



REQUEST FOR PROPOSAL (RFP)

NAME & ADDRESS OF FIRM	DATE: October 24, 2016
	REFERENCE: UNDP/RFP/18/2016

Dear Sir / Madam:

We kindly request you to submit your proposal for **Preparation of Revenue Improvement Action Plans (RIAP) for selected six Municipalities in Nepal**. The detailed Terms of Reference is attached as Annex 4

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

Proposals may be submitted on or **before 5.30 pm on 15 November 2016** to the address below:

Assistant Country Director (Operations)
United Nations Development Programme
UN House, Pulchowk
Lalitpur, Nepal

Your Proposal must be expressed in the English, and valid for a minimum period of 90 days.

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

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 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/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,



Deepak Shrestha
Procurement Analyst

Description of Requirements

Context of the Requirement	<i>The services of a firm is required to support the preparation of the Revenue Improvement Action Plan within the Local Governance and Community Development Programme Phase II. In particular, the firm will review and analyse the current status of own source revenue collected by selected Municipalities against revenue potential and revenue mobilization capacity. The firm will also identify potential areas of increasing own source revenue, revenue development strategies and prepare individual Revenue Improvement Action Plan for selected municipalities.</i>
Implementing Partner of UNDP	LGCDP II: PPSF UN Joint Programme
Brief Description of the Required Services ¹	Preparation of Revenue Improvement Action Plans (RIAPs) for selected six Municipalities in Nepal
List and Description of Expected Outputs to be Delivered	The company will submit the final RIAP Manual separately for each of the six municipalities. The RIAP final manual will be prepared for a five-year period. The consulting firm will submit three hard copies and an electronic version of report of RIAP for each individual municipality.
Person to Supervise the Work/Performance of the Service Provider	<i>Municipal Division, Ministry of Federal Affairs and Local Development</i>
Frequency of Reporting	<i>Bi monthly</i>
Progress Reporting Requirements	Please see the schedule for submission of deliverables in the TOR
Location of work	<input type="checkbox"/> Exact Address/es [pls. specify] <input checked="" type="checkbox"/> At Contractor's Location
Expected duration of work	3 months (end of November 2016 to end of February 2017)
Target start date	Last week of November 2016
Latest completion date	Last week of February 2017
Travels Expected	As specified in the TOR
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 [pls. specify]
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 [pls. specify]

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.

Implementation Schedule indicating breakdown and timing of activities/sub-activities	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required
Company Registration	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required
Company Profile	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required
VAT/PAN Registration	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required
List of projects completed (Please indicate contract duration and contract value)	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required
List of major clients with detailed contact address for last three years	<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
Audit reports including income and expenditure statements for the last two years.	<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 ²	<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 (<i>Counting for the last day of submission of quotes</i>)	<input type="checkbox"/> 60 days <input checked="" type="checkbox"/> 90 days <input 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>]

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

Payment Terms ³	Outputs	Percentage	Timing	Condition for Payment Release
	1. Inception report (refer TOR for detail)	30%	Mid December, 2016	Within thirty (30) days from the date of 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.
	2. Acceptable Draft Report of RIAP	40%	January, 2017	
	3. Final report	30%	February, 2016	
Person(s) to review/inspect/ approve outputs/completed services and authorize the disbursement of payment	Municipal Division, Ministry of Federal Affairs and Local Development			
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 ⁴ (if LTA will be signed, specify the document that will trigger the call-off. E.g., PO, etc.)			
Criteria for Contract Award	<input checked="" type="checkbox"/> Lowest Price Quote among technically responsive offers <input type="checkbox"/> Highest Combined Score (based on the 70% technical offer and 30% price weight distribution) <input checked="" type="checkbox"/> Full acceptance of the UNDP Contract General Terms and Conditions (GTC). This is a mandatory criteria and cannot be deleted regardless of the nature of services required. Non acceptance of the GTC may be grounds for the rejection of the Proposal.			
Criteria for the Assessment of Proposal	<u>Technical Proposal (70%)</u> <input checked="" type="checkbox"/> Expertise of the Firm 14% <input checked="" type="checkbox"/> Methodology, Its Appropriateness to the Condition and Timeliness of the Implementation Plan 35% <input checked="" type="checkbox"/> Management Structure and Qualification of Key Personnel 21% <u>Financial Proposal (30%)</u> To be computed as a ratio of the Proposal’s offer to the lowest price among the proposals received by UNDP. The financial proposal of will be opened only for submissions that passed the minimum technical score of 70% (700 points) of the obtainable score of 1000 points in the evaluation of the technical proposals.			

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

⁴ 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.

