

Section 4, Annex A

Call-down Contract

Terms of Reference

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Building Core Systems in the Government of Sierra Leone Technical assistance component

Context

1. The Department for International Development (DFID) is the UK government's aid agency and provides development finance and support in emerging and developing countries. The UK is the biggest bilateral donor in Sierra Leone. The UK's aid programme has a strategic focus on infrastructure, public financial management and improved health services in the country.
2. The Ebola Virus Disease (EVD) epidemic has had a devastating impact on Sierra Leone. It has infected almost 13,000 people in the country and directly caused almost 4,000 deaths. The Ebola crisis, coupled with the sharp decline in iron ore prices, has placed considerable strain on Sierra Leone's economy, household incomes and the government's ability to provide essential services. The crisis brought education to a halt, and disrupted healthcare and economic activity leaving thousands of people vulnerable.
3. The Government of Sierra Leone wants to get the country back on track, re-establish essential public services, and look to longer term recovery. It is a challenging agenda, with multiple partners (within Sierra Leone and internationally) and the Government has needed to balance clear priorities for early recovery, which will get the country at least back to where it was before Ebola, without losing sight of longer term goals for prosperity. This has required strong coordination and leadership from the Government and sustained investment from the international community. The UK were the largest donor supporting Sierra Leone during the Ebola outbreak and are committed to continuing to support the country in its recovery from the crisis. The UK demonstrated this commitment to Sierra Leone at the United Nations International Ebola Recovery Conference in New York in July 2015 where the UK pledged a total of £240m over the next two years (2016 and 2017) to Sierra Leone.

4. The *Building Core Systems in Sierra Leone (BCS)* programme will be a key element of this support over the next two years. The key objective of the BCS programme is to secure improvements in the core systems underpinning sound fiduciary and macroeconomic management in Sierra Leone. The BCS programme will consist of the following components:

- (i) performance-based financial aid for the Government of Sierra Leone (GoSL) delivered directly by DFID;
- (ii) an extensive technical assistance (TA) package focused on key core systems delivered by a contracted service provider (the focus of this ToR) and;
- (iii) diagnostic and monitoring work.

Effective policy dialogue with the Government of Sierra Leone (GoSL) will be central to achieving the programme objectives of improving core systems in public financial management, revenue and procurement. The overall impact of the project is expected to be broad-based economic growth and prosperity. This will be achieved through the project outcome *“strengthening of core systems opening up more fiscal space for GoSL’s spending on broad based economic development.”*

5. The BCS programme focuses on the following five areas:

- i) macroeconomic management;
- ii) revenue and tax collection;
- iii) transparency and value for money in procurement practices;
- iv) budget credibility and execution;
- v) management of the wage bill.

Disbursement Linked Indicators (DLIs) in each area have been designed and disbursement of funds will be triggered by success against the associated targets.

6. DFID Sierra Leone will engage a **service provider** to design and implement this extensive (TA) package which will focus on improving GoSL performance in the five focus areas above. These terms of reference describe the requirement for this service provider.

Objective

7. The service provider will design, manage and implement an extensive 18-20 month programme of technical assistance supporting the objectives of the BCS programme. The programme will have two phases, an inception phase and an implementation phase, with a break point in between the two phases. Progress by the service provider to the implementation phase will be subject to the quality, depth and value for money offered by the proposal outlined in the inception report.
8. The **inception phase** will last for two months following the award of contract. At the end of the inception phase, the service provider will present to DFID a detailed, costed, prioritised and sequenced inception report outlining a proposed programme of support that takes account of context, aligns with DFID's wider portfolio and incorporates the inputs of other development partners. This will include evidence-based gap analysis of PFM systems. This will further be complemented by a draft logframe, baseline data and key indicators and a budget for the delivery of the programme. The inception report will also provide recommendations on the governance arrangements of the new programme. The inception report should explicitly address:
 - a. where TA is both required and requested within GoSL under each of the five areas, including overarching objectives of the TA, expected activities and which departments the TA will support; evidence of requests for TA support by the GoSL should be provided;
 - b. how the TA will directly support achievement of the DLIs and how it will lead to sustainable improvements in core systems;
 - c. how the design takes account of the political economy landscape and capacity in recipient MDAs including where there are risks of obstacles causing delays;
 - d. a draft schedule for the delivery of the TA programme including details of when required expertise could be mobilised and the expected duration of each component of the TA programme;
 - e. what other TA is already underway or planned in these areas and how DFID's TA programme will complement these;
 - f. management and reporting structures;
 - g. The composition of the team that the service provider would mobilise to implement the proposed TA programme, including a breakdown of the team by posts required
 - h. duty of care arrangements
 - i. A budget for the delivery of the implementation phase of the programme

9. Following delivery of the inception report, DFID and the service provider will mutually agree on the workplan and budget for the **implementation phase** and the activities required to deliver the expected project outputs below:
- A sustainable public sector wage bill
 - Improved transparency and more competition in national procurement
 - A well-developed and well-executed national budget
 - Sound macroeconomic management
 - Improved domestic revenue collection

Bids from service providers should describe in detail how the service provider would deliver the requirements for the inception phase and an approach for delivering the outputs required for the implementation phase. Bids should include CVs of proposed team members, management structure and a draft workplan. Bids should also include a full budget for delivering both the inception and implementation phases. Bids will be assessed against the ability of the service provider to deliver both phases of the project and provide value for money. The team leader and lead expert on each output should be available for both inception and implementation phases.

