

United Nations Development Programme



**Request for Proposal (RFP)
Ref.# RFP/001/09**

Date: 24.01.09

Dear Sir/Madam,

Subject: Request for Proposal for conducting Micro Assessment of the Financial Management Capacity of the Implementing Partners in LAO PDR.R

1. You are requested to submit a proposal for [**Conducting Micro Assessment of the Financial management Capacity of the Implementing Partners in LAO PDR**] services, as per enclosed Terms of Reference (Annex III).
2. To enable you to submit a proposal, attached are:
 - i. Instructions to Offerors (Annex I)
 - ii. General Conditions of Contract..... (Annex II)
 - iii. Terms of Reference (TOR)..... (Annex III)
 - iv. Proposal Submission Form(Annex IV)
 - v. Price Schedule(Annex V)
3. Your offer comprising of technical proposal and financial proposal, in separate sealed envelopes, should reach the following address no later than **15:00 Vientiane time 9 February 2009**
United Nations Development Programme Lao PDR
Lanexang Ave, PO BOX 345,
Vientiane, Lao PDR
Attention: Procurement Unit
e-mail:diyer.rasulov@undp.org with cc to surith.sengsavang@undp.org
tel. (+856-021) 267765
4. If you request additional information, we would endeavor to provide information expeditiously, but any delay in providing such information will not be considered a reason for extending the submission date of your proposal.

Yours sincerely,

Javier Barrantes
Deputy Resident Representative
UNDP Lao PDR

Annex I

Instructions to Offerors

A. Introduction

1. General Purpose of RFP
2. Cost of proposal

The Offeror shall bear all costs associated with the preparation and submission of the Proposal, the UNDP will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the solicitation.

B. Solicitation Documents

3. Contents of solicitation documents

Proposals must offer services for the total requirement. Proposals offering only part of the requirement will be rejected. The Offeror is expected to examine all corresponding instructions, forms, terms and specifications contained in the Solicitation Documents. Failure to comply with these documents will be at the Offeror's risk and may affect the evaluation of the Proposal.

4. Clarification of solicitation documents

A prospective Offeror requiring any clarification of the Solicitation Documents may notify the procuring UNDP entity in writing at the organisation's mailing address or fax number indicated in the RFP. The procuring UNDP entity will respond in writing to any request for clarification of the Solicitation Documents that it receives earlier than two weeks prior to the deadline for the submission of Proposals. Written copies of the organisation's response (including an explanation of the query but without identifying the source of inquiry) will be sent to all prospective Offerors that has received the Solicitation Documents.

5. Amendments of solicitation documents

At any time prior to the deadline for submission of Proposals, the procuring UNDP entity may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Offeror, modify the Solicitation Documents by amendment.

All prospective Offerors that have received the Solicitation Documents will be notified in writing of all amendments to the Solicitation Documents.

In order to afford prospective Offerors reasonable time in which to take the amendments into account in preparing their offers, the procuring UNDP entity may, at its discretion, extend the deadline for the submission of Proposals.

C. Preparation of Proposals

6. Language of the proposal

The Proposals prepared by the Offeror and all correspondence and documents relating to the Proposal exchanged by the Offeror and the procuring UNDP entity shall be written in the English/French/Spanish language. Any printed literature furnished by the Offeror may be written in another language so long as accompanied by an English/French/Spanish translation of its pertinent passages in which case, for purposes of interpretation of the Proposal, the English /French /Spanish translation shall govern.

7. Documents comprising the proposal

The Proposal shall comprise the following components:

- (a) Proposal submission form;
- (b) Operational and technical part of the Proposal, including documentation to demonstrate that the Offeror meets all requirements;
- (c) Price schedule, completed in accordance with clauses 8 and 9;

8. Proposal form

The Offeror shall structure the operational and technical part of its Proposal as follows:

(a) Management plan

This section should provide corporate orientation to include the year and state/country of incorporation and a brief description of the Offeror's present activities. It should focus on services related to the Proposal.

This section should also describe the organisational unit(s) that will become responsible for the contract, and the general management approach towards a project of this kind. The Offeror should comment on its experience in similar projects and identify the person(s) representing the Offeror in any future dealing with the procuring UNDP entity.

(b) Resource plan

This should fully explain the Offeror's resources in terms of personnel and facilities necessary for the performance of this requirement. It should describe the Offeror's current capabilities/facilities and any plans for their expansion.

(c) Proposed methodology

This section should demonstrate the Offeror's responsiveness to the specification by identifying the specific components proposed, addressing the requirements, as specified, point by point; providing a detailed description of the essential performance characteristics proposed warranty; and demonstrating how the proposed methodology meets or exceeds the specifications.

The operational and technical part of the Proposal should not contain any pricing information whatsoever on the services offered. Pricing information shall be separated and only contained in the appropriate Price Schedules.

It is mandatory that the Offeror's Proposal numbering system corresponds with the numbering system used in the body of this RFP. All references to descriptive material and brochures should be included in the appropriate response paragraph, though material/documents themselves may be provided as annexes to the Proposal/response.

Information which the Offeror considers proprietary, if any, should be clearly marked "proprietary" next to the relevant part of the text and it will then be treated as such accordingly.

9. Proposal prices

The Offeror shall indicate on an appropriate Price Schedule, an example of which is contained in these Solicitation Documents, the prices of services it proposes to supply under the contract.

