

## Section 4, Appendix A

### CALLDOWN CONTRACT

**Framework Agreement with: DAI and IMC Worldwide (“the Supplier”)**

**Framework Agreement for: Professional Evidence and Applied Knowledge Services  
(PEAKS): for Climate, Environment, Infrastructure &  
Livelihoods**

**Framework Agreement Purchase Order Number: 5749**

**Call-down Contract For: Service Provider to for Monitoring and Verification for the  
Nepal Community Development Programme**

**Contract Purchase Order Number: 7539**

We refer to the following:

1. The above mentioned Framework Agreement dated **11 July 2012**;
2. Your Technical proposal dated **11 February 2016**
3. Post bid clarification notes vide email dated **1 March 2016**
3. Your Commercial proposal dated **11 February 2016** and **1 March 2016**

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 Call-down Contract as if expressly incorporated herein.

#### **1. Commencement and Duration of the Services**

1.1 The Supplier shall start the Services no later than **1 April 2016** (“the Start Date”) and the Services shall be completed by **31 October 2017** (“the End Date”) unless the Call-down 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.

### 3. Financial Limit

3.1 Payments under this Call-down Contract shall not, exceed **£365,444.30 (UK Pound Three Hundred Sixty Five Thousand Four Hundred Forty Four and Pence Thirty only)** ("the Financial Limit") and is exclusive of any government tax, if applicable, 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 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 of 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 Project Officer is:  
xxxxxxxxxxxx, DFID Nepal

5.2 The Contract Officer is:  
xxxxxxxxxxxx, DFID India

### 6. Key Personnel

6.1 The following of the Supplier's Personnel cannot be substituted by the Supplier without DFID's prior written consent:

Position
Team Leader
Deputy Team Leader
Senior Engineer
M&V Expert/Statistician
M&V Expert
Gender & Inclusion
Fund Manager/ VfM/Internal Audit
Data Manager
M&V Technical Expert
M&V Reporting Delivery

## **7. Reports**

7.1 The Supplier shall submit project reports in accordance with the Terms of Reference/Scope of Work at Annex A.

7.2 The Supplier shall present to DFID a Report which includes clear and implementable lessons and recommendations ("the Report").

## **8. Call-down Contract Signature**

8.1 If the original Form of Call-down 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 sole discretion, to declare this Calldown Contract void.

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

Name:

Position: Procurement & Commercial Manager

Signature:

Date: 18 March 2016

For and on behalf of  
DAI & IMC Worldwide

Name:

Joint Venture Partner: DAI

Position:

Signature:

Date:

For and on behalf of  
DAI & IMC Worldwide

Name:

Joint Venture Partner: IMC Worldwide

Position:

Signature:

Date:

## TERMS OF REFERENCE

### Service Provider to for Monitoring and Verification for the Nepal Community Development Programme

1. DFID is seeking a service provider to provide an independent and rigorous monitoring and verification (M&V) function for measurable activities undertaken through the Community Development Programme (a three year, non-state led Service Delivery Component of DFID's Nepal Local Governance Support Programme, LGSP).
2. These Terms of Reference (TORs) set out DFID's requirements for monitoring and verification including the objective, scope of works and outputs.

#### Objective

3. To provide an independent and rigorous monitoring and verification function for activities undertaken through the Community Development Programme, with a focus on the delivery and quality of infrastructure for basic services.

#### Recipient

4. The recipient of this service will be DFID Nepal.

#### Background

5. The Department for International Development (DFID) is implementing a three year programme to provide direct service delivery across deprived communities in approximately 225 VDCs (Village Development Committees) across 18 districts in the mid- and far-west development regions of Nepal. Nine of these districts are in the Terai, and nine in remote areas.
6. DFID has supported direct NGO service delivery at the local level through the Community Support Programme (CSP) in 44 districts since 2003, when conflict was at its height. DFID has also invested in the Government of Nepal's Local Government and Community Development Programme (LGCDP) since 2010. With the learning from both the programmes (CSP and LGCDP), DFID has designed the Community Development Programme (CDP) in close coordination with the Ministry of Federal Affairs and Local Development (MoFALD). This component builds on the CSP programme delivered by predominantly NGOs led by Nepali nationals. CDP will take a similar model, but DFID and MoFALD will place a greater emphasis on coordination with local government and governance systems, improving social mobilisation, promoting transparency and mainstreaming disaster resilience.
7. The main objective of the CDP is to ensure local governments are made more capable, through incentivised support for 18 districts<sup>1</sup> that have particular problems delivering services (for example, remoteness and insecurity). The overall goal of CDP is to help reduce poverty by complementing LGCDP results.
8. There are three outputs expected from the Community Development Programme which are as follows:
  1. Poor and excluded people empowered to claim their rights and receive economic opportunity
  2. Strengthened 'local bodies', with structure, systems and processes to be inclusive, accountable and transparent
  3. Improved service delivery for poor and excluded people including disaster resilient infrastructures.

