

# TERMS OF REFERENCE

Template for Individual Consultant

## For the Provision of Salary Survey Services for UNDP Country Offices

### 1. Background

UNDP Bhutan uses a broadband remuneration system for its Service Contract Holders. Individuals contracted under SC modality are considered as local personnel and not UN staff members. Therefore, they are not covered by UN Staff Regulations and Rules.

The Service Contract remuneration system and salary scales are distinctly different than UN staff salaries in purpose, design, comparator labour market and percentile within targeted labour market. The SC remuneration system is designed to provide for wide remuneration ranges which support flexibility in engagement and movement through service quality evaluation measures.

Engagement of personnel using the SC modality is not intended to support extended employment, nor create a career track. Individuals hired under Service Contracts are typically engaged only by UNDP for the duration of a project, and are therefore expected to return to the national labour market at the conclusion of the project or when the function is no longer required by the project.

The basis for the establishment of conditions of service for SC holders is the corresponding local labour market and must be consistent with prevailing levels of pay for similar services, similar contract conditions and comparable work in the local labour market. It is therefore necessary to gather information on **local conditions** of employment in a structured manner to support construction of SC remuneration scales. In keeping with the objective of simplicity, SC remuneration scales must be designed to be comprehensive, inclusive of the value of typical allowances and benefits that are found in the local labour market. The objective here is not to manage separate allowances and benefits for SC holders. Rather, the value of these should be included in the remuneration scales such that these scales are broadly competitive with the total remuneration values for the desired market position.

Given this, the remuneration package under the SC is set at the gross level and may include an additional lump sum for participation in national social insurance programmes that are mandatory.

The process for establishing Service Contract remuneration scale must be simple and transparent. The contents succeeding section of this TOR aimed at providing structural guidance that will make the process straight forward and consistent across duty stations in a more structured approach.

UNDP Bhutan would like to update the current remunerations of Service Contract holders in accordance with the set standards and procedures in the UNDP **Handbook on Setting Remuneration for Service Contract Personnel herein referred to as Annex A.**

In this context, UNDP would like to engage the services of a reputable and technically qualified individual with extensive expertise in labour market analyses, management and organizational development to undertake the salary survey process. UNDP therefore hereby solicits proposals from interested individuals to conduct a salary survey and support UNDP in establishing a revised and reasonable salary scale for SC holders based on the latest prevailing market rates and in accordance with the procedures provided in Annex A.

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### **2. Objectives**

In accordance with the established UNDP policies governing Service Contracts (see Annex B); and based on the established UNDP methodology described in the Handbook on Setting Remuneration for Service Contract Personnel (Annex A), and existing SC salary scale; the selected individual will conduct an independent survey for the purpose of updating the current salary scale for its Service Contract holders in line with the prevailing local market rates for similar work of comparable quality, complexity and difficulty.

Upon completion of the survey, the results will be shared with other UN agencies applying similar contractual modalities to reach a consensus on the optimum rates that should be applied to SC holders.

### **3. Scope of Assignment**

- a) The selected individual guided by the requirements of the Handbook shall, compile and suggest to UNDP a list of employers which may be considered as comparators, for the purpose of establishing SC remuneration. The list shall be subjected to final approval by UNDP. The comparator employers recommended must meet the criteria specified in the Handbook.
- b) Where the comparators are partners of UNDP, or known to UNDP, including other UN agencies, UNDP shall assist the selected individual in determining the right contact persons in order to carry out the survey. However, knowledge of the local market and the ability to identify and reach out to appropriate comparator employers is a critical deliverable of the selected vendor.
- c) The individual shall collect the following information from each of these Comparators:
  - i. Job descriptions of the positions similar to those identified in the Handbook for the purpose of Job matching on the nature, complexities and responsibilities of each position of existing SC levels;
  - ii. Collect and analyze the salary structures and associated benefits (including typical allowances and benefits package both monetary and non-monetary) of the selected comparators organizations for existing SC Job descriptions.
  - iii. Summary information on the comparator employer (size, number of employees, length of time present in the location, etc. as specified in the Handbook).
- d) The individual shall present a draft analysis report to UNDP Bhutan and make recommendations on the proposed salary scale. Taking into consideration other UN agencies' scales for similar contractual (non-staff member) modalities.

