complementary personnel directive : cpd/1

contracting of individual service providers

1 january 2017
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COMPLEMENTARY PERSONNEL DIRECTIVE NO. CPD/1

SUBJECT: CONTRACTING OF INDIVIDUAL SERVICE PROVIDERS

PURPOSE

1. This Directive provides guidelines on how UNRWA utilizes and administers Individual Service Providers (formerly known as Consultants and Contractors).

APPLICABILITY AND EFFECTIVE DATE

2. The present Directive is effective as of 1 January 2017. In agreement with the Commissioner-General, it supersedes Organization Directive 29 dated 1 February 2009 on Hiring of Consultants and Contractors.

3. In relation to current contracts of Consultants and Contractors signed prior to the effective date of this Directive, i.e. in cases where the contract duration or deliverables have not yet been completed, the provisions of this Directive are only applicable to the extent that they do not alter the terms of such an ongoing Contract. The provisions of this Directive shall apply if such a Contract is to be renewed or extended after the effective date of this Directive as of the date of such renewal or extension.

4. Institutional or corporate contracts or services otherwise obtained under procurement rules are not governed by the provisions of this Directive.

5. Applicability with regard to contracts arranged under third party service providers (UNDP, UNOPS etc.) is addressed under paragraph 65.

DEFINITIONS

6. The following definitions apply in this Directive:

   a. **Awarding Authority**: the senior UNRWA staff member in charge (to include designation as Acting or Officer in Charge) of a Contracting Department, or the staff
member with further delegated authority who is authorized to sign a Contract on behalf of UNRWA and to commit the Organization.

b. **Candidate**: a person who is being considered by a Contracting Department for engagement as an Individual Service Provider.

c. **Contract**: the binding agreement (see Annex 1), which records the contractual relationship between UNRWA and an Individual Service Provider.

d. **Contracting Department**: a HQ Department (including the Executive Office), Field or Representative/Liaison Office.

e. **Contracting Manager**: a senior UNRWA staff member responsible for engaging the services of an Individual Service Provider based on an identified need.

f. **Duty Station**: the location specified in the Contract where the Individual Service Provider will predominantly work from in order to perform the Contract, where relevant.

g. **Exception**: the authority granted by an Exception Authority to an Awarding Authority to enter into a Contract that would not otherwise comply with the requirements of this Directive. Approval to proceed with a contract above defined threshold levels does not constitute an exception but is part of the regular approval process.

h. **Exception Authority**: For the purpose of this Directive, the Director of Human Resources is authorized by the Commissioner-General as the authority to consider exception requests and, where appropriate, grant an exception to specific requirements of this Directive.

i. **Fee**: The total monetary amount, not including Travel Subsistence Allowance or other such payments that are conditionally payable, paid to the Individual Service Provider under the terms of the Contract.

j. **Gross Contract Value**: the estimated total cost to UNRWA of a Contract including fee, travel costs, premium payments for Agency-subscribed insurance, as well as any other associated liability.

k. **Individual Service Provider**: a person who is either:

   i. a recognized authority or specialist in a specific field engaged by UNRWA in an advisory or consultative capacity under a task-oriented contract for the provision of specified fee-related deliverables; or

   ii. engaged by UNRWA under a time-bound, task-specific contract with functions similar to those normally carried out by staff members where a timely staff appointment is not possible because:

      (a) the function resulted from an added mandate or assignment not foreseen by the Contracting Department at the time of budget preparations, or
(b) the approval of the required additional staff post(s) is pending with the relevant approving authorities within UNRWA based on a written business case submission by the Contracting Department, or review by the Advisory Committee on Resource Allocation (ACRA), or

(c) the need is of less than six (6) months duration, or

(d) a Contracting Department is undergoing an authorized restructuring exercise and use of Individual Service Providers outside the terms of this directive was approved by the Director of Human Resources.

GUIDELINES FOR USE OF INDIVIDUAL SERVICE PROVIDERS

7. Individual Service Providers may be engaged only when the following conditions are met:

a. The assignment is of a temporary or short-term nature and the associated tasks can be completed within a limited and specified period of time (see below section on Duration of Contracts); and

b. The need for the required expert knowledge or specialized skills cannot be reasonably met from within the staff resources of the Agency, including temporary reassignments of staff; and

c. The role does not require formal supervision of other staff members; and

d. The function does not require authority to approve or certify expenditures of UNRWA funds;1 and

e. The role does not regularly require an individual to represent UNRWA to third parties2; and

f. The role is not related to the exercise of approving, certifying or procurement release functions.

