Individual Contract

Table of Contents
Delegation of Authority to Issue an IC ........................................................................................................ 3
Overall Delegated Authority .......................................................................................................................... 3
Delegation of Procurement Authority (DPA) ............................................................................................... 3
Limits of Delegated Authority ....................................................................................................................... 3
  Daily Fee ................................................................................................................................................. 3
  Duration .................................................................................................................................................. 3
Procurement Review Committees .................................................................................................................. 5
  Contract, Asset and Procurement Committee ........................................................................................... 5
  Regional Advisory Committee on Procurement and Advisory Committee on Procurement ............... 6
Computing Cumulative Contract Amounts ..................................................................................................... 6
Pre-requisites for Contracting ........................................................................................................................ 7
Before Issuing a Contract ................................................................................................................................ 7
Determining the Individual Contractor’s Fee .................................................................................................. 8
  Lump sum contracts ................................................................................................................................. 8
  Contracts based on a daily fee .................................................................................................................. 9
Determining Payment Rates .......................................................................................................................... 10
  Monthly Equal Payment Rates ............................................................................................................ 11
Selection and Engagement of an Individual Contractor .............................................................................. 11
Overview of the Selection Process Based on Contract Amounts ................................................................ 11
Selection Process .......................................................................................................................................... 12
  Sourcing of Candidates .............................................................................................................................. 12
  Receiving Offers .................................................................................................................................... 14
  Evaluation Method ................................................................................................................................... 14
  Negotiations and Clarifications .................................................................................................................. 17
  Award ...................................................................................................................................................... 18
Direct Contracting ......................................................................................................................................... 18
Engaging Government Officials, Former UN Staff and Close Relatives of UN Staff .................................. 18
Engagement of Government Officials and Employees .................................................................................. 18
Engagement of Former or Retired UN Staff Members ............................................................................... 19
  Conditions for Engaging Former or Retired UN Staff Members ............................................................ 19
Determining Fees of Former Staff Members .............................................................. 20
Retired Staff Who Receive a Pension Benefit .............................................................. 20
Engaging Close Relatives of UN Staff Members ......................................................... 20
Engaging Current Individual Contractors from Other UNDP Business Units ............... 21
Prohibition on the Engagement of UN/UNDP Staff .................................................... 21
Issuance of an Individual Contract ............................................................................. 22
Reimbursable Loan Agreement .................................................................................... 22
Individual Contract as Framework Agreement ......................................................... 23
Commencement of Services ....................................................................................... 24
Post-facto Contracts .................................................................................................... 24
Legal Status, Rights and Obligations of an Individual Contractor ................................. 24
Prohibition of Sexual Exploitation and Abuse .............................................................. 25
No Employer/Employee Relationship ......................................................................... 25
Security Plan .............................................................................................................. 25
Individual Contractor’s Rights and Obligations ............................................................ 26
Title Rights .................................................................................................................. 27
Information Disclosure ............................................................................................... 27
Management and Administration of Individual Contracts ........................................... 27
Electronic Administration of Individual Contracts ...................................................... 27
Payment and Performance Evaluation ......................................................................... 27
Amendment of an Individual Contract ...................................................................... 28
Pay Rate on Contract Extension .................................................................................. 29
Establishing a Contractor Roster ................................................................................ 29
  Populating a Roster ..................................................................................................... 29
  Sourcing from Rosters ............................................................................................... 30
  Pre-approved Rosters ............................................................................................... 30
Administration of Travel of Individual Contractors .................................................... 31
Travel Modes for Individual Contractors .................................................................. 31
Budgeting for Travel .................................................................................................... 31
Travel Expenses ......................................................................................................... 32
Negotiations for Unforeseen Air Travel and Living Allowances ................................ 32
Visa and Travel Documents ....................................................................................... 32
Security Clearance ..................................................................................................... 33
Individual Contract

Delegation of Authority to Issue an IC

Overall Delegated Authority

1. The overall authority for the award, issuance and administration of an individual contract rests with the Chief Procurement Officer, who has delegated this authority to Resident Representatives, bureau directors, heads of out-posted headquarters units and heads of various units within headquarters.

Delegation of Procurement Authority (DPA)

2. Resident Representatives, Bureau Directors, Heads of out-posted HQ units and other Heads of various units within Headquarters, have authority to award an individual contract or series of individual contracts with the same individual (IC)/entity (RLA), of up to their Delegated Procurement Authority. This authority applies whether the individual contract is awarded based on a competitive process or as a result of direct contracting (waiver of competition).

Limits of Delegated Authority

Daily Fee

3. If the daily fee of an individual contract exceeds US $1,350, irrespective of the duration of the contract, the fee must be justified to and duly approved by the Regional Bureau Director or, in country offices, the Resident Representative. A daily fee approval made by the Resident Representative shall be communicated to the regional bureau director. Consistent with UNDP’s Internal Control Framework, the delegation of authority from the Regional Bureau Director to the Resident Representative shall be formally made in writing and kept on file.
4. For headquarters and out-posted headquarters units, justification must be submitted to the bureau head for approval. In independent offices, such as the Office of Audit and Investigations or the Evaluation Office, the approval must be granted by the head of the office.

5. Requests for approval of daily fees in excess of US $1,350 must be submitted using the Consultancy Duration and Daily Fee Approval Form. If the individual contract is for an amount that requires review and submission to a Procurement Review Committee, approval of the daily fee must be obtained prior to submission. Determination of the daily fee shall be based solely on the “daily fee quoted by the individual, exclusive of all other costs (e.g., living allowances, etc.).

Supplemental Guidance: Strategic Options for Countries with High Consulting Costs

6. In markets where a daily fee exceeding US $1,350 is prevalent, which therefore leads to frequent submission and requests for approval from the Regional Bureau Director or Resident Representative, business units can:
   (a) Establish a table of consulting fees for experts at various levels of qualifications, based on a structured market survey conducted by external experts or institutions, which takes into consideration the prevailing daily fee rates used by all other UN agencies and international organizations of comparable size and mandate in the same market environment, region or other geographical scope; and
   
   (b) Obtain a one-time approval from the Regional Bureau Director or the Resident Representative for the table of consulting fees,

7. Conducting the survey shall be based on best industry practices known to experienced professionals and institutions with track record for developing such Table of Consulting Fees. In establishing and accepting daily fee rates, the context and duration of the assignment must be considered. For instance, a high daily rate fee agreed for an expert for a short duration in a Level 3 security environment may not be applicable or justified for the same individual for a long-term assignment in a Level 1 duty station. This underscores the importance of linking fees to deliverables and the complexity of the Terms of Reference. For monitoring actual days of work of an individual paid based on daily fees, the IC Timesheet template may be used. Payment must be limited only to the days when actual work for UNDP was done. Travel times to join the duty station are not included, even if the contract is signed prior to travel.

Duration

8. The duration of the individual contractor’s engagement with UNDP should be directly related to the required outputs/deliverables as per the Terms of Reference, which is normally attached to the contract as an annex. If the individual contractor’s engagement by the same business unit under the same contract (including amendments and extensions) and the same Terms of Reference (or essentially the same) exceeds a single or cumulative period of 24 months, the approval of the Regional Bureau Director or the Resident Representative shall be obtained, prior to the issuance of an individual contract or any amendment thereto.
9. Consistent with UNDP’s Internal Control Framework, the delegation of this authority from the Regional Bureau Director to the Resident Representative shall be formally made in writing and kept on file. If the period exceeding 24 months is determined while preparing the Terms of Reference, approval shall be obtained prior to initiating the solicitation process. If a case requires the review of a Procurement Committee, approval of the duration must be obtained prior to review. The request for an individual contract longer than 24 months shall be made through the submission of the Consultancy Duration and Daily Fee Approval Form to the relevant Regional Bureau Director or Resident Representative. For the latter, a copy of the approval should be submitted to the Bureau Director. This condition and process for obtaining approval applies to all business units regardless of their Delegated Procurement Authority. A series of two or more individual contracts when awarded to the same individual by the same business unit over a period exceeding 24 months are also subject to Regional Bureau Director/Resident Representative approval, regardless of differences in Terms of Reference, project context or selection process. Regional Bureau Director/Resident Representative approval is NOT required under the following circumstances:

- a) If the individual contract is being issued for more than 24 months and is not a Long Term Agreement, but has less than $521[1] actual person-days of engagement, and periods of intermittent engagement are clearly reflected and rationalized in the Terms of Reference; or

- b) The individual contract is intended for on-call intermittent engagement, i.e., with a fixed hourly or daily fee or other indicators of unit price, and the engagement is on a recurrent/on-call basis over a defined period of time. This refers to an individual contract used as an Framework Agreement or Long Term Agreement, as explained in Section 6.2.