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- e) The individual shall prepare a Final Report, incorporating comments from UNDP, containing all of the items listed in Section 4 below.
- f) The individual shall maintain complete confidentiality of all data and documents provided by selected comparator employers and by that of UNDP. Data from comparator employers will be shared with UNDP only and either in aggregate or without organization name designation.

#### **4. Deliverables**

Based on the established UNDP Handbook on Setting Remuneration for Service Contract Personnel and within the time frame specified, the contracted individual is expected to submit a report which includes, but not limited to, the following outputs:

- a) Details and Summary of data collected from the Comparators showing TOR matches and the evaluation of their remuneration package;
- b) The Minimum and Maximum Remuneration values of all job matches obtained from the comparators;
- c) A report on final survey findings with comparison and analysis of the survey results, recommendations related to remuneration packages.
- d) A summary table of Comparators practices on remunerations compared to UNDP Bhutan Service Contract salary scale.
- e) A proposal with options for a revised remunerations scale for SC holders as set out in the UNDP Handbook on Setting Remuneration for Service Contract Personnel (options at the 40<sup>th</sup>, 50<sup>th</sup> and 60<sup>th</sup> Percentile levels);
- f) A comparison of other UN salary scales for similar contractual modalities;
- g) All completed questionnaires together with relevant salary scales and all relevant documentations and correspondences received from the respective comparators.
- h) As and when required by UNDP, the individual shall conduct a presentation of the process and the results to any relevant audience that UNDP may organize.

#### **5. Institutional Arrangement**

The work of the individual that will be engaged shall be supervised by UNDP Operations Manager and/or the Head of the Human Resources Team in UNDP Bhutan. As such, submission of the individual's reports shall be coursed through them. The confirmation of acceptability of report contents, the authorization of disbursement of payment, and evaluation of performance shall all be undertaken by these UNDP personnel.

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The UNDP Operations Manager and/or the Head of the HR Team may bring in other parties within UNDP or the UN system to assist in the review of the outputs, as and when deemed necessary.

#### 6. Expected duration of Assignment

The task is expected to be completed within **four (4) weeks** from the date of signing of the contract. The individual, therefore, is required to prepare and submit the entire plan in a way that allows the achievement of all deliverables within 4-weeks period.

#### 7. Duty Station

The selected individual shall not be required to be present at UNDP office, and may work in its own office with coordinated visits to UNDP. As and when required by UNDP, he/she should visit comparators in the course of undertaking the assignment.

#### 8. Qualification/Experience

The successful offeror shall meet the following minimum criteria:

- Minimum of Bachelors Degree in fields related to human resource management, statistics and related fields.
- Proven track record in the area of compensation and benefit analysis, preferably for international organization.
- Experience in the field of human resource management.
- Past experience in undertaking salary survey for nonprofit organizations will be an asset.
- Familiarity with labor market issues.
- Ability to render consulting services in the most professional, effective and efficient manner.
- Fluent in English and the local language.
- Excellent writing and presentation skills (all required reports shall be written in English).
- Familiarity with the UNDP rules and regulations and experience within UN system would be an advantage.

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#### **9. Recommended Presentation of Proposals**

The Proposal shall be presented in the following manner:

- i. Personal Curriculum Vitae highlighting the qualifications that meet the minimum requirements stated in Section 8 above, and at least three (3) references;
- ii. Explaining why he/she is the most suitable contractor for the work, and a brief methodology on how he/she will approach and conduct the work (1-2 pages only since the methodology is already described in the Annex); and
- iii. The Financial Proposal containing the final and all-inclusive (professional fees, all envisaged travel costs, living allowances, insurance, etc.) total price offer for the full range of services required, broken down into all major cost components associated with the services.

The total price shall be in a fixed lump-sum amount, and milestone payments corresponding to outputs shall be indicated in the proposal.

#### **10. Payment terms**

Payment under the contract will be output based and will be made upon satisfactory completion of the assignment.

#### **11. Confidentiality**

It is highly expected from the selected individual to maintain the highest level of confidentiality to the information provided before, during and after the completion of the assignment. He/she shall practice highest standard of professional and ethical values and norms in providing this consultancy services.

#### **12. Contract Award**

Lowest evaluated offer of technically qualified applicant will be awarded the contract.

#### **13. Annexes to this TOR**

- A. [UNDP Handbook on Setting Remuneration for Service Contract Personnel](#)
- B. Current Service Contract Salary Scale of the UNDP Country Office to be provided by the country office.