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 ⁵	<input checked="" type="checkbox"/> Form for Submission of Proposal (Annex 2) <input checked="" type="checkbox"/> General Terms and Conditions / Special Conditions (Annex 3)⁶ <input checked="" type="checkbox"/> Detailed TOR (Annex 4)
Contact Person for Inquiries (Written inquiries only) ⁷	<p>UNDP Procurement Unit UNDP-Nepal query.procurement.np@undp.org Subject Line of email: UNDP/RFP/18/2016 – Preparation of Revenue Improvement Action Plans (RIAPs) for selected Municipalities in Nepal</p> <p>Written inquiries must be submitted on or before 5:30pm Nepal Standard Time on 7 November 2016. UNDP shall upload the response of inquiries in the website by 8 November 2016. http://www.np.undp.org/content/nepal/en/home/operations/procurement.html.</p> <p><u>Inquiries received after the above date and time shall not be entertained.</u></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> <p>Note: This email address is officially designated by UNDP. The subject line of the email for query should be same as mentioned above.</p> <p>UNDP shall have no obligation to respond nor can UNDP confirm that the query was officially received;</p> <ul style="list-style-type: none"> - When inquiries are sent with the different subject line even to the designated email address. - When inquiries are sent to other person/s or address/es, even if they are UNDP staff. - For queries for which information is already available in the bidding document.

⁵ Where the information is available in the web, a URL for the information may simply be provided.

⁶ 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.

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

<p>Other Information <i>[pls. specify]</i></p>	<p>The Financial Proposal and the Technical Proposal Envelopes <u>MUST BE COMPLETELY SEPARATE</u> and <u>each of them must be submitted sealed individually</u> and clearly marked on the outside as either “TECHNICAL PROPOSAL” or “FINANCIAL PROPOSAL”, as appropriate. Each envelope MUST clearly indicate the name of the Proposer.</p> <p>The outer envelope shall be</p> <p>Addressed to:</p> <p>Assistant Country Director (Operations) United Nations Development Programme UN House, Pulchowk Lalitpur, Nepal</p> <p>Marked with: UNDP/RFP/18/2016 - Preparation of Revenue Improvement Action Plans (RIAPs) for selected Municipalities in Nepal.</p>
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FORM FOR SUBMITTING SERVICE PROVIDER'S PROPOSAL⁸
(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery⁹)

[insert: Location].

[insert: Date]

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

Dear Sir/Madam:

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

A. Qualifications of the Service Provider

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

- a) Profile – describing the nature of business, field of expertise, licenses, certifications, accreditations;*
- b) Business Licenses – Registration Papers, Tax Payment Certification, etc.*
- c) Latest Audited Financial Statement (2 yrs.) – 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, contract 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 and a work plan, 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

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.*

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

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

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

Financial Proposal Form

(To be submitted in an envelope separate from the technical proposal)

D. Cost Breakdown per Deliverable*

	Deliverables <i>[list them as referred to in the RFP]</i>	Percentage of Total Price (Weight for payment)	Price (Lump Sum, All Inclusive)
1	Upon submission and approval of the Inception Report	30%	
2	Upon submission of acceptable Draft Report of RIAP for all individual Municipalities	40%	
3	Upon submission of Final report	30%	
	Total	100%	

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

E. Cost Breakdown by Cost Component:

Description of Activity	No. of Personnel	Rate	No. of days	Total
I. Personnel Services				
Team Leader	1		50	
Municipal/Local Governance Revenue Mobilization Expert	3		Total of 120 day for 3 experts	
II. Out of Pocket Expenses				
1. Travel Cost (to six selected Municipalities; Birtamod (Jhapa), Kashikhanda -Daptcha, Byas (Tanhun), Walling (Syanja), Narayan (Dailekh) and Tikapur (Kailali).				
2. DSA Team Leader Municipal/Local Governance Revenue Mobilization Experts				
3. Stationery Cost				
4. Logistic cost for organizing meetings, etc. (detail of the cost to be provided in a separate sheet for this component)				
Subtotal (I + II)				
VAT 13% (if applicable)				
Grand total				
Grand total (In words)				

Note:

N.B. Administrative and all other associated costs need to be built into the above headings proportionately. Proposal will be disqualified if it does not follow the above price schedule format. Offerors can attach details of the cost breakdown as Annexes. Number of some personnel to deliver the services has been set by UNDP as indicated on the table above.