8. When deciding to engage an Individual Service Provider, the Contracting Manager is responsible for attesting that all of the above-mentioned conditions in paragraph 7 have been adhered to (see Annex 2).

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1 Unless expressly authorized to do so, in a defined function over defined funds, in writing by the Director of Human Resources and the Director of Finance.

2 Where regular representation is required by the function, such representation must be undertaken under supervision by a staff member, who will be accountable for the representations made by the Individual Service Provider. In case of an identified functional need of legal representation before national, arbitration or other dispute settlement bodies or authorities, in line with UN practice, the Agency’s preferred contract modality is a service contract under the procurement process or a sui generis modality. A contracting department shall consult DLA and HRD in case of questions on using an appropriate modality.
9. Contracting Managers must consider using a staff appointment:

   a. In case there is a long-term (one year or more) or regular need for a function or service similar to that normally carried out by staff members; or

   b. in all cases when any representative, certifying, approving authority or supervisory responsibility vis-à-vis other UNRWA staff members would be required unless otherwise indicated in this Directive; or

   c. where there is a requirement for deployment or travel into duty stations where privileges and immunities\(^3\) of international personnel are at risk (e.g., where there is a risk of detention or being subject to legal process).

10. The Director of Human Resources (DHR) may specify the total number of Individual Service Provider contracts that may be issued by the Agency, as required from time to time.

PRE-CONTRACTING REQUIREMENTS

Terms of reference

11. The Individual Service Provider and Contracting Manager must agree to specific Terms of Reference (ToR) for the services to be provided. These ToR form an integral part of the contracts of Individual Service Providers. ToR need to be clear, specific and include all deliverables to be produced or functions to be performed by the Individual Service Provider in a given timeframe.

12. The ToR shall be completed by the Contracting Manager and shall typically specify:

   a. Objectives of the contract;
   b. Tangible and measurable outputs of the work;
   c. Fee payment modality and schedule;
   d. Realistic deadlines;
   e. Details as to how the work must be delivered, as applicable,
   f. Name and title of supervisor(s);
   g. Any envisaged travel;
   h. Full or part-time work;
   i. Duration of the contract;
   j. Academic and professional qualifications and minimum experience required; and
   k. Other required administrative and budgetary details.

\(^3\) Depending on the nature of functions and location where services are to be provided, an Individual Service Provider may, on a strictly case-by-case basis, be determined to have expert on mission status with associated privileges and immunities.
13. The ToR or contract must not include additional conditions of service that relate to payment of fees, bonus payment, travel standard or any other benefits, entitlements or allowances as these are exhaustively addressed in this Directive and the template contract. The template contract also already provides clarifications Agency-wide for benefits by type or objective of the services contracted.

**Selection process**

14. The procedure for the selection of an Individual Service Provider is through competitive selection, allowing the Agency to select among highly qualified candidates in their specific field of service on the basis of a reasoned and documented process. The Contracting Manager is responsible for documenting the selection process. The principal factors in the selection of an Individual Service Provider are:

a. Documented competence and experience;

b. Qualifications and expertise, including demonstrable knowledge and experience as required by the ToR;

c. Ability and likelihood to reliably and at the sufficient level of quality deliver the required services and outputs within the time-frame; and

d. Best value for money to obtain the required service.

15. In selecting Individual Service Providers, due consideration shall be given to promoting respect for diversity, including gender equity, geographical distribution and inclusion of persons with disabilities.

16. Locally-contracted Individual Service Providers should be considered whenever possible. Such individuals bring to their services valuable knowledge of local conditions and practices, linguistic, cultural and social affinities, as well as experience in working in the same or similar social, technical, administrative and political environments. Where multiple candidates are equally qualified and meet the same value-for-money, preference for selection should normally be given to Palestine refugees; and where among those a female and a male candidate are equally qualified, candidates of the underrepresented gender should be awarded the contract.

17. Selection should ensure that at least three qualified candidates are assessed. While a desk review of candidates with proper selection justification can suffice, it is recommended that at least three candidates be interviewed by phone, or in person where feasible and at no cost to the Agency. The selection decision shall be properly documented by the Contracting Manager and retained on record for monitoring, audit or inspection purposes.

