING SERVICE PROVIDER'S PROPOSAL¹³

(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery¹⁴)

[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, licenses, certifications, accreditations;*
- 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. 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 will be appropriate to the local conditions and context of the work.

¹³ This serves as a guide to the Service Provider in preparing the Proposal.

¹⁴ Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers – for verification purposes

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 indicating who is Team Leader, who are supporting, etc.;
- b) CVs demonstrating qualifications must be submitted if required by the RFP; and
- c) Written confirmation from each personnel that they are available for the entire duration of the contract.

D. **Cost Breakdown per Deliverable***

	Deliverables <i>[list them as referred to in the RFP]</i>	Percentage of Total Price <i>(Weight for payment)</i>	Price <i>(Lump Sum, All Inclusive)</i>
1	Deliverable 1		
2	Deliverable 2		
3		
	Total	100%	

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

E. **Cost Breakdown by Cost Component [This is only an Example]:**

Description of Activity	Remuneration per Unit of Time	Total Period of Engagement	No. of Personnel	Total Rate
I. Personnel Services				
1. Services from Home Office				
a. Expertise 1				
b. Expertise 2				
2. Services from Field Offices				
a. Expertise 1				
b. Expertise 2				
3. Services from Overseas				
a. Expertise 1				
b. Expertise 2				
II. Out of Pocket Expenses				
1. Travel Costs				
2. Daily Allowance				
3. Communications				
4. Reproduction				
5. Equipment Lease				
6. Others				
III. Other Related Costs				

*[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 or 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 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 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 Contract, 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 Contract signed by the Contractor and jointly by the UNDP Authorized Official.

Terms of Reference (TOR)

Municipal Revenues Planning Assistance

Type of contract:	Service Contract
Location:	Tirana, Albania
Duration:	12 months
Expected start date:	September 2018

List of Acronyms

UNDP	United Nations Development Fund
DLGS	Decentralization and Local Governance Strategy
PEFA	Public Expenditures and Financial Accountability
MFE	Ministry of Finance and Economy
ASPA	Albanian School of Public Administration
ASLG	Agency on Support to Local Self-Government
PLGP	Planning and Local Governance Project
SP	Service Provider
STAR1/STAR2	UNDP Projects Support to Territorial and Administrative Reform & Consolidation of the Territorial and Administrative Reform
PMT	Project Management Team

I. Context

Local governments in Albania remain at the center of reforms and transformation, following the major administrative and territorial reform. Several policy developments of key relevance to strengthening the local governance in general have followed suit in the last couple of years. The guiding framework of this transformation is the Strategy on Local Governance and Decentralization.

Among key milestones of 2017 are the adoption of the Law on Local Finances, the establishment of the Consultative Council between the central government and the local ones, the improvement of the fiscal and operational transparency of local administrations, and a series of sub legal acts related to the new transferred functions. During 2018, Ministry of Finance and Economy continues work on development of sub legal acts of the new law on local self-government finances to become fully applicable.

The new law 68/2017 "on local self-government finances" in Albania was approved with the scope to *"....to define the rules, principles and procedures of financing of local self-government units, including own source revenues from local taxes and fees, shared taxes, intergovernmental transfers, and other revenues as prescribed by law; To sanction the basic regulations for determining the size and allocation of intergovernmental transfers; To define policies, instruments and procedures for the management of local public finances; To regulate other important matters for the financing of local government functions"*. According to same law, Local Governments Units are financed from local taxes and fees and other local revenues funds transferred from the state budget, funds from shared national taxes and charges, local borrowing, donations and any other local revenue source defined by law.

Public Expenditures and Financial Accountability assessment on local Public Finance Management systems were conducted in several municipalities in Albania during 2017. These assessments highlighted as major concern the poor performance in the Municipality's own revenue collections. According to data from Ministry of Finance and Economy, own local revenues counts on average 28% of total budget sources and the remaining part of it is central government transfers. As a result, local self-governments units spend their own money on operational expenses and are depending on central government decisions on capital investments.

In the field of fiscal decentralization, there is an increase, albeit uneven, in fiscal autonomy, although the share of conditional transfers is still decisive for most municipalities. In the framework of extending the public financial management reform at local level, the Ministry of Finance and Economy has further developed the regulatory framework and mandatory standards for the preparation of Medium-Term Budget Program and the annual budgets for local governments, which has been tested in some municipalities and will be massively implemented starting with the 2019 budget.

Poor revenue forecasting is another concern affecting financial situation in municipalities and become primary source of arrears creation. This is due to lack of detailed analysis based on proposed fiscal changes. The rate of revenue collection is notably below estimations and often municipalities cut expenditures during the year as not to run a deficit. LGUs engage in contracts which, due to bad forecasting are unable to fulfill.

