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TERMS OF REFERENCE

CONSULTANCY ON SALARIES AND BENEFITS FOR SERVICE CONTRACT HOLDERS

1. Background

UNDP Namibia uses a broadband remuneration system for its Service Contract Holders. Individuals contracted under SC modality are considered as local personnel and not UN staff members. Therefore, they are not covered by the UN Staff Regulations and Rules.

The Service Contract remuneration system and salary scales are distinctly different than UN staff salaries in purpose, design, comparator labour market and percentile within targeted labour market. The SC remuneration system is designed to provide for wide remuneration ranges with support flexibility in engagement and movement through service quality evaluation measures.

Engagement of personnel using the SC modality is not intended to support extended employment, nor create a career track. Individuals hired under Service Contract are typically engaged only by UNDP for the duration of a project and are therefore expected to return to the national labour market at the conclusion of the project or when the function is no longer required by the project.

The basis for the establishment of conditions of service for SC holders is the corresponding local labour market and must be consistent with prevailing levels of pay for similar services, similar contract conditions and comparable work in the local labour market. It is therefore necessary to gather information on local conditions of employment in a structured manner to support construction of SC remuneration scales. In keeping with the objective of simplicity, SC remuneration scales must be designed to be comprehensive, inclusive of the value of typical allowances and benefits that are found in the local labour market. The objective here is not to manage separate allowances and benefits for SC holders. Rather, the value of these should be included in the remuneration scales such that these scales are broadly competitive with the total remuneration values for the desired market position.

Given this, the remuneration package under the SC is set at the gross level and may include an additional lump sum for participation in national social insurance programmes that are mandatory.

UNDP Namibia would like to review the current remuneration of Service Contract Holders in accordance with the set standards and procedures as set out in the UNDP **Handbook on setting Remuneration for Service Contract Personnel herein referred to Annex A.**

In this context, UNDP would like to engage the services of a reputable and technically qualified firm with extensive expertise in labour market analyses, compensation and benefits system, management and organizational development to undertake the salary survey process.

UNDP therefore hereby solicits proposals from interested firms to conduct a salary survey and support UNDP in establishing a revised and reasonable salary scale for SC holders based on the existing prevailing market rates and in accordance with the policies and procedures provided in Annex A.



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2. Objectives of the consultancy

In accordance with the established UNDP policies governing Service Contracts (see Annex B); and based on the established UNDP methodology described in the Handbook on Setting Remuneration for Service Contract Personnel (Annex A), and existing SC salary scale (See Annex C); the selected firm will conduct an independent survey for the purpose of updating the current salary scale.

Upon completion of the survey, the results will be shared with other UN agencies applying similar contractual modalities to reach a consensus on the optimum rates that should be applied to SC holders.

3. Scope of assignment

- a) The selected firm guided by the requirements of the Handbook shall compile and suggest to UNDP a list of employers which may be considered as comparators for the purpose of establishing SC remuneration. The list shall be subjected to the final approval by UNDP. The comparator employers recommended must meet the criteria specified in the Handbook.
- b) Where the comparators are partners of UNDP, or known to UNDP, including other UN agencies, UNDP will assist the selected firm in determining the right contact persons in order to carry out the survey. However, knowledge of the local market and the ability to identify and reach out to appropriate comparator employers is a critical deliverable of the selected vendor.
- c) The firm shall collect the following minimum information from each of these comparators:
 - i) Job description of the position similar to those identified in the Handbook for the purpose of job matching on the nature, complexities and responsibilities of each compared position of existing SC levels;
 - ii) Collect and analyse the salary structures and associated benefits (including typical allowances and benefits package both monetary and non-monetary) of the selected comparators organizations for existing SC Job descriptions.
 - iii) Summary information on the comparator employer (size, number of employees, length of time present in the location etc. as specified in the Handbook.
- d) The firm shall present a draft analysis report to UNDP Namibia and make recommendations on the proposed salary scale. Taking into consideration other UN agencies' scales for similar contractual (non-staff member) modalities.
- e) The firm shall prepare a Final Report, incorporating comments from UNDP, containing of all the items listed in Section 4 below.
- f) The firm shall maintain complete confidentiality of all data and documents provided by the selected comparator employers and that of UNDP. Data from comparator employers will be shared with UNDP only and either in aggregate or without organization name designation.