*[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 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
For
Preparation of Revenue Improvement Action Plans (RIAPs) for selected six
Municipalities in Nepal**

Location	Kathmandu and Preparation of RIAP in six Municipalities	
Type of Contract	Consulting Firm	
Duration of Work	Three Months	
Starting Date	17 November, 2016	

1. Background

The Local Self-Governance Act (LSGA) 1999 and the Local Self-Governance Regulation (LSGR) 1999/2000 provides legal authorities to Municipalities for various kinds of functional assignments and delivery of services to citizens. To deliver the services -Municipalities have enough authority to raise and collect taxes as well as other forms of revenues. In addition to that, the central government also provides conditional and unconditional grants to Municipalities. The central government provides annually minimum grants, conditional and performance based grants to Municipalities. The conditional grants are provided for specific purpose and performance based grants are subject to meeting the Minimum Conditions (MCs) and Performance Measures (PMs) and therefore there is uncertainty of receiving the performance based grants unless the MCPM results are established. The revenue sharing is another source of funds for municipalities. The central government collects revenue, land registration, electricity, forest etc. and shares the revenue collected with local bodies including municipalities. However, the release and size of funds are normally delayed and difficult to project in advance.

Given the above mentioned background, collection of own source revenue by Municipalities themselves is the best option going forward. Municipalities are independent and have the discretionary power to spend their own source revenue in various development projects identified and prioritized by themselves. The existing rules and regulations provides Municipalities the authority to generate own source revenue via various forms of taxes, fees and other forms of non-tax revenues. Municipalities are expanding their infrastructures and other services which need continued growth of own source revenue to finance new infrastructures, sustain the operations and maintenance of existing infrastructures and improve the service delivery standards.

The Ministry of Federal Affairs and Local Development (MoFALD) understands the importance of increasing local revenue and supporting municipalities to enhance own source revenue. This ToR partly includes the capacity development support to enhance own source revenue for selected municipalities where MoFALD has planned to promote Local Economy Development (LED).

2. Objectives of the Assignment

MoFALD through the LGCDP framework has started to design and implement LED in selected 10 municipalities. As part of building the capacity for LED, MoFALD has planned to assist six municipalities in preparing the Revenue Improvement Action Plans (RIAP). Out of 10 municipalities selected for LED, the RIAP will be prepared in six municipalities in the first phase. The six selected Municipalities include- Birtamod (Jhapa), Kashikhanda - Daptcha, Byas (Tanhun), Walling (Syanja), Narayan (Dailekh) and Tikapur (Kailali). The objective of this assignment is to work closely with the municipal authorities and provide technical support to produce individual RIAP in the selected six municipalities as mentioned above.

Despite numerous legal provision and operational guidelines, Municipalities are not able to raise local revenues in accordance with their legal authorities and revenue potentials. In general, the majority of municipalities are not being able to increase local revenue collection against their potential full compliance of and provisions, instituting Integrated Property Tax (IPT), identification of revenue potential and minimizing cost for tax collection. In order to enhance the local revenue, an important aspect is to develop a comprehensive RIAP. In general, majority of municipalities have limited capacity to produce RIAP on their own. The capacity of newly created municipalities require additional support in comparison to older municipalities.

2.1 Objectives of the Assignment

- Review and Analyse the current status of own source revenue collected by Municipalities against revenue potential and revenue mobilization capacity; (The data should be collected for a minimum of last three fiscal years and analysed as applicable)
- Identify potential areas of increasing own source revenue, revenue development strategies and prepare individual Revenue Improvement Action Plan for selected six municipalities.

3. Methodology

This assignment will be carried out through the individual firm or company working in related areas. The consulting firm will develop and follow the methodologies reflected below to conduct the review and prepare the RIAP manual.

Methodology and scope of work:

- Review of related documents such as LSGA, LSGR, Periodic Plans, Capacity Development Plan and annual MCPM results for last three years, etc.
- Review and analyze current guidelines, procedures, operational manuals and reporting system on revenue projection and actual collection of own source revenue
- Organize workshops in individual municipality with key stakeholders to identify key issues for local revenues, revenue potentials and improvement actions. The key stakeholders will also include local representatives of political parties and CSOs.
- The team of consultants within the selected firm will visit all the selected municipalities and conduct orientation workshops to Municipal Officials, partake in brainstorming for data requirement and data availability.
- Conduct interviews with business communities, political parties and CSO/NGO representatives and other relevant persons for the study
- Analyze the capacity gap in raising local revenue in terms of systems and procedures, human resources, skills and other logistic services
- Organize meetings, present key findings at central level in MoFALD, LGCDP and LBFC
- Prepare a draft RIAP and present it to the Municipality by organizing workshops and incorporating feedback and comments received.

