

Request for Proposal

**Sanitation Financing at the municipality level in the
small towns in South Asia**



WaterAid South Asia Regional Office
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SECTION - 1 (Information to Consultant/Consulting firm)

- 1.Introduction**
- 1.1 Consultant/ Consulting firm are invited to submit a technical and a financial proposal.
- 1.2 Costs for preparing the proposal and of negotiating the contract are not reimbursable.
- 1.3 Consultant/ Consulting firm should observe the highest standard of ethics during the selection process and implementation of contract. The attempt of any consultant/ consulting firm to influence the internal WaterAid independent evaluation and selection process will automatically lead to the removal of consultant/consulting firm's proposal from consideration. In addition, any misrepresentation of facts or institutional capacity will also lead to the removal of the misrepresented proposal from consideration.
- 1.4 WaterAid reserves the right to amend and modify this bidding document and can select consultant for providing service cited in this bidding document either for the entire content of the proposal or a part thereof.
- 2.Technical Proposal**
- 2.1 Consultant/ Consulting firm are requested to submit their proposal typed in English (font - Arial, Size -12).
- 2.2 The technical part of the proposal should contain the following:
- Detailed methodology of the study.
 - Detailed work schedule including key milestone dates (including dates for submission of first draft, dissemination of findings and final report);
 - Detailed account of experience of past projects, consultancies, research, publications and other relevant information employing qualitative methods, including references.
 - Detailed CV of the team leader and key members of the study team.
- 2.3 Two different files should be generated for technical and financial proposals.
- 2.4 Both two files should be submitted into one zip folder with a statement of suitability addressing the Regional Director-South Asia, WaterAid

3. Financial Proposal

- 3.1 All prices shall be quoted in local currency. Contract will be administered by the respective Country Office of WaterAid based in South Asia region.
- 3.2 The financial proposal should clearly identify, item wise summary of cost for the assignment with detail breakdown. The budget should mention income tax and VAT/GST as a separate head and will be deducted as per the law of the land. The Financial Proposal should also clearly identify, as a separate amount, duties, fees, levies, and other charges, if any, imposed according to the government regulations of Bangladesh, India and Nepal.
- 3.3 The Consultant/ Consulting firm is expected to provide justified budget maintaining consistent with technical proposal.

4. Submission of Proposal

- 4.1 The technical and financial proposal should be submitted electronically to the following email address:
WaterAid-Tender-TA@wateraid.org with subject line as follows:
Consultancy for "Sanitation Financing at the Municipality level in the small towns in South Asia "
- 4.2 Proposals submitted to any other e-mail account except the above will not be accepted.
- 4.3 Submission of proposal after the deadline 1st November **2020** will not be accepted.

5. Proposal Evaluation

- 5.1 The evaluation committee will evaluate the proposals considering the RFP and applying the set evaluation criteria. (Annex 1)
- 5.2 The final selection will be done following Quality and Cost Based (QCBS) method. This will be done by applying a weight of 0.80 (or 80 percent) and 0.20 (or 20 percent) respectively to the technical and financial score of each evaluated proposal.
- 5.3 WaterAid reserves the right to accept and reject any proposal without assigning any reason or whatsoever.

6. Negotiation

- 6.1 Once the proposals are evaluated, WaterAid may enter into negotiation, if required, with one or more consultant/ consulting firm for final selection.
- 6.2 If negotiations fail, WaterAid may invite the consultant with next highest score to negotiate a contract or go for re-advertisement with fresh Request for Proposals (RFP).
- 6.3 WaterAid Bangladesh reserves the right to cancel the RFP at any point of time without serving any notice. Furthermore, WaterAid has its absolute discretion to suspend and

disqualify any proposal or all proposals received without tendering any reason whatsoever

If none of the invited proposals lead to an agreement, a new Request for Proposals (RFP) will be called.

- 7. Awarding of Contract** The selected consultant/consulting firm is expected to sign an agreement with WaterAid within a week of communication of selection decision and before commencing the work.
- 8. Confidentiality** Information relating to evaluation of proposals and recommendations concerning awards will not be disclosed to the consultant/ consulting firm who submitted the proposals or to other persons not officially concerned with the process, until the winning Consultant/Consulting firm has been notified that it has been awarded the contract.

SECTION – 2 (Terms of Reference)

1. Context:

Delivering safe and effective sanitation services is one of the key mandates for urban municipalities in South Asia. This entails several key activities, including employing sanitation workers, managing sewerage systems, providing faecal sludge management services, managing public toilets, keeping cities open defecation free, regulating other service providers etc. These services may be delivered directly by municipalities or indirectly through sub-contractors. Effective services also require credible financing strategies, underpinned by sufficient financial and human resources.