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<sup>1</sup> These 18 districts are selected jointly with MoFALD and DFID and are likely to include: Jumla, Humla, Mugu, Dolpa, Kalikot, Bajhang, Bajura, Achham and Jajarkot from the Mid and Far West regions, and Parsa, Bara, Rautahat, Sarlahi, Mahonarl, Siraha, Saptari, and Sunsari from the Central and East Terai regions. These may change or increase during the project period.

9. The CDP programme is currently in its six months long inception phase. Consortium partners began programme implementation in Oct 2015, conducting orientation for programme partners and staff. The M&V Supplier will be responsible for providing independent monitoring of specific outputs.
10. DFID has awarded a contract to the CDP consortium<sup>2</sup> where a proportion of the payments (predominantly related to infrastructure construction) are linked to outputs (payment by results). For output-based contracting, DFID requires robust and independent verification and quality assurance of the results, before disbursing funds.
11. OPM (who are part of the CDP consortium) are responsible for the CDP's overarching monitoring and evaluation framework. However, to support DFID Nepal in ensuring robust and independent monitoring, verification and quality assurance, which can trigger payment by results, we are also looking to **appoint a Monitoring and Verification (M&V) Service Provider to run for the lifetime of the CDP (the M&V contract will run from January 2016, or as soon as the contract can be approved, until October 2017, with the possibility of extension).**

### Scope of Work and Requirements

12. DFID Nepal is seeking to engage suitably qualified and locally recognised organizations/firms to provide an independent and rigorous monitoring and verification function for specified activities undertaken through the Community Development Programme, with a focus on the delivery and quality of infrastructure for basic services. This will be used to assure DFID that appropriate outputs have been delivered, and used to trigger results-based payments.
13. The Service Provider will design and implement a system of third-party results verification (including working with the CDP consortium to define measurement methods and monitoring, verification and reporting requirements for payment) for Component 3 for the CDP, which is operating under a Payment by Results contract. Component 3 is:  
  
**“Improved disaster resilient basic service infrastructure and its increased access by communities, including women and girls.”**
14. Activities under Component 3 which will be monitored through this contract include: construction of trail bridges, culverts, water and sanitation projects, school buildings, sub-health posts, irrigation infrastructure, micro-hydro support, community buildings, foot trail and small-scale disaster mitigation infrastructure (see Annex 1 for a Summary of Expected Activities). In total approximately 1,500 infrastructure projects may be delivered through the CDP programme.
15. The scope of work of the Service Provider will include:
  - Design the monitoring and verification strategy for the basic service infrastructure activities within Component 3, with consultation and agreement from DFID Nepal and the CDP consortium.
  - Monitor and verify the appropriate use of DFID funds disbursed to the Community Development Programme partners, for specified activities under Component 3.
  - Assess quality of the outputs delivered. Where the assessments indicate corrective action is required, the M&V Service Provider will inform both DFID and the implementing partner and facilitate discussion of corrective actions required

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<sup>2</sup> Rural Reconstruction Nepal is the lead consortium partner who has overall responsibility for implementation of CDP with the particular support of other consortium partners. The main associates of the consortium are: the UN World Food Programme (WFP) and the UK based Oxford Policy Management (OPM). WFP brings expert services on capacity development to CDP, while OPM is responsible for overall monitoring and evaluation of the Community Development Programme (excluding infrastructure delivery monitoring and verification)

15. The Service Provider will work with the CDP Consortium and DFID to agree the proposed M&V strategy, including:

- Clarification of the technical standards to be achieved in the CDP programme activities under Component 3, including compliance with the relevant aspects of Nepal's National Building Codes, and define other relevant standards (for example, to include roads or water supply systems, as well as buildings), and appropriate consideration of disaster resilience techniques
- The approach to monitoring, including proportion of physical field level monitoring, unannounced spot checks, use of remote monitoring, and proportion of visits during construction and after completion.
- Agreement on the triggers for disbursements of payments