10. Proposal currencies: All prices shall be quoted in US dollars only.

11. Period of validity of proposals

Proposals shall remain valid for sixty **(90) days** after the date of Proposal submission prescribed by the procuring UNDP entity, pursuant to the deadline clause. A Proposal valid for a shorter period may be rejected by the procuring UNDP entity on the grounds that it is non-responsive.

In exceptional circumstances, the procuring UNDP entity may solicit the Offeror's consent to an extension of the period of validity. The request and the responses thereto shall be made in writing. An Offeror granting the request will not be required nor permitted to modify its Proposal.

12. Format and signing of proposals

The Offeror shall prepare two copies of the Proposal, clearly marking each “Original Proposal” and “Copy of Proposal” as appropriate. In the event of any discrepancy between them, the original shall govern.

The two copies of the Proposal shall be typed or written in indelible ink and shall be signed by the Offeror or a person or persons duly authorised to bind the Offeror to the contract. The latter authorisation shall be indicated by written power-of-attorney accompanying the Proposal.

A Proposal shall contain no interlineations, erasures, or overwriting except, as necessary to correct errors made by the Offeror, in which case such corrections shall be initialled by the person or persons signing the Proposal.

13. Payment

UNDP shall effect payments to the Contractor after acceptance by UNDP of the invoices submitted by the contractor, upon achievement of the corresponding milestones.

D. Submission of Proposals

14. Sealing and marking of proposals

The Offeror shall seal the Proposal in one outer and two inner envelopes, as detailed below.

(a) The outer envelope shall be:

- addressed to:
**Procurement Unit
United Nations Development Programme Lao PDR
Lanexang Ave, PO BOX 345,
Vientiane, Lao PDR**
and,
- marked with –
“RFP/001/09 for provision of services for conducting Micro Assessment of the Financial Management Capacity of the Implementing Partners in LAO PDR”.

(b) Both inner envelopes shall indicate the name and address of the Offeror. The first inner envelope shall contain the information specified in Clause 8 (*Proposal form*) above, with the copies duly marked “Original” and “Copy”. **The second inner envelope shall include the Price schedule duly identified as such.**

Note, if the inner envelopes are not sealed and marked as per the instructions in this clause, the procuring UNDP entity will not assume responsibility for the Proposal’s misplacement or premature opening.

15. Deadline for submission of proposals

4. Proposals must be received by the procuring UNDP entity at the address specified under clause *Sealing and marking of Proposals* no later than **15:00 Vientiane time, 9 February 2009**.

The procuring UNDP entity may, at its own discretion extend this deadline for the submission of Proposals by amending the solicitation documents in accordance with clause *Amendments of Solicitation Documents*, in which case all rights and obligations of the procuring UNDP entity and Offerors previously subject to the deadline will thereafter be subject to the deadline as extended.

16. Late Proposals

Any Proposal received by the procuring UNDP entity after the deadline for submission of proposals, pursuant to clause *Deadline for the submission of proposals*, will be rejected.

17. Modification and withdrawal of Proposals

The Offeror may withdraw its Proposal after the Proposal's submission, provided that written notice of the withdrawal is received by the procuring UNDP entity prior to the deadline prescribed for submission of Proposals.

The Offeror's withdrawal notice shall be prepared, sealed, marked, and dispatched in accordance with the provisions of clause *Deadline for Submission of Proposals*. The withdrawal notice may also be sent by telex or fax but followed by a signed confirmation copy.

No Proposal may be modified subsequent to the deadline for submission of proposals.

No Proposal may be withdrawn in the Interval between the deadline for submission of proposals and the expiration of the period of proposal validity specified by the Offeror on the Proposal Submission Form.

E. Opening and Evaluation of Proposals

18. Opening of proposals

The procuring entity will open the Proposals in the presence of a Committee formed by the Head of the procuring UNDP entity.

19. Clarification of proposals

To assist in the examination, evaluation and comparison of Proposals, the Purchaser may at its discretion, ask the Offeror for clarification of its Proposal. The request for clarification and the response shall be in writing and no change in price or substance of the Proposal shall be sought, offered or permitted.

20. Preliminary examination

The Purchaser will examine the Proposals to determine whether they are complete, whether any computational errors have been made, whether the documents have been properly signed, and whether the Proposals are generally in order.

Arithmetical errors will be rectified on the following basis: If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected. If the Offeror does not accept the correction of errors, its Proposal will be rejected. If there is a discrepancy between words and figures the amount in words will prevail.

Prior to the detailed evaluation, the Purchaser will determine the substantial responsiveness of each Proposal to the Request for Proposals (RFP). For purposes of these Clauses, a substantially responsive Proposal is one which conforms to all the terms and conditions of the RFP without material deviations. The Purchaser's determination of a Proposal's responsiveness is based on the contents of the Proposal itself without recourse to extrinsic evidence.

A Proposal determined as not substantially responsive will be rejected by the Purchaser and may not subsequently be made responsive by the Offeror by correction of the non-conformity.

21. Evaluation and comparison of proposals

A two-stage procedure is utilised in evaluating the proposals, with evaluation of the technical proposal being completed prior to any price proposal being opened and compared. The price proposal of the Proposals will be opened only for submissions that passed the minimum technical score of 70% of the obtainable score of 1000 points in the evaluation of the technical proposals.

The technical proposal is evaluated on the basis of its responsiveness to the Term of Reference (TOR).

In the Second Stage, the price proposal of all contractors, who have attained minimum 70% score in the technical evaluation will be compared. The contractor will be awarded to the Contractor offering the lowest price.