Implementation of the Territorial-Administrative Reform, new regulations and legislation on local self-governance have already brought an immediate need to increase capacities at LGU level. STAR2 will contribute to strengthening institutional and administrative capacities of local governments in Albania, including on local public financial and fiscal management.

UNDP provides assistance to local governance through its STAR2 project. STAR2 project is a joint commitment and contribution of several donors in support to the consolidation of the new LGUs resulting from territorial reform. The project is funded by the EU, Sweden, Italy, Switzerland, USAID and UNDP and has in focus several aspects of local government capacity building related to the proper functioning of the local administration, improvements in local service delivery and establishment of systems to enable and/or strengthen the culture of participatory decision making, transparency and accountability of local administrations.

This assignment is developed within the framework of STAR2 project assistance to LGUs.

II. Scope of Services, Expected Outcome and Targets

The primary goal of a tax department (be it at central or local government) is to ensure collection of taxes and duties payable in accordance with the law and in such manner, that will sustain confidence in the tax system and its administration.

The actions of taxpayers as well as weaknesses in a tax administration system mean that instances of failure to comply with the law are inevitable. Therefore, tax administration should have in place, structures, capable human resources and strategies to ensure that non-compliance with tax law is kept to a minimum.

STAR2 assistance addresses low tax rate collection and enforcement at local level. Planning is important as it allows to prioritize work, get more done in less time, helps in producing quality work and keeps discipline. Revenue action plans will help local self-government officials to improve productivity by ensuring staying on the right track in the process of own revenue collection by use of monitoring means. The overall purpose of this activity is to equip targeted municipalities with tailor-made revenue action plans and enhance their capacities to revenue mobilization.

The activity will target up to 29 pre-selected municipalities (list of municipalities in annex 1) in preparing dedicated action plans for own revenues collection. These are small and medium municipalities not receiving any direct assistance in PFM issues from other partners.

The expected result of this activity will be an increased rate of own revenues collection in targeted municipalities, up to 15% at the end of year 2019.

III. Activities and Deliverables

The Service Provider shall develop and implement tailor-made revenue action plans for 29 municipalities, compliant to law no 139/2015 "On Local Self-Governance", Law 68/2017 "on Local Self-Government Finance", law 9632/2006 "on Local taxes" amended, law 9920/2008 "on Tax procedures", DCM no.132/2017 for "The methodology for determining the taxable value of immovable property "buildings", the tax base for the specific category, the nature and priority of the information and data on the determination of the tax base, as well as the criteria and rules for the alternative valuation of the obligation of the tax", and other relevant legal and sublegal acts.

The Service Provider shall develop revenue action plans on the following:

4. **tax on buildings** – tax on building is an important revenue source to local governments, covering around 20% of total own revenues¹⁵. Recently the government of Albania has approved value-based tax system on buildings and adopted evaluation procedure of buildings¹⁶. The SP will provide detailed workflow for tax on buildings collection based on the methodology approved and relevant legislation.
5. **cleaning tariff** (dealing with urban waste collection, transport, treatment and street and municipal parks / recreation area cleaning) – (18% of total own revenues¹⁷). Based on relevant legislation the SP will provide detailed workflow on tariff collection.
6. **tax/tariffs enforcement** - based on relevant legislation and best practices the SP will provide detailed workflow of tax/tariffs enforcement and collection of fines and penalties.

Action plans need support by the top executive (mayor/deputy mayor) of the municipality as to gain approval and be part of daily work of the municipality.

The activity shall be inclusive of the following tasks:

3.1 Preparatory work

1- The work will start with in depth analyses of the 29 pre-selected municipalities on tax management processes. The analysis will take into consideration the current assessment situation on "Best performing municipalities in tax management and enforcement" in all 61 municipalities on tax management processes, structures and human capacities prepared by UNDP/STAR2. Service Provider will:

- analyze tax management systems on the selected municipalities;
- identify challenges of tax management systems on the selected municipalities;
- provide best practices if applicable from the selected municipalities;
- provide general recommendations;

¹⁵ data from www.financatvendore.al

¹⁶ DCM 132/2018

¹⁷ data from www.financatvendore.al

2- Based on current legislation¹⁸, it is upon municipality discretion to decide on the way local tax/tariffs are collected, including use of fiscal agents. Identification of tax collections agents as potential facilitators of tax/tariff collection at local level, were applicable would be part of the revenue action plans. This would mean working with water supply companies (typical tax agent), or any other relevant, and municipality on streamlining revenue management procedures and accountability as well as helping municipalities negotiate outsource services. This might not be feasible in all municipalities; analyses will determine municipality/municipalities where this might be applicable in the sample of 29.