#### **Competency of organizations/firm**

16. The Service Provider should demonstrate strong experience in the quality assurance of community infrastructure, including:

- a. Experience with a range of community infrastructure, including but not limited to trail bridges, culverts, water and sanitation projects, school buildings, sub-health posts, irrigation infrastructure, micro-hydro support, community buildings, and small-scale disaster mitigation infrastructure.
- b. Knowledge and experience of disaster resilience principles and design.
- c. Knowledge and understanding of the relevant Nepal building codes and other applicable standards.
- d. Experience in developing mechanisms for monitoring and quality assurance of community infrastructure, and output based payment modalities
- e. Ability to implement robust monitoring and verification systems for delivery of community infrastructure.
- f. In depth knowledge and understanding of Nepal and the Terai and difficult districts, and demonstrated capability to monitor a sizable programme with proven tangible benefits to poor and deprived communities
- g. Capacity and capability to operate in a diverse Nepali multicultural environment and proven delivery in remote districts of Nepal, including experience with Nepal local governance systems at the district and VDC level.
- h. Experience working with diverse stakeholders including non-governmental organisations, local government and international partners.
- i. Ability and expertise of monitoring and reporting particularly of local governance, service delivery including infrastructures and software activities.
- j. In depth understanding of VfM approaches including approaches to accountability, transparency and risk

17. In addition the Service Provider will be expected to:

- establish a good working relationship with the DFID Fund Manager and implementing partners (CDP Consortium);
- support DFID to establish appropriate monthly reporting mechanisms;
- provide technical support on the use of Payment by Results.

18. The services under the monitoring and verification are primarily to support DFID's role in holding results contract holders to account for delivery within their contracts. Timeliness of work under the monitoring and verification is therefore critical.

#### **Outputs**

19. The Service Provider will be responsible for drafting an Inception Report containing a Monitoring and Verification Framework and implementation plan, for approval by DFID within four weeks of the contract award. The M&V framework must be coherent with the existing CDP plans, and discussed with DFID and the CDP consortium. This inception report should contain:

- the quality standards to be used for monitoring
- the proposed system of third-party results verification and quality assurance, including methods of triangulation
- Mechanisms for identifying need for corrective action, if required, and procedures to address required corrections
- Indicator points for release of funds to the CDP suppliers
- a risk management plan
- a quality assurance plan.

20. Once the inception report it is approved, it is expected that the Service Provider will be responsible for delivering the outputs outlined within.

### **Bid Specifications**

21. The interested organizations/firms will submit bids which include the following aspects:

- The CDP Programme Document and Inception Report set out the key components of the programme and the overall approach that should be taken into consideration for the monitoring of CDP. The Business Case for the Nepal Local Governance Support Programme also provides background to the programme.
- The detailed proposal must reflect a clear strategy and methodology for the third party monitoring approach. It must also clearly highlight the bidder's value for money approach.
- Bidders should demonstrate the approaches they will use to triangulate the results produced by CDP partners (DFID requires bids to be flexible to adapt to new and innovative approaches in implementation)
- The Service Provider will need to coordinate with the CDP team and local bodies, particularly for triangulating information. To obtain required information, the Service Provider's team will need to visit project sites, and complete observations, as well as using community feedback. The monitoring and verification approach of how this will be done needs to be clearly defined.
- DFID will expect the implementing partner to immediately start programme operations upon contract approval. The proposal should include a clear strategy and budget for the duration of the programme, including a detailed plan and budget for each of the years of operation.
- A clear management structure and work plan must be included in the proposal.
- **The bidder can assume that the scope of work will focus on the monitoring and verification of about 1500 community infrastructure projects across 18 districts. DFID would assume that approximately 1/3 of these projects should receive onsite visits, but a method for verification of all projects (for example, using remote monitoring or other information sources) must be included.**

### **Budgets**

22. The bidder must include a commercial proposal containing a detailed budget covering the full monitoring period until October 2017.

### **Reporting Arrangement**

23. Implementing organization/firms will provide DFID Nepal with a monthly report on the progress and quality of the defined CDP activities progress status. On the basis of this report DFID Advisor will triangulate reports and any other observations and recommend for payments on the completion of activity progresses. In addition, a detailed report is required on trimestral basis.

