



## CALLDOWN CONTRACT

**Framework Agreement with:** Oxford Policy Management

**Framework Agreement for:** Health & Education PEAKS

**Framework Agreement Purchase Order Number:** PO 5752

**Calldown Contract For:** Sindh Education Non State Actors Programme  
Interim Contract Management Association

**Calldown Contract Purchase Order Number:** 7766

We refer to the above mentioned Framework Agreement dated 11<sup>th</sup> July 2012 and we confirm that DFID requires you to provide the Services set out in the Terms of Reference (Annex A), under the terms and conditions of the Framework Agreement which shall apply to this Calldown Contract as if expressly incorporated herein.

### 1. Commencement and Duration of the Services

1.1 The Supplier shall start the Services under this Calldown Contract no later than 17 **October 2016** ("the Start Date") and shall be completed by **16 May 2017** ("the End Date") unless the Calldown Contract is terminated earlier in accordance with the terms and conditions of the Framework Agreement.

### 2. Recipient

2.1 The Services shall be provided to DFID Pakistan

### 3. Financial Limit

3.1 Payments under this Calldown Contract shall not, exceed £ 419,452/- (UK Pound Four hundred Nineteen Thousand Four Hundred Fifty Two only) exclusive of any government tax, if applicable ("the Financial Limit of the Calldown Contract") as detailed in Annex B.

### 4. Payment Basis

4.1. Where the applicable payment basis is "Milestone Payment", invoice(s) shall be submitted for the amount(s) indicated in Annex B as and when the relevant milestone specified in Annex B is achieved in its final form by the Supplier or following completion of the Services, as the case may be, indicating both the amount or amounts due at the time and cumulatively.

4.2 Payments pursuant to clause 4.1 are subject to the satisfaction of the Project Officer in relation to the performance by the Supplier of its obligations under the Calldown Contract and to verification by the Contract Officer that all prior payments made to the Supplier under this Calldown Contract were properly due.

**5. DFID Officials**

5.1 The DFID Project Officer is:  
[REDACTED] – DFID Pakistan

5.2 The DFID Contract Officer is:  
[REDACTED]  
Procurement & Commercial Specialist  
DFID

**6. Reports**

6.1 The Supplier shall submit the Report in accordance with the Terms of Reference/Scope of Work at Annex A.  
The Supplier shall present to DFID a Report which includes clear and implementable lessons and recommendations (“the Report”)]

**7. Calldown Contract Signature**

7.1 If the original Form of Calldown Contract is not returned to the Contract Officer (as identified at clause 5 above) duly completed, signed and dated on behalf of the Supplier within 5 working days of the date of signature on behalf of DFID, DFID will be entitled, at its discretion, to declare this Calldown Contract void.

For and on behalf of  
The Secretary of State for  
International Development

Name: [REDACTED]

Position: Contract Officer

Signature: [REDACTED]

Date: 17.10.2016

For and on behalf of  
Oxford Policy Management

Name:

Position:

Signature:

## **SINDH EDUCATION NON-STATE ACTORS PROGRAMME (SENSA)**

### **TERMS OF REFERENCE**

#### **INTERIM CONTRACT MANAGEMENT ORGANISATION**

#### **Background**

1. The Sindh Education Non-State Actors (SENSA) programme will fund a full cycle of primary education for 53,614 (59% girls, 41% boys) of the poorest children in Sindh. The Education Fund for Sindh (EFS), a pilot programme which DFID Pakistan supported since February 2012 came to an end on 31 March 2016. EFS funded four national and international non-government organisations (NGOs) as alternative providers of education services, known as 'intermediaries'. Of all the strands of the EFS programme (the voucher system, the intermediary programme and the public private partnership strand) the intermediary strand was the most successful in terms of both delivery and in mitigating risk. DFID will support most of the children already enrolled under the intermediary strand to complete their primary education through the SENSA programme. It builds on the lessons learned from EFS.
2. SENSA will work mainly in Karachi, where there are the greatest numbers of out-of-school children, but also in the districts of Qamber Shahdaskot and Khairpur. These districts were initially selected through EFS on the basis of geographical coverage (one district each from the northern, central and southern zones of Sindh), and also to avoid any perceived bias towards any one political party.
3. DFID Pakistan will provide up to £9.8 million for four years and three months to continue funding three international and national non-government organisations (I)NGOs (previously delivering education to out-of-school children under the intermediary strand of EFS). DFID will put in place a Contract Management Organisation (CMO) to manage and monitor the delivery organisations and manage funds on DFID's behalf.  
This will initially be managed for a period of twelve months through an interim CMO, pending the procurement of a longer term supplier.
4. The three (I)NGOs are the Bangladesh Rural Advancement Committee (BRAC), The Citizens Foundation (TCF) and the Family Educational Services Foundation (FESF). TCF and FESF are based in Karachi; BRAC is based in Islamabad. The children already enrolled in TCF, BRAC and FESF are 44,614 children with 9,000 children were additionally registered under EFS in early March to start their education in BRAC schools from the start of this academic year in July. All DFID funds will cease at the end of four years and three months in September 2020 when all children enrolled will have completed their primary education. See Annex A for a breakdown of the cohorts of children to be supported through SENSA.
5. Organisations such as TCF and FESF use schools already established and maintained through alternative sources of funding and operate a model of five years primary education. BRAC operates a different model whereby they set up one-classroom schools operating a shift system for different grades. BRAC deliver the five-year curriculum over four years.