Field visits/interviews and any other instrument proposed by the SP will be used to establish communication and ensure commitment of municipalities, introduce project activities and outcomes, perform in depth analyses, identify possible tax agents for the targeted municipalities.

6.2 *Development of standard revenues action plans*

Service Provider based on the in-depth assessment of the 29 targeted municipalities/legislation/best practices will develop a standard model of revenue collection plan inclusive of work flow, of each of the following: tax on buildings, cleaning tariff, and tax/tariffs enforcement.

The model action plan shall be inclusive, but not limited to:

- Activity proposed - provide definition of key processes that will be developed further into the actions plans;
- Workflow on tax on collection of tax on buildings, cleaning tariff and tax/tariffs enforcement;
- Timeline;
- Responsible unit/s - provide identification of roles and responsibilities;
- Fiscal agents as facilitators of tax collection at local level, were applicable; - provide roles and responsibilities, optimal would be support to municipality in outsource services and provide sample of a standard contract with a possible fiscal agent
- Identification of institutions involved in local revenue collection process and assist establishment of mutual collaboration;

The measurement of the impact of developed (and adopted revenue action plans) in the selected municipalities is very important. A monitoring plan of dedicated revenue action plans implementation should be developed accordingly.

Service Provider should provide methodology on the way own revenue collection and monitoring plans with be developed.

3.2 *On the job assistance – development of tailor-made revenue action plans- personalized to all 29 municipalities*

After successful delivery of the standard model of action plans, SP will provide on the job assistance to 29 selected municipalities to:

- (5) Develop tailor-made revenue action plans and monitoring plans based on the standard model;
- (6) Approve revenue action plans;
- (7) Assist implementation of the approved revenue action and monitoring plans
- (8) Monitor the impact of tailor-made revenue action plans.

On the job assistance on revenue action plans development shall include but not limited to meetings with municipal officials involved in the process, guidance, monitoring, support, facilitate collaboration

¹⁸ law 9632/2006 "on Local Tax", amended

with institutions involved, review of draft documents until their finalization and support to the adoption from the mayors, though the latter is in the discretion of municipal decision makers.

Where applicable, with the consent of the municipality, SP will help in outsource services providing sample of a typical contract with a fiscal agent and any other relevant documentation to the municipality.

3.3 online - Help – Desk – implementation and monitoring of the revenue action plans

The Service Provider shall establish an Online Help desk to provide support to municipalities to set up and successfully implement the revenue action plans and at the same time monitoring the impact.

The Online Help-desk shall target all 29 municipalities and be available for 4 months after plans approval.

3.4 Dissemination of revenue action plans

At the end of the activity it is proposed to plan for a series of informative workshops on revenue action plans development and implementation.

The workshops will target all 61 municipalities. Participants will be management representative from each municipality (deputy mayor and general tax director). Workshops will be organized as a forum on local tax issues, at least three informative workshops, targeting participants of all municipalities in a half day presentations and discussions format. It is encouraged involvement of municipal officials in the presentation of the tailor-made action plans implementation and monitoring plans.

The Service Provider shall be responsible to ensure participants attendance in the workshops, including logistical arrangements, sending the program to participants at least 3 days before the workshop starts; organize venue and coffee breaks; catering/lunch/ for each session; organize accommodation when necessary (all this included in the financial offer). Ensure participants registration and documentation of the process.

Deliverables

The deliverables for this assignment/ service are the bases for the evaluation of the activity and payment installments. Main deliverables are:

- report on preparatory work;
- standard revenues action plan covering tax on building, cleaning tariff and tax/tariffs enforcement and standard monitoring plan;
- municipal tailor-made revenue collection plans for the 29 municipalities
- monitoring of action plans for the 29 municipalities
- online help-desk
- dissemination of revenue action plans
- reports - 11 monthly progress reports and 1 final report;

IV. Institutional Arrangement

4.1. Supervising authority

The Service Provider will work under the overall supervision of UNDP Albania /STAR2, to which the Service Provider will directly report, seek approval and obtain the acceptance of deliverables.

4.2. Institutional collaboration

During the whole preparation and delivery period, the Service Provider shall coordinate and cooperate closely with STAR2. In terms of support, the STAR 2/UNDP is expected to assess and provide feedback on the products delivered and related methodology and approach proposed.

However, this activity will be implemented in close cooperation and consultation with relevant government institutions¹⁹ and other projects²⁰ with relevant experience in the area. STAR2/UNDP will support coordination meetings with relevant stakeholders.