**Supplemental Guidance:**

To illustrate, suppose an individual contract with an initial duration of 20 months requires an unforeseen extension of 6 additional months, which then results in a total contractual duration of 26 months. In this case, an approval of the respective Regional Bureau Director must be obtained to grant the extension.

If an individual contract with a duration of 20 months expires and the business unit decides to engage the same individual for a different project, under a new individual contract with a 6-month duration, based on a new Terms of Reference, and for which a new selection process was undertaken by a new evaluation team, Regional Bureau Director/Resident Representative approval is still required.

**Procurement Review Committees**

**Contract, Asset and Procurement Committee**

10. Individual contracts or a series of such contracts awarded to the same individual with a cumulative value of **less than US $100,000.00** per business unit over a 12-month period do not
require a review by the Contract, Asset and Procurement Committees. Beyond $100,000 and up to the delegated procurement authority of the business unit, a review shall be required.

Regional Advisory Committee on Procurement and Advisory Committee on Procurement

11. Individual contracts or a series of such contracts awarded to the same individual over a 12-month period with a cumulative contract value exceeding the business unit’s delegated procurement authority shall be submitted for review and approval by the Regional Advisory Committee on Procurement or, for headquarters and out posted headquarters units, the Advisory Committee on Procurement.

12. When a business unit has been granted an increased delegated procurement authority, i.e., above US $150,000, its authority for managing individual contracts shall be the same as that applied to all other procurement of goods, services and works. For calculating the cumulative amount, the 12-month period begins by counting 12 calendar months back from the expected start date of the new contract.

The above thresholds apply regardless of the following circumstances:

a) Whether the contract/s was/were awarded based on a competitive process or through direct contracting; and
b) Whether the engagement of the individual was formalized through an individual contract or a reimbursable loan agreement with an organization.

13. Any amendment to an individual contract not previously submitted to the Regional Advisory Committee on Procurement or Advisory Committee on Procurement where the total contract amount after the amendment will reach or exceed the business unit’s delegated procurement authority over 12 months shall be submitted to the relevant committee for review.

14. If the individual contract submitted to the Regional Advisory Committee on Procurement or Advisory Committee on Procurement has a duration exceeding the 24-month limit, the submission dossier must include the Consultancy Duration Approval Form duly signed by the Regional Bureau Director or anyone delegated to approve such a request on his/her behalf. Similarly, if the individual contract has a daily fee exceeding US $1,350, the justification and approval from the Regional Bureau Director or Resident Representative must include.

Computing Cumulative Contract Amounts

15. Unlike all other contractual modalities in procurement, the cumulative value of an individual contract is not based on a calendar year, but rather on the preceding 12-month period, counted from the anticipated start date of a new individual contract or contract amendment. When determining whether or not the case should be submitted to the Regional Advisory Committee on Procurement or Advisory Committee on Procurement, based on the contract amount or cumulative amounts of a series of contracts, staff may be guided by the following:

a) If an individual contract will be issued to an individual for the first time, and the total amount of the contract exceeds the business unit’s delegated procurement authority
for individual contracts, then the case must be submitted to the Regional Advisory Committee on Procurement or Advisory Committee on Procurement.

b) If an individual contract will be issued to an individual who has had previous contracts in the same business unit, the amount to be awarded to the individual, plus all amounts that have already been paid for 12 months prior to the issuance of the new contract must be combined to determine the total cumulative contract amount.

c) If, in the course of undertaking action (b), the prior 12-month period being counted falls within the duration of an individual contract active on the 12th month, then the entire amount of the previous contract must be included.

16. All cumulative contract amount computations shall include all other payments disbursed to the contractor in addition to professional fees (e.g., living allowances, travel costs, incidentals, etc.). Splitting individual contracts in order to avoid the scrutiny of any procurement review committee is a serious deviation from UNDP procurement policies and procedures. UNDP staff members are strictly requested to refrain from such practices.

Pre-requisites for Contracting

Before Issuing a Contract

17. The following are pre-requisites for issuing an individual contract:

a) **Budgetary provisions:** Managers of requesting units must ensure that funds for the services or activities are approved and available in the appropriate budget(s)/account(s) before beginning the engagement process.

b) **Terms of reference:** Managers of requesting units are responsible for preparing the terms of reference for the assignment. These are the basis for the sourcing, evaluation and selection of individual contractors. They clearly specify deliverables and/or activities and the degree of expertise required, as well as the name and title of the immediate supervisor. When drafting the terms of reference, the requesting unit should consider whether the assignment requires intellectual or support services, as well as whether a daily fee or a lump sum payment option is more appropriate under the circumstances. It must clearly state:

- General background information relevant to the assignment
- The objectives of the assignment
- The scope of work, which must be consistent with the budget, and contain a detailed description of deliverables and activities
- The duration of the assignment
- The duty station and expected places of travel, if any
- Monitoring and progress controls, including reporting requirements, frequency, format and deadlines
- A clear and unequivocal definition of the final product(s) or deliverables (e.g., survey completed, workshop conducted, data collected, reports written, etc.), the timeframe for their completion, and payment milestones
• The approval process required to certify outputs prior to authorizing payment, and payment milestones if applicable
• A clear and precise description of the selection criteria, including the required degree of expertise and qualifications such as specialized knowledge, language needs and experience
• If applicable, a detailed list of all inputs and services provided by UNDP or any implementing partners in order to perform the contract
• Any other relevant information

18. The terms of reference should also state whether the assignment requires a partial, intermittent or full-time presence on UNDP premises. If a full-time presence is required, a justification must be provided. If support services such as office space, equipment, secretarial services, etc. are required, the terms of reference should clearly state what arrangements are being made and indicate the responsible party.

A Guide to Writing the Terms of Reference for an individual contract helps to facilitate the process.

19. Determination that the Individual Contract is the right contractual modality, based on an assessment of all available modalities, especially taking into consideration the criteria that justify the use of Service Contracts, Temporary Appointment (TA) or Fixed Term Appointment (FTA). The decision making process should be guided by Section 1.3 and 1.4 previously described.

Determining the Individual Contractor’s Fee

20. Individual candidates are required to submit a financial proposal with a lump sum or daily fee (see Section 4.2 on the solicitation process). This indicates prevailing market prices as part of determining the most competitively priced offer. Depending on the nature and complexity of the assignment, all Offerors shall be requested to submit their Financial Proposals based on a lump sum or daily fee approach.

21. The terms of reference should be very clear on what cost components must go into the financial proposal. Regardless of the approach, whether lump sum or daily fee, the financial proposal must cover all financial costs. A template Offerors Letter to UNDP Confirming Interest and Availability has been provided for this purpose.

Lump sum contracts

22. Under the lump sum approach, the financial proposal identifies a total lump sum amount, and specifies payment terms according to specific and measurable deliverables, including whether payments are made in installments or upon completion of the entire assignment. Payments are based on delivery of services specified in the terms of reference. The candidate should provide a breakdown of a proposed lump sum, including travel, per diems, personal security needs and number of anticipated working days. This shall be used as the basis for determining best-value-for-money and as a reference for any contract amendments or extensions that may entail additional payments.
23. When the lump sum approach is used for an assignment that requires repatriation and/or duty travel, the following actions must be considered:
   a) Individual contractors are not UN/UNDP staff. Therefore, they are not entitled to daily subsistence allowances. For purposes of making the distinction between staff and non-staff entitlements, it is best that the term “DSA” be avoided when dealing with ICs. In financial proposals, candidates may allocate living allowances for themselves when an assignment requires travel. These may be lower or equal to UN daily subsistence allowances, but under no circumstance should they be higher.
   b) If necessary, business units may inform candidates of the prevailing UN’s Daily Subsistence Allowance (DSA) rates for the duty station and all other cities indicated in the TOR as part of duty travel destinations, to aid the determination of an all-inclusive fee.
   c) The business unit may include in its initial payment (i.e., payment without output) to the contractor the actual cost of travel to the duty station, even if this exceeds 20 percent of the total contract value. Such a cost should be specified as an exact amount in the breakdown of the financial proposal submitted, and the payment should be in that exact amount.

24. Taking into consideration the purpose and principles behind the lump sum contract approach, the contract amount will remain fixed regardless of the following:
   a) Airfare price differentials between the time of the submission of the financial proposal and the actual journey
   b) Additional days that need to be spent at the duty station due to delays in the completion of outputs if such delays are solely attributable to the contractor
   c) Any other factors driving an increase in any of the cost components that are not directly attributable to UNDP

25. **The lump sum contract is the preferred approach** for formulating financial proposals, as it clearly links deliverables and payments, transferring any unforeseen risks for completion of the deliverable to the individual contractor, while minimizing transaction costs for UNDP. It is particularly preferred for assignments that are travel intensive, since it relieves UNDP of administrative and transaction costs from managing the travel.