18. As a principle, no exceptions are made to the competitive selection process. However, upon request by a Contracting Department, the Director of Human Resources may consider making an exception to a specific requirement for competitive selection, or
approve amended procedures in competitive selection when the following conditions are met:

a. The proposed Individual Service Provider has unique expertise and no other suitable candidates meeting the minimum requirements could be found; or

b. The need is of such urgency that no other candidates can be assessed and it poses a risk to UNRWA delivery of service where the urgency was not predictable to the Contracting Department at an earlier time; or

c. The particular Individual Service Provider is required for specific, time-bound follow-up activities to services previously provided by the same individual in the context of the same project or assignment, and where contracting someone else would be inefficient, both in terms of cost and substantive continuity; or

d. When there is an emergency as declared by the Commissioner-General.

Fee setting

19. As a general principle, the fees payable to an Individual Service Provider shall follow the “best value for money” principle.

20. The Contracting Manager must use the existing salary scale for International or Area staff, as appropriate, as an initial and maximum reference point in calculating the Fees for an Individual Service Provider when an equivalency of the service of Individual Service Providers to a particular grade level of staff members can be made.

21. The fee offered for:

a. Individual Service Providers contracted on the basis of required and demonstrated appropriate qualifications and local expertise and experience, must not exceed the equivalent of the base salary listed in the prevailing Area Staff salary scale for the relevant duty station;

b. Individual Service Providers contracted on the basis of required and demonstrated appropriate qualifications and international experience, must not exceed the gross salary, excluding post adjustment, listed in the prevailing salary scale for International Professional Staff. International experience for purposes of this Directive means directly relevant professional experience obtained after completion of a relevant academic qualification outside of the Area of operations where the function is required.

22. As a guidance, but never prevailing over the ‘best value for money’ principle, the reference points for officer-level equivalency functions and fee ranges are as follows:
a. **Area/local expertise required for the function**

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<thead>
<tr>
<th>Fee range</th>
<th>Masters and years of relevant experience</th>
<th>Bachelor and years of relevant experience</th>
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*The fee range is based on the locally applicable salary scale for the respective grade, subject to change, see [Area Staff Salary Scales](#).*

b. **International expertise required for the function**

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<tr>
<th>Fee range</th>
<th>Masters and years of relevant international experience</th>
<th>Bachelor and years of relevant international experience</th>
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*The fee range is based on the applicable salary scale for the respective grade, subject to change, see [International Staff Salary Scale](#).*

23. An approval from the Director of Human Resources is required if:

a. the monthly Gross Contract Value exceeds US$ 5,000 with a funding source other than the Programme budget, or

b. the monthly Gross Contract Value exceeds US$ 2,500 with the funding source identified as the Programme Budget, or

c. the total Gross Contract Value exceeds US$ 20,000.

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4 The actual qualification of the Individual Service Provider is not determinative; the fee is linked to the required years of experience for the function. For particularly qualified individuals who exceed the required experience, the range of the salary scale for the relevant grade may be used to determine or negotiate an appropriate fee, keeping in mind the best value for money principle.

5 Ibid.

6 As at the date of this Directive or other amount promulgated thereafter.

7 Ibid.
24. In order to determine the threshold requirement under paragraph 23 for a Contract with deliverable-based fees, the total Gross Contract Value amount is to be equally apportioned on a monthly basis over the total contract duration. The Director of Human Resources will normally consider the justification provided by the Contracting Department in light of Agency priorities, efforts by the Department to meet the need through alternative means, supporting documentation, number of individual service provider contracts in the same department – in particular above these threshold values - and general compliance with the provisions of this Directive. The Director of Human Resources may request clarifications from the Contracting Department as needed.

25. Individual Service Providers may be paid the contracted (lump sum) fee upon delivery of the contracted product or completion of contracted tasks. For contract value calculation and payment of fees for regular tasks or functions, a fee may be calculated on a daily, weekly, monthly or lump sum basis. The following is the methodology applied for the calculation of daily and weekly fee rates:

a. Daily rate (5-day work week): Monthly fee divided by 21.75 (daily rate times 21.75 is the monthly rate and in case of hourly rates, a work day equals 8 hours to calculate daily rate);

b. Weekly rate (5-day work week): Monthly fee divided by 4.333333 (and weekly rate times 4.3333333 is the monthly rate);

c. Daily rate (6-day work week): Monthly fee divided by 26.1 (daily rate times 26.1 is the monthly rate and in case of hourly rates, a work day equals 8 hours to calculate daily rate);

d. Weekly rate (6-day work week): Same as under (b) above.