4.3. *Reporting requirements*

The service provider shall submit monthly reports on the progress of the assignment and a final report including but not limited to description of the process, experience, evaluation of the activity results based on pre /post evaluation, findings from discussions with participants, recommendations for changes and improvements in all levels, policy, legal, institutional and capacity building aspects. In addition, monthly reporting will be associated with a discussion meeting with UNDP/STAR2.

Respective annexes including lists of participants, photos from the activities and pre/post knowledge evaluations forms, shall be attached to each report.

V. *Duration of the Work*

5.1. *Implementation duration*

The implementation period of the assistance on revenue collection action plans for local governments will be 12 months. The Service Provider will be required to implement the planned activities according to the timelines indicated in the table of activities that are part of its proposal.

VI. *Location of Work*

The Service Provider will closely work with 29 Municipalities of Albania therefore the Service Provider must make sure to access all municipalities at different times during the implementation.

VII. *Qualifications of the Successful Service Provider*

7.1. *Successful Service Provider profile*

The following qualifications are required to successfully carry out the work:

- At least 5 years of proven experience in market
- Proven experience in central and local tax management;
- Proven work experience with local governments in Albania;
- Proven experience in undertaking capacity needs assessments and in developing tailored made-training modules;
- Reporting skills;
- Excellent knowledge on the organization and functioning of Local Self Government in Albania;
- Experience in working with UNDP or another international agency (preferable).

7.2. *Successful Service Provider personnel*

The Service Provider should possess and make available a good mix of experts and sufficient resources for the provision of the service with effectiveness, efficiency, quality and professionalism.

The Service Provider shall take all reasonable measures necessary to ensure that the personnel deployed under these TORs shall respect local behaviors and act conform to the highest standards of moral and ethical conduct. UNDP may at any time request the withdrawal or replacement of any of the Service Provider personnel if these standards are not adhered to. Replacement will be at the Service Provider expense.

The following skills sets are required for experts to satisfactorily and timely deliver the expected outputs:

Position/expertise	Key qualification	Experience
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¹⁹ Ministry of Finance and Economy, Department of Local Issues, General Department on Tax on Property

²⁰ PLGP/USAID

<p>Team Leader</p> <p>The TL will be responsible for overall coordination and quality control of the products delivered. He/she is expected to provide methodology and guidance, to give direction and leadership to all other consultants toward the achievement of the technical assistance objectives.</p>	<p>Postgraduate in Law and/or Finance</p> <p>Excellent written and spoken English skills.</p>	<p>Minimum of 5 years of experience in assistance providing in public sector tax management, especially municipalities. Previous experience in project coordination activities.</p>
<p>Experts (at least 6)</p>	<p>Postgraduate in Economic Science, with a special focus on public administration with relevant and proven experience in tax legislation/ tax management;</p> <p>Experience in local tax would be an advantage</p>	<p>Minimum 5 years of experience with municipalities or governmental institutions.</p>

VIII. Scope of Proposal Price and Schedule of Payments

8.1 Duration of the assignment

The assignment is to be carried out within a period of maximum 12 calendar months, at the end of which the Service Provider having submitted the required deliverables.

The indicative time-frame of the sequence is shown below:

Time Schedule

Activity	Timeline
Report on preparatory work and standard action plan (collection and monitoring) developed	Month 1-3
On the job assistance - development of action and monitoring plans and approval	Month 3-6
Help – Desk - Follow up on the action plans implementation & monitoring	Month 6-10
Dissemination of revenue action plans	Month 11
Final Report	Month 12

8.2 Price and schedule of payments

UNDP shall make payments to the Consultant after acceptance by UNDP/ STAR2 Manager submission of the corresponding invoices submitted by the Consultant, and in accordance with the following schedule of payments corresponding to the achievement of the indicated milestones and deliverables

Schedule of Payments

Schedule of Payments		
Deliverables	Payment	Delivery deadline
Report on preparatory work, & standard action plan (collection and monitoring) developed	30%	
On the job assistance – development of action plans	40%	
Help – Desk - Follow up on the action plans implementation & monitoring	30%	
Dissemination of revenue action plans		
Final Report		

ANNEXES

ANNEX 1: List of 29 targeted municipalities:

No	Municipality
1	Skrapar
2	Ura Vajgurore
3	Bulqizë
4	Belsh
5	Cërrik
6	Librazhd
7	Peqin
8	Prrenjas
9	Divjakë
10	Mallakastër
11	Roskovec
12	Dropull
13	Këlcyrë
14	Libohovë
15	Memaliaj
16	Tepelenë
17	Kolonjë
18	Maliq
19	Pustec
20	Has
21	Kurbin
22	Mirditë
23	Fushe Arrez
24	Rogozhinë
25	Delvinë
26	Finiq
27	Himarë
28	Konispol
29	Selenicë