Contracts based on a daily fee

26. Under the daily fee approach, the financial proposal specifies a single daily fee. UNDP makes payments based on the actual number of days worked. Payments must be supported by a duly completed time sheet. **The daily fee** in the financial proposal must be all-inclusive and take into account various expenses the candidate expects to incur during the contract, including:
   - The daily professional fee
   - The cost of travel from the home base to the duty station and vice versa, where required
   - Living allowances needed at the duty station
   - Communications, utilities and consumables
   - Life, health and any other insurance
   - Risks and inconveniences related to work under hardship and hazardous conditions (e.g., personal security needs, etc.), when applicable
   - Any other relevant expenses related to the performance of services under the contract
27. The daily fee approach should only be used when clear, quantifiable deliverables are difficult to articulate prior to commencement of the assignment. The duration of engagement using daily fees must be definitive. The possibility of any extension should be either unlikely or within manageable periods.

Determining Payment Rates

28. The main consideration when determining rates shall be the nature of the assignment, including its complexity, difficulty, the operating environment and scope of work, the skills and expertise required to undertake it, the supply or availability of such experts in the market, and the prevailing market for the expertise required.

29. As a guiding principle, fees must reflect fair market prices and optimize savings for UNDP, while still securing high-quality services. Regardless of the nationality or citizenship of individuals being engaged, the determination of rates and currency of the payment shall be based on the following guidance:

a) When terms of reference do not require global knowledge or internationally acquired experience and expertise, and when the skills needed for the work or assignment are readily available in the local market, regardless of his/her personal experience, country of residence or designations under past contracts, the individual contractor’s fee may be expressed in local currency and must be based on standard/prevailing local rates.

b) When the terms of reference require global expertise and/or internationally acquired years of experience, and when the individual must have skills and abilities obtained through a successful international track record in order to qualify for the assignment, international consulting rates and currency may be used.

30. Since this determination will have a significant impact on fees, business units must make these determinations judiciously and with due deference to their consequences.

31. Fees for individual contractors who do not need internationally acquired expertise shall be based on the financial proposal benchmarked against local market rates for similar work of comparable quality, complexity and difficulty. Business units may create and establish a table of consulting fees to be used as a benchmark for Individual Contractors based on rates prevailing within their respective country and/or region. The table should be built on an actual market survey and analysis of results conducted by a knowledgeable independent external expert or institution and should be used as benchmark to help establish value-for-money of the financial proposals that will be received from the candidates.

32. In country offices, this exercise can be undertaken with other resident UN agencies or international organizations also engaging individual consultants. Through existing inter-agency coordination mechanisms in place (e.g., UNCT, OMT, etc.). Where a business unit has not created its own fee scale, the table below may be used:
### Monthly Equal Payment Rates

33. The individual contract is specifically designed for engaging individuals paid based on the outputs they produce for UNDP. The amount of payment for each deliverable usually varies depending on its complexity. As such, individual contractors may not be paid a fixed and identical amount every calendar month. Fixed Term Appointment, Temporary Appointment and Service Contracts are the appropriate contract modalities for such requirements. When exceptional circumstances require a monthly equal payment scheme, a written rationalization/justification must be given to and approved by the head of the business unit.

### Selection and Engagement of an Individual Contractor

#### Overview of the Selection Process Based on Contract Amounts

34. All individual contractors must, unless otherwise allowed under this policy, be selected through a competitive process instituted by the holder of delegated procurement authority. When initiating the selection process, the requesting unit must first determine whether intellectual or support services are needed. This distinction should be reflected in the terms of reference, evaluation method and payment terms. Minimum requirements vary, depending on the contract value, as summarized in the following table:

<table>
<thead>
<tr>
<th>Level</th>
<th>Complexity, degree of expertise, availability</th>
<th>RANGE OF DAILY RATE IN USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Junior specialist</td>
<td>$200-350</td>
</tr>
<tr>
<td>B</td>
<td>Specialist</td>
<td>$350-650</td>
</tr>
<tr>
<td>C</td>
<td>Senior specialist</td>
<td>$650-1,350</td>
</tr>
<tr>
<td>Amount in USD</td>
<td>Sourcing</td>
<td>Receipt of offers including financial</td>
</tr>
<tr>
<td>--------------</td>
<td>----------------------------------------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>Less than $5,000</td>
<td>No competitive process necessary, past performance review and note-to-file is sufficient</td>
<td>Yes, even if only one candidate</td>
</tr>
<tr>
<td>$5,000–$100,000</td>
<td>At least three qualified candidates to be considered Advertisement optional</td>
<td>Yes</td>
</tr>
<tr>
<td>Above $100,000</td>
<td>International Advertisement mandatory*</td>
<td>Yes</td>
</tr>
</tbody>
</table>

*International advertisement refers to publication in any media (print or electronic/digital) that is internationally visible and accessible. The UNDP global website is the recommended venue.

**Selection Process**

**Sourcing of Candidates**

35. Where a competitive process is required, a minimum of three qualified candidates must be identified through an international advertisement, by sourcing from an established roster or by prior nomination of known individuals with good qualifications and outstanding performance for the type of assignment involved. Qualified candidates meet the minimum requirements established for the selection process. The process for selecting candidates is as follows.

**If candidates are identified through an established roster, multiple rosters or various sources**

- A Letter of Invitation to Submit an Offer and terms of reference as well as other relevant templates should be forwarded to at least three candidates qualified for the assignment. The notice shall clearly require that offers include:
• **Letter to UNDP Confirming Interest and Availability.** This may be supplemented by the following, if required by the business unit:
  - Explanation of why an individual candidate considers themselves the most suitable for the assignment
  - A brief methodology, if applicable, on how they will approach and complete the assignment

36. These documents are optional for support services assignments, but are recommended for most intellectual services, depending on the complexity of the assignment:

  • Latest personal CV, including past experience from similar projects, and email, telephone and any other contact details for references, or a P-11 for non-staff assignments.
  
  • Financial proposal

37. To clarify expectations, particularly with respect to cost and deliverables, the above requirement will apply regardless of contract amount and procurement method.

38. If a candidate is employed by an organization/company/institution, and he/she expects his/her employer to charge a management fee for releasing him/her to UNDP under a reimbursable loan agreement, the candidate must ensure that all such costs are duly incorporated in the financial proposal.

**Supplemental Guidance:**

39. The CV and the P-11 of an individual typically contain the same information. Business units have a choice of requesting only CVs to ensure wider competition, in recognition of the fact that some very high level individuals are not willing to rewrite their CVs into a P-11 Form. If CVs were requested at the time of solicitation, the business unit must ensure that the final selected candidate fill out a P-11 form for non-staff at the time of contracting. The P-11 is important to UNDP because of the statement at the bottom where the individual accepts that misrepresentation and material omission may result in the termination of his/her contract without notice. This applies even if the individual will be signing a reimbursable loan agreement.

40. Some business units solicit financial proposals only from shortlisted individuals. While this approach may seem to simplify the evaluation process, it almost always leads to higher fees, since candidates know that they have already been identified as qualified and responsive. UNDP’s bargaining power declines. It is a best practice to request financial proposals when CVs are requested.

**If the assignment is advertised**

41. A procurement notice is posted on the UNDP website and in any other place or manner deemed strategic and highly likely to yield good results (e.g., in specialized magazines, on websites or through networks of other organizations or clients).
42. The notice will be based on the Individual Contract Procurement Notice template and will include information on the background of the assignment and required competencies, including knowledge and academic qualifications, experience and language. The terms of reference should be attached. The evaluation method must be decided at this stage and identified in the procurement notice. The procurement notice should remain visible for 10 working days after it is announced.

43. Regardless of the sourcing method used in generating offers, it is important to observe the following:
   
a) All documents required should be presented in one envelope, email or attachment to an online application.

b) If the business unit prefers to segregate the financial proposal, it shall implement the appropriate mechanism for this, but shall only enforce the separation of envelopes for contracts exceeding US $100,000.

c) Only individuals should submit an offer, not their employers, even if a reimbursable loan agreement is anticipated. The focus of the selection process must remain on the individual, and it is the IC policy that applies to RLAs. If the business unit would like to focus on the company’s credentials, it should use a request for proposal process instead.

d) Individuals employed by a company or institution who would like to submit an offer in response to a Procurement Notice for IC must do so in their individual capacity, even if they expect their employers to sign an RLA with UNDP.

Receiving Offers

44. Offers responding to the procurement notice should be received by the procurement unit by a stipulated deadline. Offers may be received by hand delivery, fax or email. For the last two, a dedicated fax number or email account must be used to ensure confidentiality.

Evaluation Method

Evaluation Team

45. The requesting unit shall establish an ad hoc three-member evaluation team to conduct an evaluation and interview if required. The number of members may vary according to the complexity of the terms of reference, but should never be less than two. At least one member must be from a unit other than the requesting unit. At least one member must be a UNDP staff person, and he/she shall take the role of chairperson of the team. The team will conduct the shortlisting, and assess and rate each shortlisted candidate based on the documents submitted, as well as review the results of reference checks, until a final candidate has been identified for the award of an individual contract.