Technical Evaluation Criteria

Summary of Technical Proposal Evaluation Forms		Score Weight	Points Obtainable	Company / Other Entity				
				A	B	C	D	E
1.	Expertise of Firm / Organisation submitting Proposal	30%	300					
2.	Proposed Work Plan and	50%	500					

	Approach							
3.	Personnel	20%	200					
	Total		1000					

Evaluation forms for technical proposals follow on the next two pages. The obtainable number of points specified for each evaluation criterion indicates the relative significance or weight of the item in the overall evaluation process. The Technical Proposal Evaluation Forms are:

Form 1: Expertise of Firm / Organisation Submitting Proposal

Form 2: Proposed Work Plan and Approach

Form 3: Personnel

Note: The score weights and points obtainable in the evaluation sheet are tentative and should be changed depending on the need or major attributes of technical proposal.

Technical Proposal Evaluation Form 1		Points obtainable	Company / Other Entity				
			A	B	C	D	E
Expertise of firm / organisation submitting proposal							
1.1	Reputation of Organisation and Staff (Competence / Reliability)	40					
1.2	Litigation and Arbitration history	15					
1.3	General Organisational 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)	35					
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 specialised skills.	15					
1.5	Quality assurance procedures, warranty	25					

1.6	Relevance of: - Specialised Knowledge - Experience on Similar Programme / Projects - Experience on Projects in the Region Work for UNDP/ major multilateral/ or bilateral programmes	110					
		240					

Technical Proposal Evaluation Form 2		Points Obtainable	Company / Other Entity				
			A	B	C	D	E
Proposed Work Plan and Approach							
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?	25					
2.3	Are the different components of the project adequately weighted relative to one another?	20					
2.4	Is the proposal based on a survey of the project environment and was this data input properly used in the preparation of the proposal?	55					
2.5	Is the conceptual framework adopted appropriate for the task?	65					
2.6	Is the scope of task well defined and does it correspond to the TOR?	120					
2.7	Is the presentation clear and is the sequence of activities and the planning logical, realistic and promise efficient implementation to the project?	85					
		400					

Technical Proposal Evaluation Form 3		Points Obtainable	Company / Other Entity				
			A	B	C	D	E
3.1	Task Manager	80					

			Sub-Score						
	General Qualification		65						
	Suitability for the Project								
	- International Experience	10							
	- Training Experience	10							
	- Professional Experience in the area of specialisation	35							
	- Knowledge of the region	10							
	- Language Qualifications		15						
			80						
3.2	Senior Expert			60					
			Sub-Score						
	General Qualification		50						
	Suitability for the Project								
	- International Experience	5							
	- Training Experience	5							
	- Professional Experience in the area of specialisation	35							
	- Knowledge of the region	5							
	- Language Qualifications		10						
			60						
3.3	Junior Expert			20					
			Sub-Score						
	General Qualification		15						
	Suitability for the Project								
	- International Experience	5							
	- Training Experience	0							
	- Professional Experience in the area of specialisation	10							
	- Knowledge of the region	0							
	- Language Qualification		5						
			20						

	Total Part 3		160					
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F. Award of Contract

22. Award criteria, award of contract

The procuring UNDP entity reserves the right to accept or reject any Proposal, and to annul the solicitation process and reject all Proposals at any time prior to award of contract, without thereby incurring any liability to the affected Offeror or any obligation to inform the affected Offeror or Offerors of the grounds for the Purchaser's action

Prior to expiration of the period of proposal validity, the procuring UNDP entity will award the contract to the qualified Offeror whose Proposal after being evaluated is considered to be the most responsive to the needs of the organisation and activity concerned.

23. Purchaser's right to vary requirements at time of award

The Purchaser reserves the right at the time of award of contract to vary the quantity of services and goods specified in the RFP without any change in price or other terms and conditions.

24. Signing of the contract

Within 5 days of receipt of the contract the successful Offeror shall sign and date the contract and return it to the Purchaser.

25. Performance security

Within 30 days of the receipt of the Contract from the Purchaser, the successful Offeror shall provide the performance security on the Performance Security Form provided in the Solicitation Documents and in accordance with the Special Conditions of Contract.

Failure of the successful Offeror to comply with the requirement of Clause 24 or Clause 25 shall constitute sufficient grounds for the annulment of the award and forfeiture of the Proposal security if any, in which event the Purchaser may make the award to the next lowest evaluated Offeror or call for new Proposals.

Annex II

General Conditions of Contract

1. LEGAL STATUS

The Contractor shall be considered as having the legal status of an independent contractor vis-à-vis 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. 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 which may adversely affect UNDP or the United Nations and shall fulfil its commitments with the fullest regard to the interests of UNDP.

3. 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. 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. 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 with the provisions of this Contract.

6. 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. 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. 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 its 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:
 - (i) Name UNDP as additional insured;

(ii) Include a waiver of subrogation of the Contractor's rights to the insurance carrier against UNDP;

(iii) Provide that 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 UNDP with satisfactory evidence of the insurance required under this Article.

E. 9. 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 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. 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. COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS

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, or documents and other materials which bear a direct relation to or are produced or prepared or collected in consequence of or in the course of the

execution of this Contract. At the UNDP's request, the Contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring them to UNDP in compliance with the requirements of the applicable law.

12. 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 the United Nations in connection with its business or otherwise.

13. CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION

- 13.1 All maps, drawings, photographs, mosaics, plans, reports, recommendations, estimates, documents and all other data compiled by or received by the Contractor under this Contract shall be the property of UNDP, shall be treated as confidential and shall be delivered only to UNDP authorized officials on completion of work under this Contract.
- 13.2 The Contractor may not communicate at any time to any other person, Government or authority external to UNDP, any information known to it by reason of its association with UNDP which has not been made public except with the authorization of UNDP; nor shall the Contractor at any time use such information to private advantage. These obligations do not lapse upon termination of this Contract.

14. FORCE MAJEURE; OTHER CHANGES IN CONDITIONS

- 14.1 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 which are beyond the control of the Parties.
- 14.2 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 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 UNDP of any other changes in conditions or the occurrence of any event which interferes or threatens to interfere with its performance of this Contract. The notice shall include steps proposed by the Contractor to be taken including any reasonable alternative means for performance that is not prevented by force majeure. On receipt of the notice required under this Article, 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.
- 14.3 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, 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.

15. TERMINATION

- 15.1 Either party may terminate this Contract for cause, in whole or in part, upon thirty days notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Article 16 "Settlement of Disputes" 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. The Contractor shall take immediate steps to terminate

the work and services in a prompt and orderly manner and to minimize losses and further expenditures.

- 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, UNDP may, without prejudice to any other right or remedy it may have, terminate this Contract forthwith. The Contractor shall immediately inform UNDP of the occurrence of any of the above events.

16. 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, or relating to 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

Unless, any such dispute, controversy or claim between the Parties arising out of or relating to this Contract or the breach, termination or invalidity thereof is settled amicably under the preceding paragraph of this Article within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement, such dispute, controversy or claim shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining, including its provisions on applicable law. The arbitral tribunal shall have no authority to award punitive damages. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

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.

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 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 UNDP before the payment thereof and 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 UNDP with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.

19 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.

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.

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.

AUTHORITY TO MODIFY

No modification or change in this Contract, no waiver of any of its provisions or any additional contractual relationship of any kind with the Contractor shall be valid and enforceable against UNDP unless provided by

an amendment to this Contract signed by the authorized official of UNDP.

Annex III

Terms of Reference

**Conducting Micro Assessments of the Financial Management Capacity of
Implementing Partners in Lao PDR for 2008/2009**

Background

1. Pursuant to the UN General Assembly Resolution 56/201 on the triennial policy review of operational activities for development of the United Nations system, UNDP, UNICEF, UNFPA and WFP (United Nations Development Group Executive Committee Agencies) adopted a common operational framework for transferring cash to government and non-government Implementing Partners. In 2005, the undg formally released a harmonized Framework for Cash Transfers to Implementing Partners, which applies to the ExCom Agencies and other UN Agencies that choose to adopt it. Its implementation will significantly reduce transaction costs and lessen the burden that the multiplicity of UN procedures and rules creates for its partners. It calls for an upfront assessment of the programme country's public financial management environment (Macro Assessment) and the financial management capacity (Micro Assessment) of the Implementing Partner.

2. The purposes of the Micro Assessments are:

2.1 *Capacity development objective:* The review supports the ExCom Agencies and Government to identify strengths and weaknesses in the Implementing Partner's capacity for financial management and areas for capacity building by the Government and other partners.

2.2 *Financial management objective:* The review assists in the establishment of appropriate cash transfer modalities, procedures, and assurance activities to be applied by the ExCom Agencies.

3. Within this context, the ExCom Agencies in Lao PDR, UNDP, UNFPA and UNICEF (WFP is not yet part of HACT in this country as it does not transfer funds to the Government) undertook six (6) Micro Assessments of the Implementing Partners in 2006, covering Ministry of Planning and Investment, Ministry of Education, Ministry of Labour and Social Work, Ministry of Health, Lao Women's Union and Lao Youth Union. The micro assessment in 2006 focused on the financial department or unit of the respective Ministry or Mass organization, to which the IP was part of. There is still a need to conduct a series of Micro Assessments of all the remaining Implementing Partners that have received more than \$100,000 combined per annum by UNDP, UNFPA and/or UNICEF.

4. The *Implementing Partner* in the context of HACT is understood as a ministry, a ministerial level agency, a ministerial department either at the central or provincial level, or another national/public entity of similar status, with which an ExCom Agency has signed its Annual Work Plan. However, in Lao PDR it is often the role of the IP's finance and accounting department that assumes the overall financial management, accounting responsibility and accountability within the institution. However, this department is often not involved in managing ODA-funded projects. In addition, in Lao PDR the Implementing Partners that the UN agency signs the AWP with (for UNFPA also a LOU is signed), is often a technical or substantive department, or sometimes a project implementing unit (PIU), is assigned as the direct recipient institution for ODA-funded project(s), and submits project financial reports directly to the donor(s). Accordingly, not only the finance and

accounting departments of a Ministry or an equivalent governmental institution but also the specific entity (e.g. the technical/substantive departments) that directly receives the UN funds and handles the financial resources will be the key targets for the micro assessments. They will provide background records and documents, for review by the consultant, give clarifications and be interviewed as necessary during the micro assessments.