### **Duty of Care**

24. The following duty of care requirements have to be followed by implementing partners:

- a) The Supplier is responsible for the safety and well-being of their Personnel and Third Parties affected by their activities under this contract, including appropriate security arrangements. They will also be responsible for the provision of suitable security arrangements for their domestic and business property.
- b) DFID will share available information with the Supplier on security status and developments in country where appropriate. DFID will provide the following:
- c) All Supplier Personnel will be offered a security briefing by DFID Nepal on arrival. All such Personnel must register with their respective Embassies to ensure that they are included in emergency procedures.
- d) The Supplier is responsible for ensuring appropriate safety and security briefings for all of their Personnel working under this contract and ensuring that their Personnel register and receive briefing as outlined above. Travel advice is also available on the FCO website and the Supplier must ensure they (and their Personnel) are up to date with the latest position.
- e) This Procurement will require the Supplier to operate in a seismically active zone and is considered at high risk of earthquakes. Minor tremors are not uncommon. Earthquakes are impossible to predict and can result in major devastation and loss of life. There are several websites focusing on earthquakes, including <http://geology.about.com/library/bl/maps/blworldindex.htm>. The Supplier should be comfortable working in such an environment and should be capable of deploying to any areas required within the region in order to deliver the Contract (subject to travel clearance being granted).

### **Reference Documents**

- 1) CDP programme document
- 2) Logframe
- 3) Monitoring and Evaluation plan



## **Annex 2: Background to the Community Development Programme**

### **Background Information on the CDP Coordination Mechanism – for bidders reference**

1. The Ministry of Federal Affairs and Local Development (MoFALD) will form a NGO Facility unit to coordinate monitoring and supervision of non-state agencies work. An NGO Facility representative from MoFALD will also be represented on procurement evaluation processes of implementing organizations/partners from DFID. NGO Facility is a new mechanism initiated by MoFALD therefore it is necessary to create a clear responsible position to coordinate and support to all three organizations (NGO Facility, DFID and implementing partners). Government of Nepal want to have a separate coordinator to coordinate among NGO Facility, donor and implementing partners. The coordinator will be based in the implementing partner's office and provides her/his support to all three agencies. She/he will be responsible to jointly plan the annual implementation plan, report on trimestral basis and conduct meetings on a regular basis. Exchange learning and sharing for policy influencing.
2. DFID's implementing partner will follow the local bodies' planning processes and implement projects approved by the respective DDC Councils. They will work in close coordination with local bodies. Communities may forward their demands to the programme office but they have to go through local planning processes and partners have to request communities to come through planning processes. Partners will also proactively participate on the local planning process to get approval of the annual plan for the programme. They will present their project progress to districts and regional level trimestral review meetings. Progress report will be forwarded to NGO Facility at MoFALD.
3. NGO Facility will participate on joint monitoring and provide necessary feedback. Also they will share learning from non-state programme to policy influence.
4. The annual plans will be shared in NGO Facility in MoFALD and the trimestral progress report will be submitted respected DDC and MoFALD by the implementing partners. Implementing partners will also participate on the district trimestral review and regional reviews and update progresses and learning.
5. The implementing partner is expected to enable Government and DFID to support and promote governance and service delivery reforms in local governance sectors critical to the successful delivery of DFID Nepal's Operational Plan objectives/results targets that is aligned with government plans. It will also ensure that UKAid funding is efficiently and effectively protected from fraud and corruption risks, by following the basic fiduciary risk procedures of the partners. The lead DFID Advisor and Programme Manager will support using DFID's tools and guidance to do this. Detailed work programmes must be agreed with and closely coordinated by DFID and NGO Facility of MoFALD. Ensuring this will be the responsibility of the lead DFID Advisor and Programme Manager and this must be confirmed by the Annual Strategic Implementation Plan before initiating individual activities. Partner organizations teams will be expected to support ongoing dialogue with DFID and Government of Nepal counterparts on the full range of PFM issues.

### **Programme fund flow**

6. The CDP budget will be reflected on the Government's plan (Red Book) but DFID will directly channel funds to implementing partners. This is an 'On Budget' 'Off Treasury' agreement which is agreed with Government of Nepal. The annual plans of non-state component will be shared in the NGO Facility in MoFALD and the trimestral progress report will be submitted to the respective District Development Committee (DDC) and MoFALD by the implementing partners. Implementing partners will also participate on the district trimestral reviews and regional reviews and update progresses and learning.