46. Personnel holding UNDP contracts but with non-staff status (i.e., an individual contractor or service contract) may be voting members of the evaluation team under the following conditions:

   (a) The majority of the evaluation team comprises UNDP/UN staff;
(b) The inclusion of the non-staff person is necessary for strategic reasons (e.g., critical knowledge or expertise of required services, etc.) and not merely for purposes of meeting the minimum number of members; and 
(c) The non-staff person has signed a Declaration of Impartiality.

47. Procurement staff involved in the selection process must function as the Secretary to the evaluation team and will be expected to:

(a) Render guidance to team members on policy issues; and 
(b) Prepare the evaluation report supported by matrices of ratings, notes and minutes of the evaluation process.

48. A procurement staff person must not be a voting member of the Evaluation Team, unless he/she was not involved in the preceding stages of the selection process, and is one of the few staff most technically competent to determine the suitability of candidates.

Pre-evaluation Stage

49. If offers were generated through an open advertisement and a shortlisting is required, the evaluation team shall conduct the shortlisting process. It must ensure that all shortlisted candidates have met the following requirements:
   a) They are of comparable qualifications that sufficiently, if not fully, address the requirements of the terms of reference; and
   b) They have all submitted the Offerors Letter to UNDP Confirming Interest and Availability and provided all required information sufficiently.

50. If no shortlisting is required, the evaluation team shall also ensure compliance with the above conditions. Procurement staff shall brief the evaluation team on all actions undertaken prior to the evaluation, including, but not limited to, the venue and duration of advertisement, or the sources of the offers (e.g., which roster they are from, etc.) if not an advertisement.

Evaluation Method

51. The evaluation team screens all applications. A list of all candidates, indicating which meet minimum qualifications and requirements, shall be prepared. The evaluation team is expected to shortlist a minimum of three candidates.

52. The evaluation team shall prepare a grid listing evaluation criteria as described in the procurement notice, the weighted (score) allocated to each criterion and a minimum threshold, as well as a brief indication of why such scores were given. The weight should reflect the importance of each criterion, and the minimum threshold should indicate the minimum total score at which the candidate would meet requirements in the terms of reference.

53. One possible way of shortlisting and rating candidates is presented in a template developed for this purpose. Users may modify this as needed. All offers shall be evaluated in accordance with criteria detailed in the procurement notice, and formulated based on the terms of reference, taking into consideration the following:
a) Compliance with minimum requirements, e.g., academic qualifications or number of years of experience
b) Demonstrated technical and personal competencies, e.g., subject matter understanding, analytical skills or communications skills.

54. The evaluation method will be determined based on whether the assignment requires intellectual or support services, and must be identified in the procurement notice. The business unit has two options:

a) **Best value-for-money approach**, which is typically used for assignments that are intellectual in nature, and which takes into account a combination of the candidates’ qualifications and financial proposals. The financial proposal should account for at least 30 percent of the total score.

b) **Lowest evaluated offer** of technically qualified candidates, typically used for individual contractors performing support services.

*Interview Stage (if applicable)*

55. Interviews are mandatory if contract amounts are expected to exceed US $100,000. Below that amount, interviews are optional, based on what business units deem most beneficial. When interviews take place, the same evaluation team must conduct them. They shall agree, prior to the interviews, on the questions to ask, and the skills and knowledge that candidates should demonstrate in response. Questions should clearly relate to established evaluation criteria. In order to ensure fairness, candidates should be asked the same questions during each interview. Nevertheless, no member of the evaluation team should be prevented from asking other relevant and follow-up questions. The evaluation team must assess and rate shortlisted candidates based on their submitted documentation and their interview performance.

56. Candidates shortlisted for interview should have advance notice of at least 24 hours. Where a candidate withdraws his or her offer, the requesting unit may include the next ranked candidate for an interview.

*Supplemental Guidance:*

57. The evaluation team that undertook the desk review may also conduct the interviews. An interview process does not need to be a highly formal process similar to that undertaken for recruitment of UNDP staff. It is largely intended to validate the competencies and profile declared in the offer. Interviews may be conducted in person or over the phone, but the same method should be consistently applied to all candidates regardless of their location. All costs arising from the interview, such as communications and travel costs, shall be borne by the requesting unit.

58. Upon completion of the desk review/interview, the evaluation team shall discuss the strengths and weaknesses of all candidates and agree on the most suitable one, that is, the individual with the highest combined score or the lowest evaluated offer, while meeting all minimum requirements and competencies. The outcome of the process from shortlisting to interview shall be presented in a single report incorporating the following:
   a) The ratings of each candidate (technical and financial)
   b) The strengths and weaknesses of each
c) The interview/desk review findings

d) Any decision arising from the acceptance or non-acceptance of a negative reference check

e) The best offeror selected for contracting

f) Key reasons for the rejection of other offers

This report shall be prepared and signed by the evaluation team.

Reference Checking

59. Reference checks are an important part of the selection process. They should be used for the most suitable candidate and should result in at least two positive references. A positive reference check on file with the business unit remains valid for two years, after which a new round of reference checks must be conducted. A Reference Check template has been created.

60. The most suitable candidate shall have his or her eligibility checked in accordance with UNDP rules, regulations and policies. The business unit must check, at a minimum, the UN Global Marketplace Ineligibility List as well as the list established by the Security Council (see Resolutions 1267/1989 and others, including their updated versions, as applicable).

61. When conducting reference checks, the BU may: (a) use only the phone; (b) the template provided; or (b) combine both. Checking references by phone should involve at least two staff hearing the feedback; discussions should be accurately documented, indicating the exact time the call was made, the details of the person providing the feedback, and the names of UNDP staff present for the call.

62. If the subject of the reference check is a former UN staff member separated due to retirement, contract expiration or resignation, the requesting unit must include in its reference check the reason for the separation, which may be obtained through the following channels:

   a) The human resources specialist in UNDP’s Office of Human Resources in Copenhagen, if the individual was a former internationally recruited staff member; or
   b) The human resources/operations manager in the country office or bureau in which they served before separation, if the individual was a former locally recruited staff member.

Negotiations and Clarifications

63. Negotiations often come with risks. They may bring into question the fairness, transparency and integrity of the procurement processes, and undermine the confidence of the market in UNDP. This activity must always be handled properly and professionally and in accordance with UNDP policy guidance. Negotiation is not mandatory in a selection process. If everything is in proper order and clearly agreed between UNDP and the candidate, there is no need for negotiation.

64. Negotiation in a competitive process is not to be understood or misconstrued as a means of bargaining with the candidate who has fully met the requirements of the technical and financial evaluation. Negotiation must not imply that a candidate must accept a price reduction or additional scope of work not originally required in the terms of reference as a condition for awarding a contract. It must not be used to deprive the most responsive candidate from being awarded the contract.
65. Once the best qualified candidate has been identified, and there are items in the financial proposal that need clarification or correction, he or she may be called for a discussion. A minimum of two UNDP staff members (ideally, one from the requesting unit and the other from the procurement staff) shall take part in this process.

66. The requesting unit shall make no commitments to the most responsive candidate prior to the award of the contract. The candidate must be informed that the result of the evaluation and negotiations remain subject to approval of the relevant procurement authority before an award can be made. The final negotiated agreement shall be formalized in a note-to-file prepared and signed by the negotiation team, and kept in the internal records of the business unit.

**Award**

67. After a candidate has been selected, the contract award may be subject to further review, depending on its duration and total amount. Please refer to information on the delegation of procurement authority and its limits.

**Direct Contracting**

68. Under certain circumstances, and subject to proper justification, it may be appropriate to consider a single candidate for a contract. Justification for direct contracting must be formulated in accordance with Regulation 121.05 of the UNDP Financial Rules and Regulations. In such cases, the following must be taken into consideration:

   a) Direct contracts with a value or cumulative value from US $5,000 to US $100,000 require a justification to and approval from the Resident Representative/head of the business unit, or other UNDP staff with delegated procurement authority up to such amount. They may include the Country Director, the Deputy Resident Representative Operations, the Deputy Country Director Operations, the Operations Manager, the head of the procurement unit, the chair of the Contract, Asset and Procurement Committee, or anyone who has established knowledge of UNDP policies relevant to individual contracts and procurement standards. A template has been created for this process.

   b) Direct contracts of US $100,000 or more, depending on the delegated procurement authority of the business unit, require review and approval by the appropriate procurement review committee.

**Engaging Government Officials, Former UN Staff and Close Relatives of UN Staff**

**Engagement of Government Officials and Employees**
69. Government officials or employees are civil servants of UN Member States. For UNDP to engage them under an individual contract, which they will be signing in their individual capacity, the following conditions must be met:

(i) A ‘no-objection’ letter should be received from the Government employing him/her; and
(ii) The individual must provide an official document from his/her employer formally certifying his or her status as being on ‘official leave without pay’ for the duration of the contract.