5. The following Implementing Partners are suggested for a Micro Assessment in 2008/2009:

- 5-1. Public Administration and Civil Service Authority (PACSA) - UNDP's IP
- 5-2. Water Resources and Environment Administration (WREA) - UNDP's IP
- 5-3. National Committee for Mothers and Children (NCOM), MoFA - UNICEF's IP
- 5-4. Ministry of Foreign Affairs, Department of Treaties and Laws - UNDP's IP
- 5-5. Lao Bar Association - UNDP's IP
- 5-6. National Assembly Secretariat – UNDP, UNFPA and UNICEF's IP
- 5-7. Attapeu Province, Department of Health - UNFPA & UNICEF's IP
- 5-8. Luang Namtha Province, Provincial Education Service - UNICEF's IP
- 5-9. Luang Prabang Province, Office of the Governor - UNDP's IP
- 5-10. Luang Prabang Province, Department of Health - UNICEF's IP
- 5-11. Oudomxay Province, Provincial Education Service - UNICEF's IP
- 5-12. Phongsaly Province, Provincial Education Service - UNICEF's IP
- 5-13. Saravane Province, Office of the Governor - UNDP & UNFPA's IP
- 5-14. Savannakhet Province, Department of Health - UNICEF's IP
- 5-15. Sekong Province, Office of the Governor - UNDP & UNFPA's IP
- 5-16. Xieng Khouang Province, Office of the Governor - UNDP's IP
- 5-17. Xieng Khouang Province, Department of Information and Culture - UNDP's IP
- 5-18. Xieng Khouang Province, Provincial Education Service - UNICEF's IP

Scope and Methodology

6. The micro-assessment would provide overall assessment of the IP's finance and accounting department/section/unit, as well as IP's financial management capacity and review funds flow, staffing, accounting policies and procedures, internal audit, external audit, reporting and monitoring and information systems. Not only such finance and accounting department of the IP but also the specific entity (e.g. a technical/substantive department) that directly receives the UN funds and handles the financial resources will be the key target for the Micro Assessments. The assessment will also examine how IP's financial management links to or fits within the overall financial management structure and capacity of its mother entity, e.g., the Ministry.

7. The consulting entity (hereinafter called as "the consultant") shall utilize the annexed "Checklist B: Financial Management Questionnaire." The consultant will ask questions of direct relevance to the finance/accounting department and the direct recipient agency as the case may be. In completing the questionnaire, it should assess the programme/project's internal control system with equal emphasis on (i) the effectiveness of the system in providing the programme/project management with useful and timely information for the proper management of the programme/project and (ii) the general effectiveness of the internal control system in protecting the assets and resources of the programme/project.

8. The consultant should have full and complete access at any time to all records and documents related to ODA projects and programmes that provide answers to the 8 sets of questions raised in Annex, namely questions about (i) the Implementing Partner, (ii) Funds flows, (iii) Staffing, (iv) Accounting policies and procedures, (v) Internal audit, (vi) External audit, (vii) Reporting and monitoring, and (viii) Information systems. The records and documents may include books of account, legal agreements, minutes of committee meetings, bank records, invoices and contracts, and all employees/staff of the IP. The consultant should be advised that it has a right of access to banks and depositories, consultants, contractors and other persons or firms engaged by the programme/project management. If the consultant may not have unrestricted access to any records, person or location during the course of the assessment, this restriction should be clearly defined, with reasons, in the report. It should be noted that some of the questions are relevant to the finance and accounting department/section/unit, while others to the direct recipient agency.

9. The consultant should give special attention to records and documents relating to the Implementing Partner's issues, experiences and lessons with regard to the implementation and management of programmes/projects that are funded by official development assistance in general and technical assistance in particular.

10. At the latest one week upon completion of the assessments, the consultant will complete a draft report with the elements outlined in the following paragraph. The Office of the UN Resident Coordinator (ORC) will then organize a debriefing session which will be attended by the UN HACT Working Group in Lao PDR (at least one representative from UNDP, UNFPA and UNICEF), ORC and preferably the Department of International Cooperation of the Ministry of Planning and Investment (DIC/MPI). At this meeting, the consultant will share its preliminary findings,

conclusions, recommendations as well as lessons learned from all the micro assessments. It will then take into account the comments and suggestions made by participants in finalizing its mission report. The lessons learned will also be used to modify the terms of reference and questionnaire as/if necessary and appropriate, to improve the quality and relevance of the future micro assessments.

Deliverables

11. For each Implementing Partner, the consultant should submit a final report with the following elements:

- An overall risk rating (H - High risk; S - Significant risk; M - Moderate risk; L - Low risk) of the Implementing Partner's financial management capacity
- Risk ratings for funds flow, staffing, accounting policies and procedures, internal audit, external audit, reporting and monitoring and information systems.
- A summary of the financial management assessment of the Implementing Partner.
- A description of the Implementing Partner including the physical address, phone numbers, fax numbers, web sites and general e-mail addresses.
- A description of the standards applied such as International Accounting Standards (IAS) published by the International Accounting Standards Board or the draft International Public Sector Accounting Standards (IPSAS) on Cash Accounting published by the Public Sector Committee (PSC) of the International Federation of Accountants may also be described.
- A description of any specific internal control weaknesses noted in financial management.
- Recommendations for monitoring and assurance activities to address or compensate for the weaknesses in the short term.
- Recommendations to resolve/eliminate the internal control weaknesses noted, including short and medium-term capacity development measures.
- Completed Annex: Financial Management Questionnaire.

12. The UN ORC will share the finalized reports of the Micro Assessments with the ExCom Agencies, the IP's organizations Finance/ accounting department and Implementing Partners concerned as well as the DIC/MPI. The ORC will organize a meeting for each Micro Assessment for the consultant to brief representatives of the involved ExCom Agencies, the Implementing Partner and DIC/MPI on the results of the assessment and recommendations for way forward.

Duration of assignment

13. The duration of each Micro Assessment is estimated to be 5 working days (in the case of "mini Micro Assessment" where some audit report(s) is available for a given IP, a desk review by the consultant to examine the coverage and relevance of the audit reports will precede an actual on-site assessment).