4. Deliverables

Based on the established UNDP Handbook on Setting Remuneration for Service Contract Personnel and within the timeframe specified, the contracted firm is expected to submit a report which includes, but not limited to the following outputs:

- a) Details and Summary of data collected from the comparators showing TOR matches and the evaluation of their remuneration package;
- b) The Minimum and Maximum Remuneration values of all job matches obtained from the comparators;



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- c) A Report on final survey findings with comparison and analysis of the survey results, recommendations related to remuneration packages;
- d) A summary table of Comparators practises on remunerations compared to UNDP Namibia Salary Scales for General Service and National Officers;
- e) A proposal with options for a revised remuneration scale for Service Contract holders as set out in the UNDP Handbook of Setting Remuneration for Service Contract Personnel (options at the 40th, 50th and 60th percentile levels);
- f) A comparison of other UN salary scales for similar contractual modalities.
- g) All completed questionnaires together with relevant salary scale and all relevant documentations and correspondences received from the respective comparators;
- h) As and when required by UNDP, the firm shall conduct a presentation of the process and the results to any relevant audience that UNDP may organize.

5. Institutional Arrangement

The work of the firm that will be engaged shall be supervised by UNDP Deputy Resident Representative and Operations Analyst in UNDP Namibia. As such, submission of the firm's reports shall be coursed through them. The confirmation of acceptability of report contents, the authorization of disbursement of payment, and evaluation of payment shall all be undertaken by these UNDP Personnel.

The UNDP Deputy Resident Representative and Operations Analyst may bring in other parties within UNDP or the UN system to assist in the review of the outputs, as and when deemed necessary.

6. Expected duration of assignment

The task is expected to be completed within eight (8) weeks from the date of signing the contract. The firm, therefore, is required to prepare and submit the entire plan in a way that allows achievement of all deliverables within the 8-week period.

7. Duty Station

The selected firm shall not be required to be present at UNDP office, and may work in its own office with coordinated visits to UNDP. As and when required by UNDP, it is also expected to visit comparators in the course of undertaking the assignment.

8. Qualification/Experience

The contracted firm will meet the following minimum requirements:

- Proven track record in the area of compensation and benefits analysis preferably for multinational companies and international organizations.
- Familiarity with labour market issues.
- Ability to render consulting services in the most professional, effective and efficient manner.
- Fluent in English.
- Excellent writing and presentation skills (all required reports shall be written in English).
- Familiarity with the UNDP rules and regulations and experience within UN system would be an advantage.
- At least 3 years of experience undertaking salary survey for non-profit organizations will be an asset.



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9. Recommended Presentation of Proposals

The details of the Technical and Financial proposals along with the evaluation criteria should be specified in the RFP as per UNDP established procurement standards at the time of advertisement.

Financial Proposal

The Financial Proposal shall contain the final and all-inclusive total price offer for the full range of services required, broken down into all major cost components associated with the services. Any output and activities described in the Financial Proposal but not priced in the Financial Proposal, shall be assumed to be included in the prices of other activities or items, as well as in the final total price.

10. Payment Terms

Payment under the contract will be output based and will be made upon satisfactory completion of the assignment or based on appropriate percentages corresponding to milestone accomplishments as may be proposed by the contracted firm.

11. Confidentiality

It is mandatory that the contracted firm and its employees engaged with UNDP maintain the highest level of confidentiality with respect to all information provided before, during and after the completion of the assignment by UNDP and all comparator employers. The firm shall maintain complete confidentiality of all data and documentations provided by selected comparator employers and by that of UNDP. Data from comparator employers will be shared with UNDP only and either in aggregate or without organization name designation. The contracted firm and its employee shall practise highest standard of professional and ethical values and norms in providing this consultancy services.

12. Annexes to this TOR

- a) [UNDP Handbook on Setting Remuneration for Service Contract Personnel](#)
- b) [UNDP Policies and Procedures Governing Service Contracts](#)
- c) Current Service Contract Salary Scale of the UNDP Country Office to be provided by the country office.

TOR Approved by: _____

Date: _____