70. The above requirements are also applicable to government-owned and controlled enterprises, and partially owned government entities, whether or not government ownership is of majority or minority status.

71. UNDP recognizes that there are situations when the government entity employing the individual that UNDP wishes to engage allows its employees to take external short-term consultancy assignments, including research institutions, state-owned colleges/universities, etc. Under such circumstances, being ‘on-leave-without-pay’ is not required. The must still provide a ‘no-objection’ letter from the Government. It must state that the employer formally certifies that their employees are allowed to receive short-term consultancy assignment from another entity without having ‘on-leave-without-pay’ status, and include any conditions and restrictions on granting such permission. This document may be included in UNDP records in lieu of the ‘official leave without pay’ document.

72. A separated and retired government official or employee is not considered a government official or employee, and as such, may be engaged without having to meet the conditions above. He/she must ensure and confirm that any national laws governing his/her retirement are observed.

**Engagement of Former or Retired UN Staff Members**

**Conditions for Engaging Former or Retired UN Staff Members**

73. Former or retired staff members may be engaged on an individual contract provided there has been a minimum break of:

a) None, if the previous contract was a Temporary Appointment
b) One month after the official date of separation from the United Nations, if the nature of the separation was not due to retirement
c) Three months after the official date of retirement from the United Nations

74. However, all of these cases are subject to all of the following conditions:

a) The person is not applying for the position they retired or separated from;
b) They are not applying for an assignment for which he/she provided oversight while he/she was under a staff contract;
c) They are not applying for an assignment where they were involved in creating the terms of reference; and
d) They did not separate from UNDP or another organization of the UN system for any of the following reasons: abandonment of post, dismissal for misconduct, non-renewal of
appointment for unsatisfactory service, termination of appointment for unsatisfactory service or resignation in lieu of disciplinary action.

**Supplemental Guidance:**

A former staff becoming an individual contractor poses potential risks to the organization. As such, the break in service must be consistently applied. Clear measures must be taken to ensure that the records demonstrate that the individual freely made the choice to change status, and that they understand that under the individual contract modality, there are and there should be no expectations nor entitlement to re-employment as a staff member. For more detailed information regarding the agreed separation policy, please click here.

**Determining Fees of Former Staff Members**

75. Individual contract fees are based on the nature and complexity of the assignment to be performed. Fees payable to former staff members engaged under individual contracts shall not be based on the level of remuneration they had before separation from the United Nations.

**Retired Staff Who Receive a Pension Benefit**

76. Former staff members who receive a pension benefit from the United Nations Joint Staff Pension Fund may not receive more than US $22,000 (excluding travel costs and per diem) per calendar year in emoluments from the UN system, or be engaged for more than six months per calendar year, whichever comes first. This is in accordance with General Assembly resolutions 37/237 of 1982 and 55/451 of 2000. Retirees who opt to defer their pension benefits during the period of a short-term contract are exempt from this restriction. These provisions apply when the retiree is engaged in their individual capacity, but not to cases where the retiree is engaged under a reimbursable loan agreement signed with an entity employing them.

**Engaging Close Relatives of UN Staff Members**

77. In order to avoid real or perceived family influence or conflict of interest, the UN Staff Regulations and Rules provide that: “An appointment shall not be granted to a person who is the father, mother, son, daughter, brother or sister of a staff member, unless another person equally well qualified cannot be recruited” (see Staff Rule 4.7(a)). This prohibition also applies to individuals engaged through individual contracts.

78. The spouse or recognized partner of a UNDP staff member may be engaged under an individual contract when:
   a) He/she is fully qualified for the assignment
   b) He/she has been selected through a full, transparent and open competitive selection process, without any involvement of the UNDP spouse or recognized partner, and where other qualified candidates were reviewed and shortlisted
   c) He/she is not given undue preference by virtue of his/her marriage or common law partnership
   d) He/she is not in the same line of authority as the UNDP spouse/partner
For more information please refer to the Policy on Family Relationships.

Engaging Current Individual Contractors from Other UNDP Business Units

79. Individual contracts are intended to produce particular outputs and do not usually require individual contractors to report for work on a daily basis. Therefore, one person could potentially hold more than one contract from various business units within UNDP and not have conflicts in terms of time and/or workload management. When engaging an individual with a currently active individual contract from another business unit, it is essential that the individual contractor and the requesting unit make an assessment of the situation and exercise sound judgement. The following steps are recommended:

a) Communicate with the business unit that issued the currently active contract;

b) Reconcile the timelines of the new contract with that of the active contract, steering clear of all possibilities of conflicts;

c) Disclose to, and discuss with, the business unit that issued the current contract the intent to issue a new contract, and discuss a mutually agreeable arrangement, taking shared responsibility for possible consequences;

d) Communicate to the individual contractor the agreed arrangement between the UNDP business units; and

e) Obtain a written statement from the individual contractor, addressed to both business units, that neither of the two contracts will be compromised in terms of quality and timeliness of completion of deliverables and outputs.

**Supplemental Guidance:**

Considering human limitations, as well as the fact that there are only 24 hours in a day, the possibility exists that the timeliness and quality of the outputs for one or both of the contracts will be affected, hence the inherent risk of issuing multiple contracts to the same individual. There may be circumstances where it is impossible for the person performing the services to be at his/her optimum efficiency and effectiveness, such as when one contract requires travelling, and the other requires the person to be reporting daily to another location. Some assignments could be mutually exclusive in terms of time allocation by the contractor.

Prohibition on the Engagement of UN/UNDP Staff

80. Consistent with the UNDP policy on the discontinuation of dual appointments, which came into effect in 2009, no UN/UNDP staff (i.e., holders of a valid Continuing Appointment, Fixed-Term Appointment or Temporary Appointment) can be engaged on an individual contract. This prohibition remains applicable even if such staff are on any interim status, such as approved Special Leave Without Pay or any other type of leave.
Issuance of an Individual Contract

81. As a result of the competitive process, and upon selection of most suitable candidate, UNDP may issue an offer for engagement through an individual contract or a reimbursable loan agreement. The selected candidate must submit the following documents before the contract is signed:
   a) If the contract value is US $5,000 or higher, the candidate should complete and sign a P-11 form, created by UNDP specifically for non-staff purposes. Even if he or she has already submitted a personal CV, he or she must be requested to fill-up and sign a P-11 form prior to the issuance of an IC.
   b) If a contractor is 62 years of age or older and on an assignment requiring travel, be it for the purpose of arriving at the duty station or as an integral duty required under the terms of reference, a full medical examination and statement of fitness to work must be provided. This is not a requirement for individuals on reimbursable loan agreement contracts.

82. Upon completion of these requirements, the individual contract should be provided to the contractor for his/her signature, together with the terms of reference and relevant documents referred to in the contract as annexes (including the General Terms and Conditions). No work or travel to the duty station should commence until the contract has been approved and signed by both UNDP and the individual contractor or his/her designated entity.

Reimbursable Loan Agreement

83. The reimbursable loan agreement is not a stand-alone mode of procuring individual services. It is an instrument used to engage individuals employed with another legal entity. It is therefore subject to the procurement processes, procedures and thresholds set forth in the Individual Contracts Policy. When the selected candidate has indicated to UNDP that his/her engagement must be formalized through a reimbursable loan agreement signed by his/her employer with UNDP, the agreement shall be offered to his/her employer through the focal person and contact details provided by the candidate.

84. The signatory organization/company/institution shall make the services of the selected individual contractor available to UNDP for a specified period. The organization/company/institution therefore remains responsible for the direct payment of actual cost of salaries, taxes, insurances and other entitlements/emoluments due to the contractor, and UNDP merely reimburses the organization/company/institution.

85. If the organization/company/institution signing the agreement requires, UNDP may pay a fixed management fee or administrative charges, provided that such costs were incorporated in the original financial proposal. Notwithstanding the payment of such fees, the organization/company/institution is not expected or obliged to replace the selected individual contractor in the event of contractor non-performance or any pre-termination of the agreement. When the work under a pre-terminated agreement needs to be continued, UNDP must conduct a new selection process.
86. UNDP reserves the right to refuse the issuance or signature of the reimbursable loan agreement with the employer of the selected candidate when the employer is on the list of entities ineligible to obtain contracts from the UN/UNDP. The guidelines for individual contractor are not applicable to non-reimbursable loan agreements.

Supplemental Guidance:
When the competence, capacity, expertise and track record of the company employing the individual contractor is of primary relevance or importance to UNDP, individual contracts and reimbursable loan agreements should not be used. Other relevant procurement policies, procedures and contracting modality must be applied, such as the request for proposals process.

