



REQUEST FOR PROPOSAL (RFP)

NAME & ADDRESS OF FIRM	DATE: March 13, 2014
	REFERENCE: COBERM 00083137

Dear Sir / Madam:

We kindly request you to submit your Proposal for **Provision of Verification exercise in Abkhazia for COBERM Grant Recipient**

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

Proposals may be submitted on or before **18:00 on Wednesday, March 26, 2014** via courier mail to the address below:

**United Nations Development Programme
9, Eristavi St. Tbilisi 0179, Georgia
David Samunashvili
David.Samunashvili@undp.org**

Your Proposal must be expressed in the **English** and valid for a minimum period of **60 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.

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

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

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

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

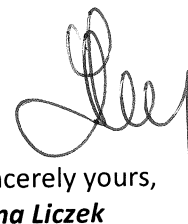
Please be advised that UNDP is not bound to accept any Proposal, nor award a contract or Purchase Order, nor be responsible for any costs associated with a Service Providers preparation and submission of a Proposal, regardless of the outcome or the manner of conducting the selection process.

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/procurement/protest.shtml>.

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,
Irina Liczek
COBERM Project Manager

Description of Requirements

Context of the Requirement	The overall objective of the assignment is to increase capacity of COBERM sub project Implementing Partners (IP) in proper financial management by conducting verification of expenditures of implemented sub-projects and by providing recommendations for improvement			
Implementing Partner of UNDP	European Union (EU)			
Brief Description of the Required Services	<p>UNDP is seeking to hire an audit company who can conduct a verification of expenditures of the projects implemented by Abkhaz NGOs in order to assess if the Implementing Partner has spent the grant funds in accordance with the Micro capital Grant Agreement signed with UNDP in conformity with Grant Management Guidance Note. Providing recommendations on improving financial management on case by case would also be part of this exercise.</p> <p><i>For further details please refer to the Terms of Reference (Annex 4)</i></p>			
List and Description of Expected Outputs to be Delivered	<p>Report covering overall financial situation of Implementing Partner:</p> <ul style="list-style-type: none"> • The statement of expenditure verification (verify expenses indicated in final financial report) • The statement of cash position as of end date of the project • The statement of assets and equipment as of end date of the project (if purchased under any micro capital grant agreement) 			
Person to Supervise the Work/Performance of the Service Provider	COBERM Project Manager			
Frequency of Reporting	Monthly			
Progress Reporting Requirements	Once in two weeks			
Location of work	Tbilisi, Gali and Sukhumi			
Expected duration of work	1 June 2014 – 1 March 2015 (two missions/up to 15 working days per mission)			
Target start date	1 June 2014			
Latest completion date	1 March 2015			
Travels Expected	Destination/s	Estimated Duration	Brief Description of Purpose of the Travel	Target Date/s

	Tbilisi	Up to 2 days per mission Up to 4 days in total	Meeting with UNDP and COBERM team	TBD
	Sukhumi	Up to 7 working days per mission Up to 14 days in total	Fieldwork	TBD
Special Security Requirements	X Completion of UN's Basic and Advanced Security Training (https://training.dss.un.org/consultants/index.php - for auditors travelling to Abkhazia) X Comprehensive Travel Insurance			
Facilities to be Provided by UNDP (i.e., must be excluded from Price Proposal)	X Office space and facilities (in Sukhumi) X Land Transportation <ul style="list-style-type: none"> During field works in Sukhumi During trip from /to Tbilisi –Sukhumi and back* *UNDP will provide assistance in getting Visa for auditors visiting Abkhazia			
Implementation Schedule indicating breakdown and timing of activities/sub-activities	x Required			
Names and curriculum vitae of individuals who will be involved in completing the services	x Required			
Currency of Proposal	x United States Dollars			
Value Added Tax on Price Proposal	x must be exclusive of VAT and other applicable indirect taxes			
Validity Period of Proposals (Counting for the last day of submission of quotes)	x 60 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	x Not permitted			
Payment Terms	Outputs	Percentage	Timing	Condition for Payment Release
	Completion of 1 st	40%		Within thirty (30) days from the date of