4. Qualification of Consultants

This assignment will be provided to individual companies who have significant related expertise and experience and that are committed to deliver the products on time. In addition to the qualification and experience of the company, the CVs of key personnel will be reviewed to ensure qualified experts partake in the assignment. The

company will provide one Team Leader as a Municipal Revenue Expert, three Municipal/Local Governance Revenue Mobilization experts. The Table 1 below presents the team compositions along with key qualifications required. The indicative responsibilities and corresponding indicative duration required for the assignment is reflected on the table below.

Table 1: Team Compositions, Key Qualifications and Responsibilities

Composition of Team	Qualification and Experience	Key Responsibilities	Indicative Months
Team Leader, Municipal Revenue (No. 1)	<ul style="list-style-type: none"> • Minimum Master's degree in Business Administration, Business Management, Economics, Chartered Accountants. Preference is for Ph.D. candidates • Minimum 10 years of work experience on Local Bodies on LG planning and finance, local revenue and particularly with Municipal Finance • Proven Experience in preparing RIAP in Municipalities and DDCs • Experience in managing government and Development Partners supported Local Governance projects and programs 	<ul style="list-style-type: none"> • Assumes the responsibility of overall management the assigned task. • Prepare work plan, takes main responsibility to coordinate with MoFALD, LBFC, DPs and other stakeholders • Present the inception report, draft report and final report to MoFALD 	Total 50 Days
Municipal/ Local Governance Revenue Mobilization Experts (No. 3)	<ul style="list-style-type: none"> • Minimum Master's degree in Business Administration, Business Management and Economics • Minimum five years' experience in LBs planning and financial management, taxation, revenue trainings, experience in LBs financial management framework • Experience in Municipal revenue potential study, tax and not tax revenue of Municipalities • Experience in managing LG development projects and programs 	Under the overall framework guidance of the Team Leader, local governance revenue mobilization experts will take responsibilities to prepare RIAP for at least two municipalities. All consultants are required to work closely with municipality officials.	Total of 120 Days for 3 experts

The individual company or firm will submit the CVs of one Team Leader and three Revenue Management Experts as prescribed in the Table 1. The total consultancy days for the Team Leader is 50 days and 120 days is allocated for the three Revenue Mobilization Experts (40 days/person for two municipalities). The total consultancy period will be completed within three calendar months from the starting date.

5. Deliverables

The company will submit the final RIAP Manual separately for each of the six municipalities. The RIAP final manual will be prepared for a five-year period. The consulting firm will submit three hard copies and an electronic version of report of RIAP for each individual municipality.

The manual will include following key aspects:

- Municipal own source revenue status by types of revenue and fiscal year analyze its trends over the period
- Analysis of major taxes such as Integrated Property Tax and other taxes, fees and other source of own source revenues and their coverage
- Cost analysis for collection of different forms of tax and non-tax revenue
- The tax administration capacity of municipality -identify strengths and area for improvements
- Methodologies for identifying tax potential, increasing tax coverage or outreach
- Institutional and management dimensions for implementing RIAP for next five years
- Recommendations for different strategies to raise own source revenue at optimum level
- Recommendations for maximum use of Municipality assets for raising own source revenue include building Public Private Partnership
- An Action Plan for Implementing RIAP

6. Work Schedule

6. Work Schedule for RIAP Preparation in selected six Municipalities													
S.No	Activities	Month 1/Weeks				Month 2/Weeks				Months3/Weeks			
		1	2	3	4	5	6	7	8	9	10	11	12
1	Collection and Review of relevant literature, laws, operational manuals and meeting with MoFALD, LBFC and UNCDF												
2	Visit selected municipalities organize introductory workshop												
3	Prepare Inception Report including detail Work Plan												
4	Data collection, analysis and Prepare the individual RIAP of Municipalities												
5	Prepare and submit Draft Reports of individual Municipalities for comments												
6	Submit Draft Reports to MoFALD and LBFC for comments												
7	Receive Comments and Finalize the Reports												
8	Dissemination the Final Reports to individual Municipalities												
9													

The program needs VAT bills. The VAT will be reimbursed as per submission of original voice and therefore will not be the part of financial proposal.

7. Evaluation Process and Criteria's

The firm will be selected on the basis of combined score of technical and financial criteria. The firm should submit separately the technical and financial proposals in sealed envelopes. The financial proposals will be

evaluated only for those proposals that have qualified the technical evaluation, by securing minimum 70% score in the technical proposal.