Individual Contract as Framework Agreement

87. An individual contract may be issued to establish a framework agreement (or long-term agreement) with a contractor when services are needed on an intermittent and repetitive basis, and a unit price has been agreed.

88. The contract and terms of reference must clearly specify the following minimum conditions:
   a) The unit price for the service (e.g., fee per hour, fee per day, fee per page, etc.); and
   b) The process or document that will be used to activate or initiate the rendering of service within the period of the contract (e.g., issuance of a purchase order, etc.).

89. The contract does not create a financial obligation or commitment from UNDP. It is non-exclusive, meaning it does not prohibit UNDP from entering into another framework agreement with another individual or entity. Financial commitments will only be established each time services are requested under the contract, through an agreed triggering action or document that signals the commencement of a given engagement (also known as ‘call-offs’).

90. All individual contracts used as a framework agreement must indicate a ceiling price limiting the cumulative amounts that will accrue to the individual during the life of the contract. Such a ceiling shall remain an upper limit, and must not be understood as a financial commitment or guarantee of business volume. Individual contract thresholds for daily fees and thresholds for cumulative amounts relevant to framework agreements apply. The business unit managing the contract must:
   a) Monitor cumulative contract amounts, and
   b) Ensure submission to the proper committee as cumulative payments reach thresholds specified in this policy.

91. This type of contract may cover a maximum period of three years. Where quality assurance is critical, a business unit may also issue a contract for an initial period of 12 months, subject to extension based on satisfactory performance review. When the need for services continues beyond three years, a new competitive procurement process must be conducted.

Supplemental Guidance:
The legal definition of a ‘retainer’ arrangement is that the entity requiring the services pays in advance for work that will be specified at a later date. This is not an acceptable arrangement for UNDP, and
hence the term must not be used when referring to UNDP’s procurement of any form of service, including under an individual contract or reimbursable loan agreement.

Commencement of Services

92. The commencement of work, travel or payment of fees are not permitted before an individual contract is signed by both UNDP and the contractor. Engagement of individual contractors on a retroactive basis is not permitted under any circumstance. Strict compliance with this requirement safeguards the interests of both UNDP and the individuals concerned.

Post-facto Contracts

93. Post-facto actions fall outside the scope of the UNDP procurement process. A UNDP official authorizing or approving an award of an individual contract without the required approvals is solely accountable for his/her actions, including all liability incurred by engaging individual contractors outside of regular UNDP procurement processes.

94. Such actions fall within the definition of misconduct in the UNDP Legal Framework for Addressing Non-Compliance with UN Standards of Conduct. See in particular Section 3. Misconduct [...] 24. Misconduct may include, but is not limited to, the following categories [...] (g) Action or omission to avoid or deviate from Financial Regulations, Rules and Procedures, including inappropriate use of authorizing, approving, committing or verifying authority”[...]. Further policies related to post-facto contracts are provided here.

Legal Status, Rights and Obligations of an Individual Contractor

95. Individual contractors serve in their independent, individual capacity and not as representatives of a government or any other organization, including UNDP. Individuals engaged through individual contracts or reimbursable loan agreements do not enjoy the status of ‘staff members’ under the UN Staff Regulations and Staff Rules.

96. In special circumstances, individual contractors may be given the status of ‘experts on mission’ in accordance with Section 22 of Article VI of the Convention on the Privileges and Immunities of the United Nations of 13 February 1946. Such determination is made in each case by the UN Secretary-General, who alone has the authority to assert immunity on behalf of the United Nations. When this special status is accorded, an ‘expert on mission’ may be provided with a UN Certificate for the period she/he is engaged by UNDP. ‘Experts on mission’ are not entitled to a UN Ilaissez-Passer.

97. During the period of service with UNDP, individual contractors are required to uphold the standards of conduct set forth in their individual contract and the Regulations Governing the Status, Basic Rights and Duties of Officials other than Secretariat Officials, and Experts on Mission (ST/SGB/2002/9). Individual contractors are bound by the terms of their contract to respect the impartiality and independence of the United Nations and exercise the utmost discretion in all matters relating to the performance of their functions and official UN business. They may not engage in any activity that is incompatible with the discharge of their
duties with the Organization and are required to exercise the utmost discretion in all matters of official business of the Organization.

98. Unless specifically authorized by UNDP, individual contractors may not communicate at any time to the media, or to any institution, person, government or other external authority any information that has not been made public and that has become known to them by reason of their association with UNDP, except in the course of their duties or by authority of the UNDP Administrator or his/her designate. They shall not use such information for private advantage. These obligations do not lapse even after the end of their service to UNDP.

Prohibition of Sexual Exploitation and Abuse

99. Individual contractors must comply with the Standards of Conduct set forth in the Secretary-General’s Bulletin ST/SGB/2003/13 of 9 October 2003 concerning “Special Measures for the Protection of Sexual Exploitation and Sexual Abuse.” In particular, the individual contractor shall not engage in any conduct that would constitute sexual exploitation or sexual abuse, as defined in the bulletin.

No Employer/Employee Relationship

100. Nothing in the individual contract shall establish the relationship of employer and employee between UNDP and the individual contractor. Individual contractors are not staff members. They may not hold positions in any of UNDP’s institutional bodies, committees or the UNDP Staff Association/Council, and may not have any voting rights within UNDP. For information on restrictions on employment after separation, please also see the UNSG Bulletin on Post-Employment Restriction.

Security Plan

101. All individual contractors must be included in UN/UNDP security plans and arrangements in effect at any duty station. This does not apply to contractors engaged on an intermittent/on-call basis, who are paid by the hour/day or who are working from home (i.e., without the need to be within UNDP premises or UNDP-designated locations). When individual contractors are on duty during any security-related incidents, they must be included in any physical measures that the UNDP business unit may take to mitigate security risks related to all personnel under UN contracts. Where an individual contractor works from home, physical security measures will not apply to his/her home, but he/she shall be included in all UNDP dissemination of security information, briefings, trainings, communications, etc..

102. Any decision to evacuate individual contractors for political or security reasons shall rest with UNDP. All evacuation procedures applied to any UN staff shall be extended to individual contractors, but they should be advised that no dependent(s) accompanying them to the duty station are included in such procedures. Political or security evacuation must be distinguished from medical evacuation, the cost of which shall be borne either by the individual contractor or
his/her own insurance carrier. Should the Individual require his/her own personal security services to minimize security risks, or as may be necessary in a given duty station, such costs shall be borne fully by the individual.

**Individual Contractor’s Rights and Obligations**

103. The rights and obligations of the individual contractor are strictly limited to the terms and conditions of the individual contract. Specifically:

i. Individual contractors are engaged for their skills and expertise, in order to produce defined deliverables. Under specific circumstances, they can participate as non-voting members of corporate committees providing advisory services/support in their substantive area of expertise.

ii. Services must be performed within the timeframe set forth in the contract. The provision of services carries no authority or legal rights to bind UNDP in any agreement, nor does it create any additional rights for the individual contractor or additional obligations for UNDP.

iii. Individual contractors are responsible for paying any taxes derived from any earnings received from UNDP in their home country. Where they are on assignment outside of their home country and benefit from the status of persons performing services for UNDP in accordance with the *Standard Basic Assistance Agreement* or other applicable treaty, their earnings from UNDP in the country of assignment are exempt from taxation.

iv. Individual contractors are not entitled to any benefits, compensation or subsidies except those explicitly provided for in the contract. They are not entitled to any staff entitlements such as annual leave, sick leave, or maternity leave.

v. Individual contractors are not entitled to reimbursement of any taxes.

vi. Individual contractors must not be given any form of representational, supervisory approving or signing authority that would create any legal and/or financial obligations for UNDP (e.g., Atlas approving authority, signing of contracts, etc.).

vii. The granting of UNDP business cards to individual contractors is strongly discouraged. Where the nature of the work necessitates business cards, the following requirements must be met:

- A justification has been established in writing and duly approved by the head of the business unit;
- The business card may mention the title of a UNDP project under which the contractor is delivering outputs but shall not bear the logo of the United Nations or UNDP; and
• The designation of the individual contractor must not resemble the nomenclature for any UNDP staff function, and must be indicative of the temporary nature of the assignment (e.g., consultant, etc.).

viii. When required by the assignment or the kind of services to be performed, individual contractors may be given a UNDP email address. The relevant UNDP staff supervisor can also request UNDP Intranet access, as needed. The business unit shall be responsible for monitoring and ensuring that said email accounts are disabled upon completion of the contract. Individual contractors do not participate in the United Nations Joint Staff Pension Fund and will therefore not be eligible for any benefits from it related to the period of service under an individual contract.

Title Rights

104. All title rights, copyrights, patents and any other rights of any nature in any material produced under the terms of the individual contract shall be vested exclusively with UNDP. At the request of UNDP, the individual contractor will assist in securing such title or property rights and in transferring them to UNDP in compliance with applicable laws.