	mission and submission of report			meeting the following conditions: a) UNDP's written acceptance (i.e., not mere receipt) of the quality of the outputs; and b) Receipt of invoice from the Service Provider.
	Completion of 2 nd mission and submission of report	60%		
Person(s) to review/inspect/ approve outputs/completed services and authorize the disbursement of payment	COBERM Project manager			
Type of Contract to be Signed	x Institutional Contract / Contract for Professional Services			
Criteria for Contract Award	<p>x Highest Combined Score (based on the 70% technical offer and 30% price weight distribution); where minimum passing score of technical proposal is 70%.</p> <p>x Full acceptance of the UNDP Contract General Terms and Conditions (GTC). This is a mandatory criteria and cannot be deleted regardless of the nature of services required. Non acceptance of the GTC may be grounds for the rejection of the Proposal.</p>			
Criteria for the Assessment of Proposal	<p><u>Technical Proposal (70%)</u></p> <p>x Expertise of the Firm 300 points</p> <p>x Proposed Methodology, Approach and Implementation Plan 400 points</p> <p>x Management Structure and Qualification of Key Personnel involved 300 points</p> <p><u>Detailed Score Breakdown provided in Annex 6.</u></p> <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:	x One and only one Service Provider			

Annexes to this RFP	<input type="checkbox"/> Form for Submission of Proposal (Annex 2) <input type="checkbox"/> General Terms and Conditions / Special Conditions (Annex 3) <input type="checkbox"/> Detailed Terms of Reference (TOR) (Annex 4) <input type="checkbox"/> Template Institutional Contract/ Contract for Professional Services (Annex 5) <input type="checkbox"/> Detailed Score Breakdown (Annex 6)
Contact Person for Inquiries (Written inquiries only)	<p><i>David Samunashvili</i> <i>COBERM Financial and Administrative Assistant</i> David.Samunashvili@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>
Other Information [pls. specify]	N/A

FORM FOR SUBMITTING SERVICE PROVIDER'S PROPOSAL

(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery¹)

[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. Company Profile, Address, and Contact information;*
- b. Portfolio of clients with emphasis on similar activities undertaken in the past years (minimum 5 projects with similar scope and scale, and minimum 5 years of relevant experience);*
- c. Certificate of Registration on the business;*
- d. Statement of satisfactory performance/recommendation letter from the top 3 clients in the past 2 years (minimum 1 letter from international organization)*
- e. Other supporting documentation as required in Terms of Reference (ToR)*

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.

C. Qualifications of Key Personnel

¹ Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers – for verification purposes

Service Provider must provide:

- a) Names and qualifications of the key personnel that will perform the services indicating who is Senior Expert, who are supporting (Junior), etc.;
- b) Auditor's certificate
- c) CVs/Resumes demonstrating qualifications.

D. Cost Breakdown per Deliverable*

	Deliverables [list them as referred to in the RFP]	Percentage of Total Price (Weight for payment)	Price (Lump Sum, All Inclusive)
1	Statement of Verification of Expenditures 1 / Recommendations		
2	Statement of Verification of Expenditures 1 / Recommendations		
	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				
a. Senior Expert 1				
b. Junior Expert (As required)				
c. Other as required				
II. Other related cost				
1. Travel Costs				
2. Daily Allowance				
3. Others				
Total				

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

[Designation]

[Date]

General Terms and Conditions for Services

1.0 LEGAL STATUS:

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

2.0 SOURCE OF INSTRUCTIONS:

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

3.0 CONTRACTOR'S RESPONSIBILITY FOR EMPLOYEES:

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

4.0 ASSIGNMENT:

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

5.0 SUB-CONTRACTING:

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

6.0 OFFICIALS NOT TO BENEFIT:

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

7.0 INDEMNIFICATION:

The Contractor shall indemnify, hold and save harmless, and defend, at its own expense, UNDP, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or

kind, including their costs and expenses, arising out of acts or omissions of the Contractor, or the Contractor's employees, officers, agents or sub-contractors, in the performance of this Contract. This provision shall extend, inter alia, to claims and liability in the nature of workmen's compensation, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the Contractor, its employees, officers, agents, servants or sub-contractors. The obligations under this Article do not lapse upon termination of this Contract.

8.0 INSURANCE AND LIABILITIES TO THIRD PARTIES:

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

9.0 ENCUMBRANCES/LIENS:

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

10.0 TITLE TO EQUIPMENT:

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

11.0 COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS:

- 11.1** Except as is otherwise expressly provided in writing in the Contract, the UNDP shall be entitled to all intellectual property and other proprietary rights including, but not limited to, patents, copyrights, and trademarks, with regard to products, processes, inventions, ideas, know-how, or documents and other materials which the Contractor has developed for the UNDP under the

Contract and which bear a direct relation to or are produced or prepared or collected in consequence of, or during the course of, the performance of the Contract, and the Contractor acknowledges and agrees that such products, documents and other materials constitute works made for hire for the UNDP.