Governments have policy and financial obligations relating to the human rights to water and sanitation. These include the adoption and implementation of national water and sanitation policies and plans, and the prioritisation of access to water and sanitation services for disadvantaged individuals and groups. Article 2 of the International Covenant on Economic, Social and Cultural Rights (ICESCR), and similar provisions contained in other treaties, require States to progressively achieve the realisation of human rights, using the maximum available resources in a non-discriminatory manner.

With increasing urbanisation, the need for safe sanitation services is as critical as ever, but urban local bodies struggle to provide these services to all of their citizens and especially to the urban poor in the dense settlements. One of the key principles of City Wide Inclusive Sanitation (CWIS) is the political commitment and leadership of city governments.¹ CWIS also highlights that increasing public budgets is necessary (but not sufficient) and available resources need to be better allocated and used more effectively. Service providers and households need to be

¹ Citywide inclusive sanitation means that: everybody benefits from adequate sanitation service delivery outcomes; human waste is safely managed along the whole sanitation service chain; effective resource recovery and re-use are considered; a diversity of technical solutions is embraced for adaptive, mixed and incremental approaches; and onsite and sewerage solutions are combined, in either centralized or decentralized systems, to better respond to the realities found in developing country cities.

supported to make efficient investment decisions. Private financing can be leveraged for investment opportunities, especially if public funds are used more strategically.

One of the main issues for successful and safe sanitation service delivery and management is the allocation and utilisation of adequate financial resources. The strengthening of urban local bodies in terms of devolution of financial resources matching with mandate has been limited and half-hearted so far in South Asia. Fiscal decentralisation and the transfer of resources by the central government to the local urban bodies is required for local government to meet its mandate for delivery of safe and sustainable sanitation services. Related to this is the opportunity for urban municipalities to raise their own revenues through tariffs or local taxes specifically earmarked for sanitation. A further issue is whether there is sufficient investment in institutional capacity for municipalities to handle sanitation services on the ground and meet their mandates.

In **Bangladesh**, although there is a decentralized system with elected local urban governments, these municipalities in practice have low levels of human and financial resources and autonomy. However many development and multilateral organizations in close collaboration with municipalities have worked on sanitation systems in urban contexts area such as renovation and management of public toilets; new mechanisms of specific sanitation taxes; budget allocation from municipalities for management of FSTP plants etc.

In **India**, there have been initiatives taken to strengthen the Urban local bodies, for instance through the 14th and 15th Finance Commission to devolve financial resources directly to local government, and to strengthen the capability of municipalities to address operation and management issues in existing sanitation facilities as well as to plan and build new safe sanitation infrastructure in towns and cities through government schemes such as AMRUT.

In **Nepal**, the transition to a federal structure is still taking place and although functions, powers and resources have been devolved and delivery of safe sanitation services is part of the mandate at the municipality level, the accountability mechanisms between central and local urban bodies are still being worked out as well as the transfer of the necessary administrative capacity. A system of planning through WASH plans at the municipality level and further transparency through dashboard is being tried as well as devolution of responsibilities matched by direct fiscal transfers at the municipality level to plan WASH services.

Given that there is a long way to go on this front in the region, it is necessary to identify and learn from best practices and challenges concerning sanitation financing for urban municipalities.

2. Scope and Objective of the assignment

The objective of the study is to identify best practices and innovations in public financing for urban sanitation, exploring how transfers, tariffs or local taxes or any other financing mechanisms have been used by the municipality for the delivery of sanitation services.

It is proposed that six municipalities representing small towns across India, Bangladesh and Nepal are identified for this study based on parameters of relatively well functioning and performing sanitation services. Possible good practice and policies to be studied at the municipality level include:

- Revenue generation through local taxes;
- Allocation mechanisms for securing sufficient resources for sanitation services; including financing for operation and maintenance
- Regulation, cross-subsidies or other mechanisms to ensure sanitation services for vulnerable and poor populations;

- Transparency and accountability mechanisms (across levels) for citizens / consumers. The research product will be used for capacity building for municipalities to learn from each other's best practices on sanitation financing. The challenges and gaps will also help WaterAid for required advocacy at the country level.