Information Disclosure

105. UNDP procurement activities are guided by policies and procedures set out in various documents, including the procurement chapter of UNDP’s Programme and Operations Policies and Procedures. UNDP is committed to transparency in accordance with its Information Disclosure Policy. All procurement solicitation notices are posted online. Awards of contracts, including individual contracts above US $100,000, are available on UNDP websites, by region and type of services/goods.

Management and Administration of Individual Contracts

Electronic Administration of Individual Contracts

106. Individual contract administration is automated through Atlas. Individual contractors are treated strictly as vendors providing services, and they are registered only in the Atlas procurement module.

Payment and Performance Evaluation

107. The work and performance of an individual contractor must be evaluated and monitored by the responsible manager on a regular basis to ensure that contractual obligations are fully met. The key elements for monitoring shall be the deliverables (quantity and quality), time frame and cost. The conditions of an individual contract and the terms of reference are the basis for contract management. The Individual Contract Performance Evaluation Form should be used and adapted to the specific needs of the assignment.
108. A Certification of Payment Form indicating certification of satisfactory completion of work by the authorized official from the requesting unit should be completed each time a payment is made. The Individual Contract Performance Evaluation Form must be attached to the Certification for Payment Form when processing final payment.

109. In the event of unsatisfactory performance or failure to complete an assignment in accordance with the terms of reference, the Deputy Resident Representative Operations, Deputy Country Director Operations or Operations Manager in a country office, or the Procurement Support Office as well as the Legal Support Office, must be immediately notified so that a decision can be made on whether or not the payment of any amounts due to the individual contractor should be suspended, and/or the contract should be terminated and the contractor removed from any and all applicable rosters in UNDP. Whenever any of these actions are necessary, the business unit shall ensure compliance with guidance provided by the Procurement Support Unit and Legal Office, Bureau for Management Services. The final performance evaluation form of an individual contractor shall be completed and retained for all contracts, regardless of whether deliverables were completed or not.

Amendment of an Individual Contract

110. Amendments of an individual contract may be made when contracts are extended beyond the initial contract period and/or when there are minor modifications of contract provisions. Amendments must be approved by the UNDP delegated procurement authority. Only active contracts may be amended. Expired contracts are no longer valid and the obligations of both parties to the other cease to exist, so that amending or extending the contract no longer serves any purpose. As such, monitoring and management of contracts are crucial to ensuring UNDP’s best interests.

111. Contracts may be amended through any of the following:

a) Amendment of timeframe/no-cost amendment: a short explanation should be provided as to why the timeframe needs to be extended. The said explanation must establish unforeseen circumstances or incidents that caused delays of completion of work, but which were not directly attributable to the performance of the individual contractor. Business units managing individual contracts are expected to ensure that such delays are not the result of poor oversight/contract management on the part of UNDP.

b) Amendment with additional activities in line with the original terms of reference and a corresponding cost amendment aligned with the unit prices indicated in the original financial proposal. Under this circumstance, a short description should be provided justifying why additional work is being executed through an amendment and not through the issuance of another contract to another individual, and how the amendment of the contract can help contribute to the achievement of the envisioned outputs/results.

Any substantial revision to the terms of reference and/or revised deliverables necessitates a new competitive process.
Pay Rate on Contract Extension

112. An extension of the services of an individual contractor requires an amendment of the original contract. The pay rate must remain the same. Adjustment of the rate may only occur upon a re-engagement under a contract for a different assignment with modified terms of reference. If the contract extension requires additional work that justifies additional payment, all costs for the extension shall be paid at the same unit rates as in the original contract. Any change in costs or cost components shall require a new selection process. All extensions that require additional payment shall be included in the computation of the total contract duration and total cumulative amounts.

Establishing a Contractor Roster

113. Where there is a significant demand for individual contractors, it is highly recommended that business units establish a roster of qualified candidates. Country offices, regional centres and headquarters may establish and maintain rosters to facilitate identification and selection. Rosters may provide easy access to a pool of contractors who are potentially suitable and have a demonstrated track record.

Populating a Roster

114. Rosters may be established by area/sub-area of expertise, global/regional/local knowledge and/or level of seniority, among other criteria. For example, an office with a large democratic governance programme may set up a roster with experts in human rights, decentralization and parliamentary development, among other areas. Entries into a roster may come from any or any combination of the following sources:
   a) Open advertisement calling for credentials of individuals who can render individual consulting or support services for a range of fields of expertise and/or practice areas, while clearly stating that the call is solely intended for inclusion in a roster (i.e., potentially no immediate opportunity for an assignment);
   b) Contractors who have previously worked for UNDP under any contract modality and whose performance was certified satisfactory;
   c) Candidates who have, within the past 12 months, participated in a selection process for a similar UNDP vacancy, and who, despite being unsuccessful, were nevertheless evaluated as qualified (documentation clearly indicating qualifications must be available); and
   d) Candidates who within the past 12 months submitted an unsolicited application or CV and have been screened for qualifications and prior work experience and were found to be potentially suitable.
Sourcing from Rosters

115. Sourcing from rosters must be governed by the following:
   a) **For urgent assignments of contract values below US $5,000:** A business unit may directly contract a qualified member of the roster.
   b) **For assignments of contract values above US $5,000 but below US $100,000:** A business unit must request at least three qualified roster members to submit a financial proposal or other required documentation specific to the assignment/terms of reference, and subject all to further desk review and selection by an evaluation team.
   c) **For assignments of contract values exceeding US $100,000:** At this amount, advertisement of a procurement notice is mandatory. If there are qualified individuals on the roster, they may be notified directly of an advertised assignment so they can compete with respondents. Such notification is not for the purpose of automatically shortlisting them.

116. In summary, except for direct contracting under US $5,000, every candidate sourced from a roster must still be subject to further comparison and evaluation, in order to identify the most suitable person and achieve best value for money.

117. All rosters must meet the following minimum requirements:
   a) All members must be subject to a screening and evaluation of qualifications by at least two UNDP staff members;
   b) All shall be subject to verification against the UN/UNDP list of individuals or entities ineligible to obtain contracts; and
   c) Individuals whose performance is unsatisfactory should be removed from the roster.

**Supplemental Guidance:**
Rosters may be updated by issuing an announcement at least once a year, in order to obtain new potential candidates. When feasible, business units may consider posting an ongoing announcement, with no submission deadline, so that the roster is continuously updated. This approach is suitable for high demand consultancy/contractor service areas.

Pre-approved Rosters

118. A business unit may create a roster with pre-approved individuals who can be contracted for sums of less than US $100,000 without the need for further desk review. Such a roster may be created for country office, regional or global use. This type of roster can only be used upon approval from the Regional Advisory Committee on Procurement or Advisory Committee on Procurement based on ex-ante submission. At a minimum, such ex-ante submission must clearly provide the following information:
   a) The method for sourcing individual entries;
   b) The level of detail required for each individual;
c) The process of screening and pre-approving each individual;
d) The procedure for updating, adding and deleting individuals; and
e) The justification for a pre-approved roster (i.e., to what extent can it improve efficiency, based on demand).

119. Consistent with provisions on an individual contract as a framework agreement, any approval of such a roster by a Regional Advisory Committee on Procurement or Advisory Committee on Procurement is only valid for three years. Thereafter, the business unit shall resubmit the case, indicating any further changes arising from lessons learned. The thresholds for daily fees, cumulative contract amounts and duration limits apply to all individual contracts generated from a pre-approved roster.

Administration of Travel of Individual Contractors

Travel Modes for Individual Contractors

120. Two types of travel may be applicable to individual contractors:
   a) Mission travel, which is generally defined as travel requested as part of the performance of functions under the contract. This type usually consists of travelling from the duty station to the place of the mission and returning to the duty station.

   a) Travel to join a duty station/repatriation travel. This type of travel is only applicable for individual contractors who do not reside at the duty station when they are engaged. It applies only to individual contractors who are actually required to travel to and from the duty station. It is not relevant for those who are working from home; who are already at the duty station regardless of reason; who are already at the duty station because of another individual contract or amendment, even if for a different project or terms of reference; or who opt in writing to stay at the duty station after the completion of an individual contract.

121. Postponing a new individual contract to create an unnecessary break between contracts shall have no effect on an individual’s ineligibility for travel.

Budgeting for Travel

122. All envisaged travel costs must be included in the original financial proposal. This includes all duty travel, travel to join a duty station and repatriation. Any anticipated mission travel must be included in the terms of reference to allow for inclusion in the financial proposal. In the event of unforeseeable travel, the respective business unit and the individual contractor should agree on the manner in which travel costs, including tickets, lodging and terminal expenses, are to be reimbursed prior to travel.