- 11.2** To the extent that any such intellectual property or other proprietary rights consist of any intellectual property or other proprietary rights of the Contractor: (i) that pre-existed the performance by the Contractor of its obligations under the Contract, or (ii) that the Contractor may develop or acquire, or may have developed or acquired, independently of the performance of its obligations under the Contract, the UNDP does not and shall not claim any ownership interest thereto, and the Contractor grants to the UNDP a perpetual license to use such intellectual property or other proprietary right solely for the purposes of and in accordance with the requirements of the Contract.
- 11.3** At the request of the UNDP; the Contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring or licensing them to the UNDP in compliance with the requirements of the applicable law and of the Contract.
- 11.4** Subject to the foregoing provisions, all maps, drawings, photographs, mosaics, plans, reports, estimates, recommendations, documents, and all other data compiled by or received by the Contractor under the Contract shall be the property of the UNDP, shall be made available for use or inspection by the UNDP at reasonable times and in reasonable places, shall be treated as confidential, and shall be delivered only to UNDP authorized officials on completion of work under the Contract.

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

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

13.0 CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION:

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

- 13.1** The recipient ("Recipient") of such information shall:
 - 13.1.1** use the same care and discretion to avoid disclosure, publication or dissemination of the Discloser's Information as it uses with its own similar information that it does not wish to disclose, publish or disseminate; and,
 - 13.1.2** use the Discloser's Information solely for the purpose for which it was disclosed.
- 13.2** Provided that the Recipient has a written agreement with the following persons or entities requiring them to treat the Information confidential in accordance with the Contract and this Article 13, the Recipient may disclose Information to:
 - 13.2.1** any other party with the Discloser's prior written consent; and,
 - 13.2.2** the Recipient's employees, officials, representatives and agents who have a need to know such Information for purposes of performing obligations under the Contract, and

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

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

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

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

- 13.3** The Contractor may disclose Information to the extent required by law, provided that, subject to and without any waiver of the privileges and immunities of the United Nations, the Contractor will give the UNDP sufficient prior notice of a request for the disclosure of Information in order to allow the UNDP to have a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made.
- 13.4** The UNDP may disclose Information to the extent as required pursuant to the Charter of the UN, resolutions or regulations of the General Assembly, or rules promulgated by the Secretary-General.
- 13.5** The Recipient shall not be precluded from disclosing Information that is obtained by the Recipient from a third party without restriction, is disclosed by the Discloser to a third party without any obligation of confidentiality, is previously known by the Recipient, or at any time is developed by the Recipient completely independently of any disclosures hereunder.
- 13.6** These obligations and restrictions of confidentiality shall be effective during the term of the Contract, including any extension thereof, and, unless otherwise provided in the Contract, shall remain effective following any termination of the Contract.

14.0 FORCE MAJEURE; OTHER CHANGES IN CONDITIONS

- 14.1** In the event of and as soon as possible after the occurrence of any cause constituting force majeure, the Contractor shall give notice and full particulars in writing to the UNDP, of such occurrence or change if the Contractor is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Contract. The Contractor shall also notify the UNDP of any other changes in conditions or the occurrence of any event that interferes or threatens to interfere with its performance of this Contract. On receipt of the notice required under this Article, the UNDP shall take such action as, in its sole discretion; it considers to be appropriate or necessary in the circumstances, including the granting to the Contractor of a reasonable extension of time in which to perform its obligations under this Contract.
- 14.2** If the Contractor is rendered permanently unable, wholly, or in part, by reason of force majeure to perform its obligations and meet its responsibilities under this Contract, the UNDP shall have the right to suspend or terminate this Contract on the same terms and conditions as are provided for in Article 15, "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days.
- 14.3** Force majeure as used in this Article means acts of God, war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force.
- 14.4** The Contractor acknowledges and agrees that, with respect to any obligations under the Contract that the Contractor must perform in or for any areas in which the UNDP is engaged in, preparing to engage in, or disengaging from any peacekeeping, humanitarian or similar operations, any delays or failure to perform such obligations arising from or relating to harsh conditions within

such areas or to any incidents of civil unrest occurring in such areas shall not, in and of itself, constitute force majeure under the Contract..

15.0 TERMINATION

- 15.1** Either party may terminate this Contract for cause, in whole or in part, upon thirty (30) days notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Article 16.2 ("Arbitration"), below, shall not be deemed a termination of this Contract.
- 15.2** UNDP reserves the right to terminate without cause this Contract at any time upon 15 days prior written notice to the Contractor, in which case UNDP shall reimburse the Contractor for all reasonable costs incurred by the Contractor prior to receipt of the notice of termination.
- 15.3** In the event of any termination by UNDP under this Article, no payment shall be due from UNDP to the Contractor except for work and services satisfactorily performed in conformity with the express terms of this Contract.
- 15.4** Should the Contractor be adjudged bankrupt, or be liquidated or become insolvent, or should the Contractor make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the insolvency of the Contractor, the UNDP may, without prejudice to any other right or remedy it may have under the terms of these conditions, terminate this Contract forthwith. The Contractor shall immediately inform the UNDP of the occurrence of any of the above events.