#### **Rationale for Interim Management Support**

6. Following the closure of the EFS pilot on 31 March 2016, DFID agreed to start funding BRAC, TCF

and FESF from 1 July 2016 under SENSE. This programme will support 53,614 children to complete their primary education. The (I)NGOs supported by SENSE will be overseen by a Contract Management Organisation (CMO) to manage the delivery and performance of, and to directly fund and oversee the financial management of, the three (I)NGOs.

7. Prior to developing the SENSE business case, DFID Pakistan contracted an independent due diligence assessment of all three (I)NGOs. This addressed the four 'assessment pillars' detailed in DFID's due diligence methodology: governance and control; financial stability; ability to deliver; and downstream partners. The fourth pillar was not relevant in these assessments as none of the (I)NGOs have downstream partners. The CMO will be responsible for following up on the recommendations of these due diligence reports with the (I)NGOs. Continued funding to the three (I)NGOs will be dependent on the achievement of milestones in the due diligence action plans. The first assessment will be after six months.
8. DFID does not have a presence in Sindh or Karachi and security challenges limit both the frequency of visits and where DFID staff can go.  
DFID Pakistan staff will, however, aim to visit Karachi and conduct field visits where possible every two months over the programme lifetime. Given the security challenges, the CMO will need to devise solutions to enable staff to visit partner (I)NGO schools and monitor closely the numbers of children, record-keeping, attendance levels, and dropouts. DFID will also separately contract third-party validation to independently monitor delivery partners.
9. The interim CMO will initially be put in place through a Professional Evidence and Applied Knowledge Services (PEAKS) framework call-down sole source contract for twelve months to allow the programme to start up quickly. There will then be a parallel OJEU procurement for the longer-term contract for the remaining lifetime of the programme i.e. through to September 2020. A successful bid through the PEAKS framework will not preclude that bidder from also bidding for the longer term contract.

## Objectives

10. The supplier will be working as the interim CMO, responsible for the delivery and performance management of the partner organisations. The interim CMO will directly fund all three partner organisations and be responsible for their day-to-day management including financial management. DFID will hold the contract with the interim CMO. The CMO in turn will hold individual contracts with all three (I)NGOs.
11. The interim CMO will be set up with the following objectives:
  - i. Provide management and financial management oversight of the primary education of the 53,614 children currently enrolled in BRAC, TCF and FESF schools;
  - ii. Conduct an initial verification exercise to ensure that the children reported as enrolled in the BRAC, TCF and FESF schools do exist and are eligible for future funding;
  - iii. Follow up on the due diligence reports. Devise an improvement action plan, agreed with DFID, for each organisation against the recommendations. Review progress on a monthly basis and make an assessment to DFID after six months regarding whether the (I)NGOs have made satisfactory progress;
  - iv. Develop a structured value for money framework which the interim CMO will oversee and be responsible for populating to better understand the differences between the various education models adopted by the three (I)NGOs and unit costs. DFID Pakistan will supply initial unit costs to use as a benchmark;
  - v. Develop a robust monitoring plan including physical spot checks to verify enrolment, attendance and dropouts in all three (I)NGO schools;
  - vi. Devise a transparent payment system for making monthly payments to the partner organisations and overseeing the fund flows. The payment mechanism should be linked to enrolment and attendance rates;
  - vii. Develop monthly workplans in consultation with DFID and all three

- (I)NGOs;
- viii. Safeguard UK taxpayer funds by putting in place a complaint management system/anti-fraud hotline for the general public in line with DFID guidance. Maintain a conflict of interest register; and
  - ix. Ensure a smooth transition from the short-term interim arrangement to a longer-term arrangement.

### **Scope of the assignment**

#### ***Provide requisite services***

12. The interim CMO will be responsible for managing the delivery of the SENSE programme through BRAC, TCF and FESF and ensuring that children complete their primary education. They will directly fund and oversee fund flows to the three (I)NGOs. They will also be responsible for validating enrolment and provide continuous monitoring to track attendance and dropout rates.

#### ***Recruit high quality personnel***

13. The interim CMO will be responsible for providing high quality services by recruiting qualified personnel, in a phased manner in response to changing service requirements. The composition of the team can be developed by the supplier but should include as a minimum: a Team Leader/Project Manager, a Finance and Accounts Specialist, and a team of up to ten experienced field monitors. The Team Leader will be the responsible point person for communicating with DFID. Field monitors should be tasked with providing a significant portion of their working time in the field for the monitoring of schools. Any decision related to the recruitment/termination of key personnel will be informed to DFID Pakistan in a timely manner.