Qualifications of Firm

14. Generally, a reputable public accounting firm should be competent to conduct such an assessment. To allow for economies of scale, a single firm may be engaged to assess a number of Implementing Partners. Preference will be given to a firm who has conducted prior audits of programmes/projects that were funded by UN Agencies in Lao PDR, since such a firm would have been more knowledgeable about the Implementing Partners' systems and procedures and UN Agencies' financial management policies and practices.

15. The firm must be completely impartial and independent from all aspects of management or financial interests in the entity being reviewed or those of its implementing/supervising agency or directly related entities. The firm should not, during the period covered by the assessment nor during the undertaking of the assessment, be employed by, or have any financial or close business relationships with any senior participant in the management of the entity. It may be appropriate to remind the firm of any existing statutory requirements relating to independence and to require it to disclose any relationship that might possibly compromise its independence.

16. The firm should be experienced in applying international standards for audit, using either ISA or INTOSAI audit standards. The firm must employ adequate staff with appropriate professional qualifications and suitable experience with ISA or INTOSAI standards, including experience in reviewing entities comparable in size and complexity.

17. The firm should provide Curriculum vitae (CV) of the staff who would be responsible for drafting the report, together with the CVs of members of the assessment team. The CVs should include details on audits carried out by the applicable staff, including ongoing assignments indicating capability and capacity to undertake the audit.

Annex**Checklist A**

**Financial Management Capacity Questionnaire for Implementing Partners
with experience working with the UN ExCom Agencies in Lao PDR**

Summary Assessment

Name of Implementing Partner: _____

Date: _____

Number of years Agency has worked with the IP: _____

(if less than two years then the questionnaire in Checklist B should be used)

1. Is the volume of expected expenditure significantly different to that of past expenditures?	<u>Yes/No</u>	If Yes, stop here and go to Checklist B
2. Has there been a significant change in administration in the past two years?	<u>Yes/No</u>	If Yes, stop here and go to Checklist B
3. Have there been any incidences that indicate that financial reporting has been inaccurate or unreliable?	<u>Yes/No</u>	If Yes, stop here and go to Checklist B If No, attach justification (e.g., NEX audit certification and reports, previous liquidation statements).
4. Have Agencies noted any issues, which could lead to inappropriate use of funds: <ul style="list-style-type: none"> • lack of segregation of duties • lack of supervision of staff • inadequate monitoring • inappropriate/untrained staff • large cash operation 	<u>Yes/No</u> <u>Yes/No</u> <u>Yes/No</u> <u>Yes/No</u> <u>Yes/No</u>	If Yes in any of the responses, stop here and go Checklist B
5. Has there been any incidence of unduly delayed financial reports?	<u>Yes/No</u>	If Yes, the UN HACT WG should discuss the reasons. If identified as a significant cause of concern, proceed to use Checklist B. If not a significant cause of concern, attach explanation.

6. Is there any indication outside the above that there are weaknesses in internal controls and/or financial management, which would require a specific assessment of the financial management capacity?	<u>Yes/No</u>	If Yes, go to Checklist B If No, proceed to conclude the assessment
<p><i>Result of Assessment</i></p> <p>If all answers are ‘No’, then the overall risks are considered low.</p> <p>If any answers are ‘Yes’, then the Checklist B should be completed.</p>		



Checklist B: Financial Management Questionnaire¹

Lao PDR

Implementing Partner: _____

Date: _____

Summary of Risks related to the Financial Management Capacity of Implementing Partner					
Tested Subject Area (see subsequent pages for questions for each area that should be completed and summarized in the sections below)					
F.	Risk Assessment				Comments
	H	S	M	L	
1. Implementing Partner					
2. Funds Flow					
3. Staffing					
4. Accounting Policies and Procedures					
5. Internal Audit					
6. External Audit					
7. Reporting and Monitoring					
8. Information Systems					
Inherent Risk					

¹ This questionnaire was developed from a questionnaire used by the World Bank.
 Lane Xang Avenue, P.O. Box 345, Vientiane, Lao PDR Tel: (856-21) 267777, Fax: (856-21) 264939, 264945 www.undplao.org

G. List major specific issues identified in the assessment of the country's public financial management system (macro-assessment), or specific risks related to the nature or operation of the Implementing Partner					
H. Overall Risk Assessment	<i>H</i>	<i>S</i>	<i>M</i>	<i>L</i>	

H – High S – Significant M – Moderate L –Low

Financial Management Questionnaire

Subject Area	Yes	No	N/A	Review	Remarks/Comments
1. Implementing partner					
1.1 Is the implementing partner legally registered? Please note the legal status/registration of the entity.					
1.2 Has the implementing partner received UN resources in the past?					
1.3 Does the IP have statutory reporting requirements? Please describe.					
1.4 Is the governing body for the implementing partner independent?					
1.5 Is the organizational structure appropriate for the work to be carried out under UN cooperation?					
<i>Risk Assessment (Implementing Partner)</i>	H	S	M	L	Circle assessed risk for Subject Area 1
2. Funds Flow					
2.1 Can the entity receive and transfer funds?					
2.2 Are the arrangements to transfer the funds to the entity satisfactory?					
2.3 Have there been major problems in the past in receipt of funds by the entity, particularly where the funds flow from the Government/Ministry of Finance?					
2.4 In the past, has the entity had any problems in the management of disbursements from a member of the UN country team? Please describe.					
2.5 Does the entity have/need a capacity to manage foreign exchange risks? (if it is expected that the entity will be using funds outside the country.)					