16.0 SETTLEMENT OF DISPUTES

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

17.0 PRIVILEGES AND IMMUNITIES:

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

18.0 TAX EXEMPTION

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

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

19.0 CHILD LABOUR

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

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

20.0 MINES:

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

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

21.0 OBSERVANCE OF THE LAW:

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

22.0 SEXUAL EXPLOITATION:

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

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

23.0 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

The scope of verification of expenditure service shall be in accordance with International Standards for Audit (ISA). The auditor's work should include the review and **verification of expenditures** incurred by the Implementing Partner (IP/NGO). To this effect, the scope of the auditor's work shall cover the following areas:

Finance

The work shall cover the adequacy of the accounting and financial operations and reporting systems. These include budget control, cash management, certification and approving authority, receipt of funds, and disbursement of funds, recording of all financial transactions in expense reports, records maintenance and control.

Procurement

The work shall cover the competitiveness, transparency and effectiveness of the procurement activities of the project in order to ensure that the equipment and services purchased meet the requirement of either the government (or NGO) or UNDP and include the following:

- As applicable, delegations of authorities, procurement thresholds, call for bids and proposals, evaluation of bids and proposals and approval/signature of contracts and purchase orders
- Receiving and inspection procedures to determine the conformity of equipment with the agreed specifications and, when applicable, the use of independent experts to inspect the delivery of highly technical and expensive equipment
- Evaluation of the procedures established to mitigate the risk of purchasing equipment that do not meet specifications or is later proven to be defective
- Management and control over the variation orders.

Asset Management

The work shall cover equipment (typically vehicles and office equipment) purchased for use of the project. The procedures for receipt, storage, and disposal shall also be reviewed.

Cash Management

The work shall cover all cash funds held by the project and review cash flow reconciliation.

General Administration

The work shall cover travel activities, vehicle management, shipping services, office premises and lease management, office communications and IT systems, and records maintenance.

Assessment of internal control

The auditor is required to conduct a general assessment of internal controls according to established internal control standards.

In addition to the above general assessment, additional specific steps could include the following:

- Review the expenditures made by the implementing partner and assess whether they are in accordance with the project document (Annex 1 of Micro Capital Grant Agreement), budgets (Annex 2 of Micro Capital Grant Agreement), Grant Management Guidance Note;
- Review the process for procurement/contracting activities and assess whether it was transparent and competitive.

- Review the use, control and disposal of non-expendable equipment, whether the equipment procured met the identified needs and whether its use was in line with intended purposes.
- Review the implementing partner accounting records and assess their adequacy for maintaining accurate and complete records of receipts and disbursements of cash; and for supporting the preparation of the interim financial report.
- Review the records of requests for direct payments and ensure that they were signed by authorized officials.

Recommendations for improvement

Recommendations should be directed to a specific entity so there is no confusion regarding who is responsible for implementation.

Also, the auditor may wish to comment on "good practices" (if any) that were developed by the implementing partner that should be shared with other project personnel.

Available Facilities and Right of Access

There should be a description of the nature and the location of all records belonging to the project. This list should specify those records kept at the implementing partner's headquarters and those that are located at other offices.

The auditor will have full and complete access at any time to all records and documents (including books of account, legal agreements, minutes of committee meetings, bank records, invoices and contracts etc.) and all employees of the entity. The auditor should be advised that he/she has a right of access to banks, consultants, contractors and other persons or firms engaged by the project management.

The list of projects identified for Verification of Expenditures.

Mission	Number of Organization*	Project End Date	Budget in EUR
#1	1	1 January 2014	10,055
	2	1 March 2014	24,314
	3	1 May 2014	33,480
	4	1 May 2014	38,598
	5	1 June 2014	65,884
#2 Number of projects might be increased depending on results of COBERM Steering committee decision in upcoming rounds	6	1 August 2014	87,456
	7	15 September 2014	28,743
	8	30 September 2014	67,720
	9	15 November 2014	45,330
	TOTAL		401,580

Draft Form of Contract

The following is the draft of the form of contract under which the services would be performed, including the "General Conditions for UNDP Contracts for Professional Services".