**Funds clearance and approval process**

26. After a suitable candidate has been identified through the selection process, the Contracting Department must undertake a preliminary enquiry with the intended candidate to confirm availability and discuss fee expectations. During this process, the candidate has to be made aware that this enquiry does not constitute a commitment to contract. Candidates must be made aware of the applicable break-in-service in case of contracts approaching the duration limitations and staff appointment restrictions (see paragraph 63) as a matter of expectation management.

27. The Contracting Department shall complete an “Attestation, Funds Clearance and Approval” form (see Annex 2). The form will include the following information:

a. The budget/expenditure code(s) against which the service is to be charged;

b. A brief summary of the service(s) required with defined deliverables and dates;

c. Duration of the contract, start date, end date and work schedule, if applicable;
d. Proposed fees, basis for fee calculation, and payment instructions;  

8. Ideally, a one-time lump sum payment upon completion of the deliverables. If daily attendance is required, a monthly payment is possible.

e. Location where or from where services are to be provided;

f. Details of any official travel required and cost arrangement for such travel;

g. Coverage and budgeting 9 for Malicious Acts Insurance Policy (MAIP), and United Nations Security Management System (UNSMS) coverage for internationally-contracted Individual Service Providers 10, as well as contributions to coverage for service-incurred injury, illness or death for all Individual Service Providers, as required and applicable;

h. Any other special conditions under the contract as long as such conditions comply with the general terms and conditions for Individual Service Provider contracts as listed below and the agreement to the special conditions lies within the delegated authority of the Contracting Department. Special conditions must not increase the contract value or agreed fee, or provide any conditions of service (including but not limited to payments, allowances, benefits or entitlements) in excess of those provided for in the general terms and conditions template.

28. The Finance Department (Budget Division) in HQ or the Head Field Finance Office in the Field Offices will provide clearance to confirm the availability of funds covering the Gross Contract Value of the contract and to verify that the proposed expenditure is being charged to the appropriate expenditure code.

29. Where a Contracting Department is unable to comply with the terms of instruction and inability to contract the services of an Individual Service Provider will likely and directly result in a failure for UNRWA to deliver its services to Palestine Refugees, the Contracting Department may approach the Director of Human Resources for approval of an exception to a specific and identified provision of this Instruction that the Department is unable to comply with in an individual case. The Director of the Contracting Department is required to submit a rationale in support of such request for an exception. An exception may be authorized by the Director of Human Resources for the following provisions in the following cases:

a. Exception to the principles of competitive selection (see paragraph 14);

b. Exception to the duration limitation of a contract or aggregate duration of a series of contracts with a particular individual up to an additional period of not more than three (3) months (see paragraph 34).

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9 The total amount to be reserved/budgeted for should be 2.5% of the contracted fee for internationally-contracted Individual Service Providers (for MAIP; UNSMS and service-incurred incidents) and 1% of the contracted fee for locally-contracted Individual Service Providers (service-incurred incidents). This amount may not need to be released or transferred as total Agency cost and contribution are assessed at certain times of the calendar year for MAIP and UNSMS; however for funding of service-incurred incidents, additional instructions on accounts may be provided as required. Related costs may be recovered from the funding source used for the respective contract of the Individual Service Provider(s).

10 An individual contracted from outside of the respective field of operations.
Verification of academic and professional qualifications

30. Prior to issuance of a contract, the Contracting Department shall verify the academic and professional qualifications of the Candidate as required in the ToR. For this purpose, the identified Candidate shall submit certified copies of her or his academic and professional credentials. Candidates may also be vetted by the Contracting Department against criminal records. Individual Service Providers may also be vetted Agency-wide against other relevant lists such as Security Council terrorism-related names at periodic intervals.

CONTRACTUAL TERMS AND CONDITIONS

Contract documents

31. The ‘UNRWA Individual Service Provider Contract’ and ‘General Terms and Conditions of Individual Service Provider Contracts Awarded by UNRWA’ (see Annex 1) apply to all Individual Service Providers, irrespective of the duration or value of their contract. The Contract and General Terms and Conditions, including conditions governing any applicable non-fee benefits or entitlements, may not be changed or modified without the approval of the Director of Human Resources. References to automatic renewals or extensions of the Individual Service Provider contract are not permitted. Whenever a contract is proposed the terms of which vary in substance from the prescribed standard template form, these changes to the template contract must be approved by the Director of Legal Affairs, and the Director of Human Resources informed, prior to signature.