Subject Area	Yes	No	N/A	Review	Remarks/Comments
2.6 How are the counterpart funds accessed?					
2.7 How are payments made from the counterpart funds?					
2.8 If some activities will be implemented by communities or NGOs, does the entity have the necessary reporting and monitoring mechanisms to track the use of funds?					
<i>Risk Assessment (Funds Flow)</i>	<i>H</i>	<i>S</i>	<i>M</i>	<i>L</i>	Circle assessed risk for Subject Area 2
<i>3. Staffing</i>					
3.1 Is the organizational structure of the accounting department appropriate for the level of financial volume? Attach an organization chart.					
3.2 Is the level and competency of staff appropriate for the level of financial volume? Identify the accounts staff, including job title, responsibilities, educational background and professional experience. Attach job descriptions and CVs of key accounting staff.					
3.3 Is the implementing partner finance and accounts function staffed adequately?					
3.4 Are finance and accounts staff adequately qualified and experienced?					
3.5 Are accounts and finance staff familiar with UN procedures related to cash transfers?					
3.6 What is the duration of the contract of finance and accounts staff?					
3.7 Indicate in the remarks/comments section key positions not contracted yet, and the estimated date of appointment.					
3.8 Are staff frequently transferred? At what frequency?					

Subject Area	Yes	No	N/A	Review	Remarks/Comments
3.9 Is there a training policy for the finance and accounting staff? Please describe.					
<i>Risk Assessment (Staffing)</i>	H	S	M	L	Circle assessed risk for Subject Area 3
4. Accounting Policies and Procedures					
4.1 Does the entity have an accounting system that allows for the proper recording of financial transactions from UN Agencies, including the allocation of expenditures in accordance with the respective components, disbursement categories, and sources of funds?					
4.2 Are controls in place concerning the preparation and approval of transactions, ensuring that all transactions are correctly made and adequately explained?					
4.3 Is the chart of accounts adequate to properly account for and report on activities and disbursement categories?					
4.4 Are cost allocations to the various funding sources made accurately and in accordance with established agreements?					
4.5 Are the general ledger and subsidiary ledgers reconciled and in balance?					
4.6 Are all accounting and supporting documents retained on a permanent basis in a defined system that allows authorized users easy access?					
<i>Segregation of Duties</i>					
4.7 Are the following functional responsibilities performed by different units or persons: (a) authorization to execute a transaction; (b) recording of the transaction; and (c) custody of assets involved in the transaction?					
4.8 Are the functions of ordering, receiving, accounting for, and paying for goods and services appropriately segregated?					
4.9 Are bank reconciliations prepared by someone other than those who make or approve payments?					
<i>Budgeting System</i>					

Subject Area	Yes	No	N/A	Review	Remarks/Comments
4.10 Do the budgets lay down physical and financial targets?					
4.11 Are budgets prepared for all significant activities in sufficient detail to provide a meaningful tool with which to monitor subsequent performance?					
4.12 Are actual expenditures compared to the budget with reasonable frequency, and explanations required for significant variations from the budget?					
4.13 Are approvals from variations from the budget required in advance or after the fact?					
4.14 Who is responsible for preparation and approval of budgets?					
4.15 Are procedures in place to plan activities, collect information from the units in charge of the different components, and prepare the budgets?					
4.16 Are the plans and budgets of activities realistic, based on valid assumptions, and developed by knowledgeable individuals?					
<i>Payments</i>					
4.17 Do invoice processing procedures provide for: <ul style="list-style-type: none"> • Copies of purchase orders and receiving reports to be obtained directly from issuing departments? • Comparison of invoice quantities, prices, and terms with those indicated on the purchase order and with records of goods actually received? • Comparison of invoice quantities with those indicated on the receiving reports? • Checking the accuracy of calculations? 					
4.18 Are all invoices stamped <i>PAID</i> , dated, reviewed and approved, and clearly marked for account code assignment?					
4.19 Do controls exist for the preparation of the payroll and are changes to the payroll properly authorized?					

Subject Area	Yes	No	N/A	Review	Remarks/Comments
<i>Policies And Procedures</i>					
4.20 Describe the basis of accounting (e.g., cash, accrual)?					
4.21 Are internationally accepted accounting standards followed? If so, which standard?					
4.22 Does the entity have an adequate policies and procedures manual to guide activities and ensure staff accountability?					
4.23 Do procedures exist to ensure that only authorized persons can alter or establish a new accounting principle, policy, or procedure to be used by the entity?					
4.24 Are there written policies and procedures covering all routine financial management and related administrative activities? Are these accessible?					
4.25 Do policies and procedures clearly define <i>conflict of interest</i> and <i>related party transactions</i> (real and apparent) and provide safeguards to protect the organization from them?					
4.26 Are manuals distributed to appropriate personnel?					
<i>Cash and Bank</i>					
4.27 Indicate in remarks/comments section the names and positions of authorized signatories on the bank accounts.					
4.28 Does the implementing partner maintain an adequate, up-to-date cashbook, recording receipts and payments?					
4.29 Do controls exist for the collection, timely deposit, and recording of receipts at each collection location?					
4.30 Are bank and cash reconciled on a monthly basis?					
4.31 Are all unusual items on the bank reconciliation reviewed and approved by a responsible official?					
4.32 Are receipts deposited on a timely basis?					
<i>Safeguard Over Assets</i>					