Date _____

Dear Sir/Madam,

Ref.: Audit of Project XXXX

The United Nations Development Programme (hereinafter referred to as "UNDP"), wishes to engage your [company/organization/institution], duly incorporated under the Laws of _____ [name of the country] (hereinafter referred to as the "Contractor") in order to conduct a procurement audit 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 Part A. The provisions of Part A 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 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:
- this letter;
 - the Statement of Work [ref.dated.....], attached hereto as Part B;
 - the Contractor's technical proposal [ref....., dated], as clarified by the agreed minutes of the negotiation meeting³[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.

NAME: _____
 TITLE: _____
 FIRM: _____
 ADDRESS: _____

2. Obligations of the Contractor

- 2.1 The Contractor shall perform and complete the Services described in Part B 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 |
|------|----------------|-------------|-------------------|
| | | | |
- 2.3 Any changes in the above key personnel shall require prior written approval of XXXX, 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 and to (the executing agency) the deliverables specified hereunder according to the following schedule:
- Deliverable**
- ◆ Draft Management Letter and Audit Report by XXXX

³ 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 Statement of Work, as appropriate.

◆ Final Management Letter by XXXX

- 2.6 All reports shall be written in the English language (or specify other).
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.

3. Price and Payment

Option A: Time and Materials

- 3.1 The Contractor shall submit invoices for the work done by the individuals names in 2.2 at the rate of [] per day. Invoices shall also include the actual costs of travel (if applicable) and incidental out-of-pocket expenses.
3.2 UNDP shall effect payments to the Contractor after acceptance by UNDP of the invoices submitted by the Contractor and after receipt of related deliverables.
3.3 Amounts invoiced in excess of those estimated by the Contractor in its proposal must be thoroughly justified. If the justification is not deemed sufficient by UNDP, UNDP may decline to pay the excess amount.

Option B: Fixed Price

- 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 US\$XXX.
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 UNDP shall effect payment for the audit services upon acceptance of invoices as follows:
a) 80% of the all-inclusive fixed price upon submission of the Draft Management Letter and Audit Report.
b) The remaining 20% upon submission of the Final Management Letter.

- 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.

4. Submission of invoices

- 4.1 An original invoice shall be submitted by the Contractor for each payment under the Contract to the address specified in 8.1.

- 4.2 Invoices submitted by fax shall not be accepted by UNDP.

5. Time and manner of payment

- 5.1 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.
5.2 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]

6. Entry into force. Time limits.

- 6.1 The Contract shall enter into force upon its signature by both parties.
6.2 All time limits contained in this Contract shall be deemed to be of the essence in respect of the performance of the Services.

7. Modifications

- 7.1 Any modification to this Contract shall require an amendment in writing between both parties duly signed by the authorized representative of the Contractor and XXXX.

8. Notifications

- 8.1 For the purpose of notifications under the Contract, the fax numbers of UNDP and the Contractor are as follows:

For UNDP:
XXXXXX

For the Contractor:

[INSERT NAME]
[INSERT ADDRESS]

Fax: _____

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,

XXXXXX

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

Agreed and Accepted:

Signature _____

Name _____

Title _____

Date _____

Technical Criteria (70%)			Financial Proposal (30%)	Total (100%)
Desk Review (max 1,000 points)			Price offer (USD) (max 300 points)	Technical and financial (max 1300 points)
Expertise of the Firm	Proposed Methodology, Approach and Implementation Plan <i>Requirement:</i>	Management structure and Qualification of Key Personnel involved <i>Requirement:</i>		
<i>Requirement:</i> Experience of the Organization (minimum requirement 5 years) Minimum 5 years – 80 points More than 5 years – 100 points Certificate of Business Registration – 20 points Portfolio of Clients (minimum 5 projects with similar scale and scope) 5 projects – 80 points Statement of satisfactory performance from 3 clients (minimum requirement - 1 from International Organization) – 1 letter - 50 points 3 letters – 100 points	To what degree does the organization understand the task? – up to 110 points (detailed description of tasks to be undertaken) Is the scope of task well defined and does it correspond to the TOR? – up to 160 points Is the presentation clear and is the sequence of activities and the planning logical, realistic and promise efficient implementation to the verification mission? – up to 130 points	Education and General Qualification of personnel involved: Senior Expert (minimum requirement): Bachelor's Degree in Finance/Audit - 50 points Qualification Certificate (auditor's certificate)- 50 Points Work Experience in providing specialized service (Min requirement 5 years) 5 years – 100 points More than 5 years 150 points Language proficiency (Fluency in English-Russian is a minimum requirement) - 50 points Junior Expert (As required): Work Experience in providing specialized service Min requirement – 3 years Language proficiency (Fluency in English-Russian is a minimum requirement)		