#### ***Financial management***

14. The interim CMO will be responsible for making direct payments to the three (I)NGOs and oversee the fund flow. These payments will be made on the basis of children enrolled, satisfactory attendance rates of enrolled children (exact percentages to be agreed later), and levels of retention.  
The interim CMO will also be required to maintain records of expenditures incurred for the services along with supporting documents and track expenditure. The interim CMO will also prepare preparing statements of expenditures, compiling and preparing consolidated progress reports for the admin and operational expenditure.

#### ***Risk management plan***

15. The interim CMO will develop an effective risk management strategy to deliver SENSE. This will include the findings of the initial due diligence reports and subsequent progress; as well as third-party verification reports contracted separately by DFID.

#### ***Monitoring systems***

16. The interim CMO will develop and implement robust systems to verify the enrolment, attendance and dropout rates of all enrolled student on a monthly basis. It is also expected that the interim CMO will facilitate DFID Programme Team during their field monitoring visits. This can include accompanying them to the school visits and ensuring access to all relevant documentation.
17. DFID will manage the interim CMO through scrutinising their monthly reports and invoices. Weekly phone calls will be held between DFID and the interim CMO; and the DFID team will aim to visit Karachi at least every two months. Visits will include separate meetings with the three (I)NGOs and field visits where possible to conduct spot checks to verify data and learning in schools.

### ***Project Database***

18. The interim CMO will be responsible for developing and putting in place an electronic database (gender disaggregated) of the children enrolled with all three organisations and funded through SENSEA.

### ***Handover***

19. The interim CMO will arrange an appropriate handover to the next supplier (the longer term management organisation) by providing all systems, documents and records that pertain to the SENSEA before the end of the current term (date to be agreed). These will include, but will not be limited to, all financial, project development, legal, student information and other documents and files to ensure that the next supplier has a full set of information on its history, development and financial affairs.

### ***Exit strategy***

20. The interim CMO will develop a robust exit strategy which ensures that high quality functionality remains once they leave. On the basis of this phase, the interim CMO will produce a report with recommendations on future management and monitoring arrangements.

### **Outputs**

21. The principal outputs of the CMO will include but not be limited to the following:
  - i. Sign contracts with the three (I)NGOs to provide support to children in school for the duration of SENSEA;
  - ii. Submit an inception report to DFID (inception period will be one month) including a detailed work plan for the assignment;
  - iii. Verify the numbers of children enrolled in the three (I)NGO schools and whether they are eligible for funding under SENSEA. Develop an action plan to take forward the recommendations in the three (I)NGO due diligence reports. This will be agreed with DFID.
  - iv. Undertake fortnightly monitoring visits to a field site location of each partner to verify activity and assess after six months whether satisfactory progress has been made on which continued funding can be justified;
  - v. Submit a monthly report to DFID Pakistan setting out progress, challenges and risks to delivery for each (I)NGO
  - vi. Recruit and deploy requisite personnel for the task;
  - vii. Establish accounting system for tracking expenditure;
  - viii. Prepare and submit monthly progress reports to DFID, in a format to be agreed with DFID during the inception phase;
  - ix. Achieve targets for year 1 partner schools and supported children; and
  - x. Develop a risk management plan.

### **Duration of the assignment**

22. The assignment is for up to twelve months. This will include one month inception and eleven months for implementation starting as soon as the contract negotiation is finalised.

### **Payments**

23. The interim CMO will send monthly invoices for programme and management cost to DFID for all the activities taken place in the last month. The CMO is expected to be financially strong as DFID accounting rules do not allow advance payments to suppliers. The payments will be reimbursed in arrears on a monthly basis and will be made subject to satisfactory progress/delivery of approved quarterly workplans.

### **Risk Management**

24. The interim CMO will be responsible for carrying forward fiduciary risk mitigating strategies and will submit quarterly monitoring reports to DFID against the risk management plan.

Annual audited statements of accounts will be required for the programme clearly reporting against the budget. The external audit functions will be outsourced to a reputable independent firm. The firm will monitor and report to DFID the transparency and productive use of the programme funds. This will supplement standard auditing arrangements.

DFID funding to all three organisation will be dependent on satisfactory progress to address areas of weakness highlighted in the due diligence reports prepared by PWC in June 2016. The interim CMO will be required to develop an action plan (agreed by DFID Pakistan) and follow this up with BRAC, TCF and FESF. Progress will be reviewed in six months. If there has not been satisfactory progress, DFID will stop its funding. If needed, DFID will also contract out a follow-up due diligence assessment through PRAP after six months.

### **Reporting**

25. For all purposes, the interim CMO will report to the A1 Education Programme Team Leader in DFID Pakistan. The interim CMO will also generate monthly progress reports by the 10<sup>th</sup> of each month detailing progress. The format will be agreed with DFID during the inception phase.