Subject Area	Yes	No	N/A	Review	Remarks/Comments
4.33 Is there a system of adequate safeguards to protect assets from fraud, waste and abuse?					
4.34 Are subsidiary records of fixed assets and stocks kept up to date and reconciled with control accounts?					
4.35 Are there periodic physical inventories of fixed assets and stocks?					
4.36 Are assets sufficiently covered by insurance policies?					
<i>Other Offices or entities*²</i>					
4.37 Are there any other regional offices participating in implementation?					
4.38 Has the Implementing Partners established controls and procedures for flow of funds, financial information, accountability, and audits in relation to the other offices or entities? Please describe approval process.					
4.39 Does information among the different offices/Agencies flow in an accurate and timely fashion?					
4.40 Are periodic reconciliations performed among the different offices/Agencies?					
<i>Other</i>					
4.41 Has the implementing partner advised employees, beneficiaries, and other recipients to whom to report if they suspect fraud, waste, or misuse of Agency resources or property?					
<i>Risk Assessment (Accounting Policies and Procedures)</i>	H	S	M	L	Circle assessed risk for Subject Area 4
5. Internal Audit					
5.1 Is there an internal audit department in the entity?					
5.2 What are the qualifications and experience of audit department staff?					
5.3 Is the internal auditor sufficiently independent to make critical assessments? To whom does the internal auditor report?					

² Other offices or entities refers to sub-offices of the implementing partners and/or respective parties.

Subject Area	Yes	No	N/A	Review	Remarks/Comments
5.4 Will the internal audit department include the activities financed by the Agencies in its work program?					
5.5 Are actions taken on the internal audit findings?					
<i>Risk Assessment (Internal Audit)</i>	H	S	M	L	Circle assessed risk for Subject Area 5
6. External Audit					
6.1 Is the entity financial statement audited regularly by an independent auditor? Who is the auditor?					
6.2 Are there any delays in audit of the entity? When are the audit reports issued?					
6.3 Is the audit of the entity conducted according to the International Standards on Auditing?					
6.4 Were there any major accountability issues brought out in the audit report of the past three years?					
6.5 Will the entity auditor audit the AWP accounts or will a separate auditor be appointed to audit the AWP financial statements?					
6.6 Are there any recommendations made by the auditors in prior audit reports or management letters that have not yet been implemented?					
6.7 Has the implementing partner prepared audit plans?					
<i>Risk Assessment (External Audit)</i>	H	S	M	L	Circle assessed risk for Subject Area 6
7. Reporting and Monitoring					
7.1 Are financial statements prepared for the entity?					
7.2 What is the frequency of preparation of financial statements? Are the reports prepared in a timely fashion so as to be useful to management for decision making?					
7.3 Does the reporting system need to be adapted to report on the AWP related expenditure?					
7.4 Does the reporting system have the capacity to link the financial information with the AWP's physical progress? If separate systems are used to gather and compile physical data, what controls are in place to reduce the risk that the physical data may not synchronize with the financial data?					

Subject Area	Yes	No	N/A	Review	Remarks/Comments
7.5 Does the Implementing Partner have established financial management reporting responsibilities that specify what reports are to be prepared, what they are to contain, and how they are to be used?					
7.6 Are financial management reports used by management?					
7.7 Do the financial reports compare actual expenditures with budgeted and programmed allocations?					
7.8 Are financial reports prepared directly by the automated accounting system or are they or are they prepared by spreadsheets or some other means?					
<i>Risk Assessment (Monitoring and Reporting)</i>	H	S	M	L	Circle assessed risk for Subject Area 7
8. Information Systems					
8.1 Is the financial management system computerized?					
8.2 Can the system produce the necessary financial reports?					
8.3 Are the staff adequately trained to maintain the system?					
8.4 Does the management organization and processing system safeguard the confidentiality, integrity, and availability of the data?					
<i>Risk Assessment (Information Systems)</i>	H	S	M	L	Circle assessed risk for Subject Area 8

Duly authorised to sign Proposal for and on behalf of

Annex V

PRICE SCHEDULE

The Contractor is asked to prepare the Price Schedule as a separate envelope from the rest of the RFP response as indicated in Section D paragraph 14 (b) of the Instruction to Offerors.

All prices/rates quoted must be exclusive of all taxes, since the UNDP is exempt from taxes as detailed in Section II, Clause 18. '

The Price Schedule must provide a detailed cost breakdown. Provide separate figures for each functional grouping or category.

Estimates for cost-reimbursable items, if any, such as travel, and out of pocket expenses should be listed separately.

In case of an equipment component to the service provided, the Price Schedule should include figures for both purchase and lease/rent options. The UNDP reserves the option to either lease/rent or purchase outright the equipment through the Contractor.

The format shown on the following pages should be used in preparing the price schedule. The format includes specific expenditures, which may or may not be required or applicable but are indicated to serve as examples.

In addition to the hard copy, if possible please also provide the information on diskette (IBM compatible).

Price schedule

Ref: “RFP_001_09 for conducting Micro Assessment of the financial management Capacity of the Implementing Partners in LAO PDR”

Description of Activity/Item		Number of Staff	J. Monthly Rate	Estimated Amount in USD
1.	Remuneration			
1.1	Services in Home office			
1.2	Services in Field			
2.	Out of Pocket Expenses			
2.1	Travel			
2.2	Per Diem Allowances			
2.3	Communications			
2.4	Reproduction and Reports			
2.5	Equipment and other items			

Note: please insert more lines if necessary

Signed by Authorized representative of [please insert name of the firm/company]

Name and Title

Signature

Stamp