4. Deliverables

The following deliverables would be required as part of this study:

Inception report	<ul style="list-style-type: none"> - Secondary data analysis and key informant interviews to list 14-16 possible cases and categorization - Criteria for shortlisting 8-10 cases for in-depth study - Draft structure of case studies and the analytical report
Draft /Interim report	<ul style="list-style-type: none"> - Detailed case studies and analysis, drawing lessons from the case studies and proposing practical recommendations
Final report (not more than 20-22 pages)	<ul style="list-style-type: none"> - Final report including case studies, analysis and recommendations
Dissemination resources	<ul style="list-style-type: none"> - Participation and co-ordination of a webinar with WaterAid to disseminate findings externally and within WaterAid - Policy brief (4-6 pages) summarizing the findings and recommendations for wider dissemination.

5. Financial terms

The payments will be made in instalments, as per the following break-down:

First instalment	30% after the signing the contract
Second instalment:	40% after receiving the first draft report
Third instalment	30% after receiving the final report

6. Experience and requirements:

To undertake the assignment, the consultant/consulting firms are expected to meet the following experiences and conditions.

- Proven experience in conducting research in WASH domain.
- Sound experience of qualitative research.
- Proven experience in designing data collection tools and choosing appropriate collection methods
- Team composition includes representation from the participating countries of the study
- Highly competent at oral and written forms of reporting and presentation
- Fluency in English and Bengali/Nepalese and quality report writing.
- Respect and ability to follow minimum research ethics

7. Length of the contract

A list of deliverables with timeline are as follows:

Deliverables	Timeline
Inception report	After six weeks upon signing the contract
Interim/Draft report	One month after the inception report
Final report and briefing note	One week upon receipt of the comments from WaterAid on the draft report

8. Scope to seek information and clarity

Consultant/ Consulting firm will have the opportunity to send written questions until **October 19, 2020** in the following email address: **Vanita Suneja**, Regional Advocacy Manager-South Asia, WaterAid, E-mail: VanitaSuneja@wateraid.org

Response to queries would be provided by 21st October and final submission time is GMT+06 hours of 1st November, 2020.

SECTION – 3 (Technical proposal submission form)

3A. Forwarding letter format

3B. Statement of Suitability

3C. Technical Proposal

3D. CV of each members including list of publications and references

3E. Proof of work -At least three

**The format for 3A is given below. The format for 3B, 3C, 3D and 3E is expected to be prepared by the organization.

3A. Forwarding Letter Format

(Please use letterhead pad)

[Location, Date]

Dr. Md. Khairul Islam
Regional Director- South Asia
WaterAid
House 97/B, Road 25, Block A
Banani, Dhaka 1213

Dear Sir:

We, the undersigned are offering to provide the following assignments in accordance with your Request for Proposal (RFP) dated [Date] on " **Sanitation Financing at the Municipality level in the small towns in South Asia** "

We are hereby submitting our proposal, which includes this Technical Proposal and Financial Proposal.

If negotiations are held during the period of validity of the proposal, i.e., before [Date] we undertake to negotiate on the basis of the proposed staff. Our proposal is binding upon us and subject to the modifications resulting from contract negotiations.

We understand you are not bound to accept any proposal you receive.

Yours sincerely,

Authorized Signature:

Name:

Title:

Name of Firm/Org:

Address:

SECTION – 4 (Financial proposal submission form)

- 4A. Forwarding Letter format
- 4B. Summary of budget/costs.
- 4C. Breakdown of price per deliverables with unit cost
- 4D. Budget Narratives

**The format for 4A is given below. The format for 4B, 4C and 4D are expected to be prepared by the organization.

5A. Forwarding Letter format

(Please use letterhead pad)

[Location, Date]

Dr. Md. Khairul Islam
Regional Director- South Asia
WaterAid
House 97/B, Road 25, Block A
Banani, Dhaka 1213

Dear Sir:

We the undersigned are offering to provide the following assignments in accordance with your Request for Proposal (RFP) dated *[Date]*. Our attached Financial Proposal is for the sum of Taka *[Amount in words and figures]*.

This amount is inclusive of the local VAT and taxes, which we have estimated at *[Amount(s) in words and figures]*. We understand that the local VAT and taxes payable will be determined as per applicable law and will be deducted at source while making payments.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from contract negotiations, up to expiration of the validity period of the Proposal, i.e., *[Date]*.

We understand you are not bound to accept any proposal you receive.

Yours sincerely,

Authorized Signature:

Name:

Title:

Name of Firm/Org:

Address:

Annex 1

Evaluation Criteria	Percentage (%)
Technical Proposal-Total (a)	80
1. Methodology	30
2. Work plan	20
3. Team Composition	15
4. Previous work experience in similar work	15
Financial Proposal-Total (b)	20
1. Comparison with Internal Estimate	10
2. Comparison to other bidders Proposals	10
Grand total (a+b)	100