32. Individual Service Providers may not use functional titles normally used by staff members, i.e., they may not use titles such as “head,” “officer,” “chief,” “deputy” or “acting” to avoid misrepresentation in authority to others, in particular to third parties. The Contracting Department is responsible for assigning an appropriate functional title where necessary, which must not, however, indicate the status of a staff member given the differences in permissible authorities. Likewise, individual service providers should where possible be issued Identification/Ground Passes that do not display the term “staff”.

Contract duration

33. The duration of the contract should be directly linked to the TOR and work assigned to the Individual Service Provider.

34. An Individual Service Provider contract must not exceed 11 consecutive months. Upon completion of an 11-month period, there shall be a mandatory break of one full month. In addition, an Individual Service Provider may only be contracted for a period of up to 28 months of work in a 36-month period. After reaching a total period of 28 months of in a 36-month period, a minimum of three months break is required before the same individual may be re-engaged for provision of services for the Agency.
35. The mandatory break of one full month upon completion of an 11-month period does not apply to Individual Service Providers meeting the criteria of (a) to (e) below. After reaching a total period of 28 months in a 36-month period, a minimum of three months break is required.

   a. whose contract is product delivery-based, and
   b. who perform their work at their own time, and
   c. are neither obliged nor expected to report to UNRWA premises on a regular (such as daily) basis, and
   d. are paid not monthly but upon delivery and acceptance of the defined contractually obligated products, and
   e. who have no restrictions on accepting concurrent work from sources other than UNRWA.

36. During the mandatory breaks of one or three months, as applicable, the individual may not serve under any type of contract or appointment with the Agency except as permissible under paragraph 63 below.

**Taxation and local laws**

37. Fees are understood as inclusive of all associated liabilities and compensate for any and all services provided under the contract as well as any other benefit or entitlement, including without limitation any end-of-service indemnity\(^{11}\) and social security contributions. Individual Service Providers are solely responsible for determining their tax liabilities and for the payment of any taxes or duties or other reporting or payments due in accordance with local or other laws. The Agency does not reimburse Individual Service Providers for any taxes, duty or other contribution payable by the Individual Service Providers on payments made under the individual contract.

38. As contracts should be deliverable-oriented, defining of working hours is not normally required. However, where required, the contract shall state the working hours and, as applicable, whether the work is full or part-time. Where working hours are defined, Individual Service Providers shall not be compensated for additional hours of work required to complete the work for which they were contracted.

**Coverage for life, health and personal effects**

39. Before commencing work, Individual Service Providers who will be required to travel must submit a certificate of good health to the Contracting Department confirming they are medically fit for the assignment, including any required travel and field work, and take full responsibility for its accuracy. Individual Service Providers working from their residence shall be required to submit a certificate of good health only when required to travel by the

\(^{11}\) 8.33% of the monthly fee will constitute an advance payment of any end-of-service indemnity.
organization. The certificate of good health shall be valid for one year from the date of its issuance and must be signed by a recognized medical practitioner. Individual Service Providers are responsible for the cost of the certificate.

40. Individual Service Providers are fully responsible for and are encouraged to arrange, at their own expense, life, health, and other forms of insurance covering the period of their services with the Agency. A copy of proof of a valid medical insurance covering the period of the contract is required prior to the commencement of an assignment. The contract fee is considered inclusive of any contributions to life, health or other forms of insurance.

41. Individual Service Providers are not covered for any loss or theft of personal effects, household goods and equipment during their work. They are advised to make personal insurance arrangements prior to taking up the work.

Medical evacuation

42. The Agency does not cover the costs of medical evacuation of Individual Service Providers. As such, Individual Service Providers working in locations where medical facilities are inadequate are advised to ensure that their own medical insurance covers an emergency medical evacuation.

Compensation for service-incurred death, injury or illness

43. In the event death, injury or illness of an Individual Service Provider who is on authorized travel at UNRWA's expense or performing services in an UNRWA office or installation and which is directly attributable to the performance of their contracted duties on behalf of UNRWA, the Agency will consider compensation by way of a lump sum payment to the Individual Service Provider, or in case of death, her or his estate. The decision to pay compensation is a discretionary decision and will take into account the circumstances of the incident, medical bills and diagnosis. The compensation shall in no case exceed twice the monthly fee equivalency under the respective contract per incident.