The Recipient

10. The primary recipients will be the targeted Ministries, Departments and Agencies (MDAs) within the Government of Sierra Leone.
11. The recipients of this work will ultimately be the citizens of Sierra Leone who will benefit from the improvements in broad-based economic growth expected to result from this project.

Scope

12. A comprehensive programme of technical assistance across the five areas outlined above is required. The service provider will outline a proposed methodology to deliver this programme through the inception report.

The Requirements

13. DFID requires a service provider who will be responsible for delivery of the outputs described above. The service provider may engage third parties to deliver this work, or bid in consortium with other suppliers.
14. Parties interested in bidding for this contract should provide a tender document. This should include a detailed proposal on how the requirement for the inception phase

would be addressed, including composition of the team, a workplan and budget. The tender should also include an indicative proposal for the delivery of the implementation phase based on the expected outputs described in this TOR, including the expertise that the service provider could mobilise to deliver the outputs within the required timeframes.

15. The service provider will create a team with the appropriate skills, experience and qualifications, meeting international standards, to deliver the agreed outputs meeting or exceeding the agreed milestones within the agreed timeframes. Details of this team are to be provided in the inception report. The curriculum vitae of the expected team members will be shared with DFID as an annex to the inception report; DFID must approve all team members. The team should be based full time in Sierra Leone. A small number of headquarters administrative staff based in a third country is acceptable.
16. To deliver this work the service provider will need to deliver in depth expertise in all five project outputs (listed in para 9). This expertise will need to be highly attuned to the political, governance and socio-economic challenges of working in Sierra Leone and comparable contexts, and work effectively with government ministries and agencies, in particular the Ministry of Finance.

Constraints and Dependencies

18. The service provider will be working closely with the relevant GoSL Ministries and agencies. This will include working within the Ministry of Finance and Economic Development, National Public Procurement Agency and procurement departments across Ministries, Departments and Agencies and other relevant MDAs.
19. The service provider should also work closely with DFID's existing supporting technical assistance programmes in the National Revenue Authority and Audit Service Sierra Leone. The programme of support to the Audit Service is being implemented by a long-term team embedded in ASSL and is due to finish this year. The service provider will need to consider whether this is an area the programme could provide some support under the output 'Improved transparency and more competition in national procurement'. The technical assistance package to NRA is implemented by a long-term TA team, supplemented by two international consultants in line management positions. The objective of the programme is to expand the revenue base in Sierra Leone. Because of DFID's existing TA support in the area of domestic revenue, it is unlikely that the BCS TA programme will cover this area in depth, if at all. The service provider will work with these teams to ensure

consistency across DFID's portfolio and maximise the impact of DFID's efforts to strengthen public financial management in Sierra Leone.

Timeframe

20. The service provider will be in Sierra Leone within two weeks of contract award and deliver the inception report within two months of the contract award. Subject to the award of the contract for the implementation phase, the programme will be 18 to 20 months in duration. The contract should be awarded by mid-May, mobilise first week in June and run to December 2017.
21. The contract will be issued for the full period but subject to acceptance of deliverables, satisfactory performance of the service provider and agreement to the service provider's final design of the Implementation phase. This will be assessed at the end of the inception phase.
22. In the event that DFID decides not to proceed to the Implementation Phase the Contract will be terminated at no further cost to DFID.
23. In the event that DFID decides to proceed to the Implementation Phase, a contract amendment will be issued to include details of the services to be provided in the form of updated Terms of Reference and detailed costs.

Methodology

24. The service provider will suggest a methodological framework and approach appropriate to achieving the objectives of the programme, and which is consistent with international standards and practices. This should include personnel, logframe, work plan, timeframe and budget. This will form part of the contract.

Reporting

25. During the inception phase the service provider, in consultation with stakeholders, will explore the most effective form of oversight. It is likely to include a Steering Committee of key stakeholders which feeds into the overall Building Core Systems programme oversight arrangements.
26. The service provider will manage all components and funds and will monitor and report on spend and results. DFID Sierra Leone will be responsible for oversight of this programme.

DFID co-ordination

27. The expert will report to the Economic Adviser, the Economist and Senior Programme Manager in the Economics and Governance team in DFID Sierra Leone. The Team Leader of the Economics and Governance team will have oversight of the work. The expert will give DFID regular progress updates. An inception meeting will be held when the expert arrives in Freetown. Ahead of the arrival, the service provider will be given a comprehensive list of stakeholders to contact and meet with during the inception period. The service provider will meet with DFID Sierra Leone on a regular (at least monthly) basis.