Score of Technical Evaluation (70%)

S.No	Description	Score
1	Expertise of the Firm	200
1.1	Experience of the Firm	
1.2	Financial Position and Strength of the Firm	
1.3	Work Experience with DDCs, VDCs and Municipalities (excludes MCPM assessment)	
1.4	Related own source revenue work experience (revenue planning, projection, training)	
1.5	Audit Report and Tax Clearance Certificate	
	Total Score	
2.	Consultant, Team Leader	180
	Education	
	Related Experience of Team Leader	
2.1	Consultants Team Members	420
	Experience with LBs Program and Functions,	
	Experience with LBs Revenue Enhancement	
3	Approach and Methodology	200
3.1	Approaches and Methodology submitted	
	Total	1000

I. Expertise of firm / organization submitting proposal (Points obtainable 200 Points)	
1.1 Reputation of Organization and Staff (Competence / Reliability)	40
1.2 Litigation and Arbitration history	10
1.3 General Organizational Capability which is likely to affect implementation (i.e. loose consortium, holding company or one firm, size of the firm / organisation, strength of project management support e.g. project financing capacity and project management controls)	20
1.4 Extent to which any work would be subcontracted (subcontracting carries additional risks which may affect project implementation, but properly done it offers a chance to access specialized skills.	10
1.5 Quality assurance procedures, warranty	20
Sub- total (1.1 to 1.5)	100
1.6 Relevance of: (Points - 80)	
- Specialised Knowledge	30
- Experience on Similar Programme / Projects	40
- Experience on Local Bodies and Programs	30
Sub Total for 1.6	100
Total for Expertise of firm / organisation submitting proposal (I)	200
II. Proposed Work Plan and Approach (Points obtainable 200 Points)	
2.1 To what degree does the Offeror understand the task?	30
2.2 Have the important aspects of the task been addressed in sufficient detail?	30
2.3 Are the different components of the project adequately weighted relative to one another?	30

2.4 Is there evidence that the proposal been prepared based on an in-depth understanding and prior knowledge of the project environment?	30
2.5 Is the conceptual framework adopted appropriate for the task?	30
2.6 Is the presentation clear and is the sequence of activities and the planning logical, realistic and promise efficient implementation to deliver the product?	50
Total for Proposed Work Plan and Approach (II)	200
III. Personnel (Points obtainable 600)	
3.1 Team Leader (180 Points)	
Education Qualifications: Minimum Master's degree in Business Administration, Business Management, Economics, Chartered Accountants	10
Minimum 10 years of work experience on Local Bodies on LG planning and finance, local revenue and particularly with Municipal Finance	55
Proven Experience in preparing RIAP either in Municipalities or DDCs	75
Experience in managing or supporting Local Governance projects and programs	35
Language Qualifications	5
III A Sub Total for Team Leader	180
3.2 Team Member- Revenue Mobilization Expert 1(140 Points)	
Education Qualifications: Minimum Master's degree in Business Administration, Business Management, Economics and Chartered Accounts	10
Minimum five years' experience in LBs planning and financial management, taxation, revenue trainings, experience in LBs financial management framework	50
Experience in Municipal revenue potential study, tax and not tax revenue of Municipalities	50
Experience in managing LG development projects and programs	25
Language Qualifications	5
III B Sub-TOTAL for Revenue Mobilization Expert (1)	140
3.3 Team Member- Revenue Mobilization Expert 2 (Points 140)	
Education Qualifications: Minimum Master's degree in Business Administration, Business Management and Economics	10
Minimum five years' experience in LBs planning and financial management, taxation, revenue trainings, experience in LBs financial management framework	50
Experience in Municipal revenue potential study, tax and not tax revenue of Municipalities	50
Experience in managing LG development projects and programs	25
Language Qualifications	5
III B Sub-TOTAL for Revenue Mobilization Expert (2)	140
3.4 Team Member- Revenue Expert 3 (Points 140)	
Education Qualifications: Minimum Master's degree in Business Administration, Business Management and Economics	10
Minimum five years' experience in LBs planning and financial management, taxation, revenue trainings, experience in LBs financial management framework	50
Experience in Municipal revenue potential study, tax and not tax revenue of Municipalities	50
Experience in managing LG development projects and programs	25
Language Qualifications	5
III B Sub-TOTAL for Revenue Mobilization Expert (3)	140
Sub Total for Revenue Mobilization Experts (Three Experts)	420
Total for Personnel (Team Leader plus Revenue Mobilization Experts) (III)	600
Grand Total (I+II+III)	1000

8. Score of Financial Evaluation (30%)

The technically qualified highest combined scorer with (70% technical) and 30% weightage of the financials will get the award of the contract. The financial proposal of firms who do not meet the minimum technical qualification will not be evaluated.

8.1 Payment Schedule

The Payment to the consulting firm will be made as follows:

First payment upon submission and approval of the Inception Report- 30%

Second payment will be done after submission of draft RIAP for all individual Municipalities- 40%.

Third and final payment will be made after submission and approval of the final report- 30%