123. Regardless of the purpose of travel, the prevailing price for an economy class ticket on the most direct routes shall apply for all individual contractors. In general, UNDP should not accept travel costs exceeding those of a full-fare economy class ticket. Individual contractors wishing to upgrade their travel to business or first class shall do so at their own expense.
124. On an exceptional basis, the Chief Procurement Officer of UNDP (or delegated officials) may authorize business class travel if travel conditions fall under any of the special circumstances authorized by the UN Secretary-General as per A/67/356. For all exceptions, supporting documentation including the TTS3-E, shall be submitted to the Chief of the Administrative Services Division in the Bureau of Management. Since individual contractors are not staff, UNDP is under no obligation to provide them with entitlements typically provided to staff for travel.

Travel Expenses

125. Payments to cover travel expenses may be made either as a lump sum of 100 percent of expected travel costs prior to travel, or reimbursed to the individual contractor upon submission of a travel claim (F-10 form) and all necessary supporting documents. The preference of the business unit must be indicated in the terms of reference. When the individual contractor pays for his/her own travel expenses as part of the lump sum fee, reporting using an F-10 claim is not required.

Negotiations for Unforeseen Air Travel and Living Allowances

126. The cost and terms of reimbursement of any unforeseen air travel authorized by UNDP for individual contractors must be negotiated prior to travel. The individual contractor must indicate in writing his/her willingness to undertake such unforeseen travel, before it commences.

127. The rules governing unforeseen travel shall be the same as those described in Budgeting for Travel. All other related costs shall be based on, or pro-rated with, the relevant cost components indicated in the original financial proposal. Where such costs involve living allowances, the UNDP daily service allowance rates may be applied or used as a benchmark for negating living allowance rates.

Visa and Travel Documents

128. For individual contractors located outside of the duty station designated under the contract, UNDP will facilitate, at its own expense, necessary visas and work permits. Where the United States is the duty station, a G-4 visa is required. It provides non-immigrant status for persons employed by international organizations while stationed on official business in the United States. Persons with G-4 visa status are required by US immigration authorities to relinquish any other visa status that they may have previously held in the United States. The business unit engaging the contractor must report the required arrival and separation of the individual contractor to the US Mission to the United Nations through the Induction Questionnaire for Contractual Personnel (P.1/A Form) and eventually the Exit Interview (P.18 Form), respectively.

129. For identification purposes, a UN Certificate may be issued for individual contractors who travel at the authorization of UNDP and with UNDP funds, in accordance with Section 26 of the Convention on the Privileges and Immunities of the United Nations of 13 February 1946, using the form PT-64, Application for UN Certificate. Locally recruited individual contractors are responsible for all necessary visas and work permits required by local authorities before commencing their assignment with UNDP. When international travel is required in accordance
with the terms of reference, UNDP shall assist in obtaining visas necessary for the journey. The business unit may issue a letter stating that the individual has been offered a contract to assist this process.

Security Clearance

130. UNDP business units must ensure that individual contractors obtain a security clearance to travel to locations in Security Level I or above. When travel is required to a country with a designated Security Level 1 or above, the Individual Contractors should also be requested to undertake the Basic Security in the Field training and the Advanced Security in the Field training, following the procedure for access by non-staff.

131. When travel to a country with no designated security level is required, only the basic training must be completed. CD-ROMs of the trainings must be made available where access to other forms of technology poses a challenge.

Statement of Medical Fitness for Work

132. Individual contractors whose assignments require travel and who are over 62 years of age are required, at their own expense, to undergo a full medical examination, including x-rays, and obtain medical clearance from a UN-approved doctor prior to taking up their assignment. This does not apply to individuals engaged through a reimbursable loan agreement. Where there is no UN office nor a UN medical doctor present in the location of the individual contractor prior to travel, the individual contractor may choose his/her own preferred physician to obtain the required medical clearance. The medical clearance shall be kept in UNDP records and remain valid for 12 months.

Inoculations/Vaccinations

133. Individual contractors are required to have vaccinations/inoculations when travelling to certain countries, as designated by the UN Medical Director. The cost of required vaccinations/inoculations, when foreseeable, must be included in the financial proposal. Any unforeseeable vaccination/inoculation cost will be reimbursed by UNDP.

Service-Incurred Death, Injury or Illness

134. UNDP’s insurance benefit regime provides a group insurance policy that is managed and administered by the Procurement Services Unit at UNDP headquarters and covers all holders of individual contracts who, under the terms of their contract, are required to travel (domestically or internationally) at the authorization of UNDP and using UNDP funds, or to perform services for UNDP, in the event of their death, injury or illness attributable to the performance of official duties for UNDP. This insurance is centrally administered but the cost shall be recovered from the business unit managing the individual contract.

135. For processing claims, every international contract signed by UNDP should bear the name of a beneficiary nominated by the individual contractor. Every business unit must ensure that this requirement is strictly followed.
Supplemental Guidance:

Insurance coverage provided to individual contractors covers service-incurred liabilities only. It is not intended to provide coverage for long-term needs and pre-existing needs or conditions, but rather only for needs during the time the individual is engaged by UNDP. All other insurance requirements (e.g., pension, life, medical/health, travel, etc.) must be purchased by the individual at his/her own expense.

Malicious Acts Insurance Policy

136. Individual contractors who provide services in, or travel at UNDP’s expense to, a designated hazardous duty station are covered by the Malicious Acts Insurance Policy. Accordingly, the contractor must comply with all UN security directives. Failure to comply shall be grounds for termination of the contract for cause and possible loss of insurance eligibility and benefits. The business unit issuing a contract shall be required to ensure that the contractor is aware of all security directives, including issuance of security clearance for travel.

Breach, Termination and Dispute Settlement

Breach of an Individual Contract

137. Individual contractors are liable for breach of the obligations they assumed under an individual contract. If the contractor’s supervisor believes there has been a failure to perform or breach of contract, such as through unsatisfactory performance or failure to complete an assignment in accordance with the terms of reference, the supervisor must allow the individual contractor a reasonable opportunity to solve the issue within a specified time. If this does not occur, consistent with Section 8.2, above, the supervisor must notify the Deputy Country Director Operations, the Deputy Resident Representative Operations, the Operations Manager in a country office or the Procurement Services Units as well as the Legal Support Office so that a decision can be made about whether or not to withhold payment of any amounts that may be due to the individual contractor, suspend or terminate the contract and/or remove the individual contractor from any applicable rosters. The business unit must fully document the alleged breach, the steps taken to allow the individual contractor to remedy it and any other relevant action taken by the business unit and the contractor.

Termination of an Individual Contract

138. According to Section 13 of the General Conditions of Contract for the Services of an Individual Contractor, an individual contract may be terminated by either party with advance written notice. The period of notice is five days for contracts of less than two months and 14 days for those of a longer period. A notice of termination does not need to state the reasons for termination, nor does it have to be signed by the party to which it is addressed.

139. Although Section 13 permits unilateral termination without any express reason, to avoid claims and disputes, it is advisable that a contract be terminated by mutual agreement of the parties. Since the contract would end by consent, the termination can take effect
immediately. The business unit and the individual contractor should formalize termination in a short written statement, acknowledging termination by agreement and the amount of compensation due, if any. The statement should be signed by both parties. The Procurement Support Office and the Legal Support Office should be consulted if any issues or questions arise.

140. In some cases, the business unit may have strong reasons to terminate a contract unilaterally, in response to failure to perform or breach of the contractual obligations by the individual contractor. In such cases, consistent with Sections 8.2 and 10.1, above, the matter must be brought to the attention of the Procurement Services Unit and the Legal Support Office for guidance on next steps.

141. For any termination, the business unit is only liable on a pro rata basis for actual work done to its satisfaction. If the contractor terminates the contract, the business unit may withhold from compensation any additional costs incurred by it as a result.

Settlement of Disputes

142. If the business unit and an individual contractor disagree over any aspect of a contract, every effort should be made to resolve that disagreement amicably, i.e., through informal discussions, consultations and negotiations. Business units are strongly encouraged to seek early guidance from the Legal Support Office on handling disputes.

143. If an amicable settlement is unsuccessful, the matter must be escalated to the Procurement Support Office and the Legal Support Office for advice and further guidance. Arbitration may be initiated under the United Nations Commission on International Trade Law Arbitration Rules. The arbitral tribunal will be constituted to hear the parties’ positions and issue a binding decision.

144. The initiation of arbitration proceedings should not be considered the cause for or the actual termination of an individual contract. Except with respect to any indemnification obligations of the individual contractor, or as otherwise set forth in the contract, any arbitral proceedings must commence within three years after the cause of the action. Arbitration is a means of last resort, as it requires a substantial commitment of time and resources from both sides. Amicable settlement is thus strongly encouraged for the benefit of both the UNDP business unit and the individual contractor.

145. If the UNDP business unit receives a notice of arbitration from an individual contractor, the matter must be immediately referred to the Procurement Support Unit and the Legal Office for advice.