Monitoring and evaluation

28. The performance of the service provider will be managed through the logframe and through a schedule of key performance indicators (KPIs). Bids should indicate the proportion of payments that could be linked to KPI and this will form part of our value for money assessment of bids. The KPIs will be agreed during the inception period and the schedule will form part of the inception report. Expected results will be set out in the logframe.

Budget

30. The anticipated budget for this requirement will be in the region of £3-4m. DFID will expect bidders to clearly demonstrate how their proposals offer Value for Money and provide clear justification for the level of inputs and size of team proposed. This will be reflected in the evaluation criteria.

Delivery of Outputs and Payment of Fees

31. The service provider will be responsible for delivering the outputs and deliverables as stated in the terms of reference. This will include but not be limited to providing their own tools and other resources required. The service provider will be accountable for delivering the outputs, and will liaise primarily with the DFID Senior Responsible Owner for the programme, who will be in charge of monitoring delivery against the above mentioned outputs.
32. Fees and expenses will be payable upon delivery of outputs which must be evidenced against criteria agreed at the outset with DFID. A milestone schedule will be agreed prior to the inception phase, and the implementation phase. DFID reserves the right to withhold payment if the government or DFID is not satisfied that the outputs meet the expected, pre-agreed standards. Moreover, if the programme fails to deliver, including for political reasons, we retain the right to take appropriate steps which may involve withholding funds or suspending the programme.
33. If a specific number of input days has been agreed between DFID and the service provider for a specific output or set of outputs it is solely the service provider's responsibility and risk to ensure that the stated outputs are delivered within the amount of time agreed.

Duty of Care

34. The service provider is responsible for the safety and well-being of their personnel and third parties affected by their activities, including appropriate security arrangements. They will also be responsible for the provision of suitable security arrangements for their domestic and business property.
35. DFID will share available information with the service provider on security status and developments in-country where appropriate. DFID will provide the following:
36. All service provider personnel will be offered a security briefing by the British High Commission on arrival. All such personnel must register with their respective

Embassies / High Commissions to ensure that they are included in emergency procedures.

37. The service provider 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 service provider must ensure they (and their Personnel) are up to date with the latest position.
38. The security situation is subject to change. The service provider 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.
39. The service provider is responsible for ensuring that appropriate arrangements, processes and procedures are in place for their Personnel, taking into account the environment they will be working in and the level of risk involved in delivery of the contract (such as working in dangerous, fragile and hostile environments etc). The service provider must ensure their Personnel receive the required level of training and safety in the field training prior to deployment.
40. Tenderers must develop their tender on the basis of being fully responsible for duty of care in line with the details provided above and the initial risk assessment matrix developed by DFID (see DFID Duty of care for Sierra Leone attached to this contract). They must confirm in their tender that:
 - They fully accept responsibility for security and duty of care.
 - They understand the potential risks and have the knowledge and experience to develop an effective risk plan.
 - They have the capability to manage their duty of care responsibilities throughout the life of the contract.
41. If you are unwilling or unable to accept responsibility for security and duty of care as detailed above, your tender will be viewed as non-compliant and excluded from further evaluation.

42. Acceptance of responsibility must be supported with evidence of capability and DFID reserves the right to clarify any aspect of this evidence. In providing evidence Tenderers should consider the following questions:

- i. Have you completed an initial assessment of potential risks that demonstrates your knowledge and understanding, and are you satisfied that you understand the risk management implications (not solely relying on information provided by DFID)?
- ii. Have you prepared an outline plan that you consider appropriate to manage these risks at this stage (or will you do so if you are awarded the contract) and are you confident/comfortable that you can implement this effectively?
- iii. Have you ensured or will you ensure that your staff are appropriately trained (including specialist training where required) before they are deployed and will you ensure that on-going training is provided where necessary?
- iv. Have you an appropriate mechanism in place to monitor risk on a live / on-going basis (or will you put one in place if you are awarded the contract)?
- v. Have you ensured or will you ensure that your staff are provided with and have access to suitable equipment and will you ensure that this is reviewed and provided on an on-going basis?
- vi. Have you appropriate systems in place to manage an emergency / incident if one arises?

Theme	DFID Risk Score
Country/Region	Sierra Leone
OVERALL RATING¹	3
FCO travel advice	3
Host nation travel advice	N/A
Transportation	4
Security	2
Civil unrest	3
Violence/crime	3
Terrorism	2
War	1
Hurricane	1
Earthquake	1
Flood	2
Medical Services	3 ²

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¹ The Overall Risk rating is calculated using the MODE function which determines the most frequently occurring value.

² In Freetown only. Outside of Freetown the risk rating is 4