Malicious acts insurance policy

44. Internationally-contracted Individual Service Providers (i.e. individuals contracted from outside of the respective field of operations) are covered under the relevant provisions of the Malicious Acts Insurance Policy of the Agency in the case of injuries resulting in permanent partial disablement, permanent total disablement or death caused directly or indirectly by a war or a malicious act whilst in the service of the Agency. The insurance's applicability requires Individual Service Providers to comply with the Agency's medical and security guidelines and procedures.
Travel

45. Official travel associated with the assignment will be specified in the contract and will be authorized, arranged, and the related costs paid in a manner consistent with the Agency’s relevant travel policies and procedures. Travel costs must be included in the gross contract value calculations even if paid by a funding source different to that used for the contract fee. The Awarding Authorities and Contracting Managers are expected to familiarize themselves with the travel policies and procedures.12

46. If travel and related costs are included in the fee for services, this should be expressly stated in the contract.

47. While travelling on behalf of the Agency, it remains the responsibility of the Individual Service Provider to apply for and obtain any required visa(s) prior to departure. The Agency may assist in the process, e.g. through participation in administrative procedures or submission of formal documents that may be required by the authority issuing the visa. Individual Service Providers requiring a visa or other entry permit to conduct their work for the Agency may be provided with a UN Certificate as appropriate.

Training

48. Individual Service Providers are normally expected to have the expertise, experience and skills to deliver the contracted services without additional training by the Agency. Therefore, Individual Service Providers are neither entitled nor should they participate in training at the expense of the Agency except for mandatory trainings to be undertaken by all personnel working for the Agency. Where unique, Agency-specific training is required for an Individual Service Provider to be able to provide the contracted service due to an Agency-specific context, the contracting department may include the Individual Service Provider in such training. Related Agency expenses, if any, should be listed in the contract so as to reflect an accurate gross contract value. In all cases where training opportunities are limited in participant number, priority must be given to staff members in relevant functions.

Use of UNRWA vehicles

49. An Individual Service Provider may be authorized by the Contracting Department to be furnished with transport or use of an Agency vehicle under the conditions provided in the Agency’s relevant policies, for activities directly related to the accomplishment of the assignment outlined in her or his terms of reference. The Contracting Department will ensure that Individual Service Providers obtain the necessary permits to drive UNRWA vehicles and that they are covered by adequate insurance prior to the assignment of a vehicle.

12 In particular section 5.4 of Administrative Services Instruction 01/2016: “Travel standard for personnel other than staff members is economy class.”
Performance evaluation, final payment and clearance

50. The contract shall state the applicable requirements for delivery-based assignments, including mandatory dates for delivered products and quality assurance measures necessary to ensure satisfactory performance.

51. Upon completion of the Individual Service Provider’s services or the delivery of the final product specified in the contract and in the ToR, the performance of the Individual Service Provider or the quality of the product must be evaluated and recorded by the Contracting Manager, using the “Performance Evaluation Report for Individual Service Providers” form (see Annex 3) until a system-solution is implemented within the Agency’s ERP (“REACH”) system. Individual Service Providers may not be assessed using the E-Per system designed for staff members.

52. Final payment is only made when the evaluation has been completed and signed by the Contracting Manager, stating that the entire work has been satisfactorily completed. For monthly payments, this may require monthly confirmation of satisfactory delivery of services.

53. In addition, the Contracting Department must ensure that the Individual Service Provider has no outstanding debts or liabilities with the Agency, that all travel claims have been settled, and any Agency assets (e.g., laptops, mobile phones) returned prior to the final payment being effected (by use of Certificate of Final Clearance, see Annex 4). An amount of US$ 500 or US$ 200 (for Individual Services Providers paid on the basis of international or local expertise respectively) should be retained for a period of one month to ensure all liabilities are settled.

Termination of contract

54. The contract may be terminated prior to its regular end date by either party by giving formal written notice to the other party. The notice period will be 15 calendar days irrespective of the duration of the contract.

55. In the event of termination of the contract initiated by the Agency due to a failure by the Individual Service Provider to meet her or his obligations due to, for example, unsatisfactory performance or failure to conform to the Agency’s standards of conduct, the contract can be terminated immediately through written notice from the Agency.

56. The termination process will be the responsibility of the Contracting Department which executed the contract, in consultation with the Heads, Field Human Resources and Field Legal Units for field-contracted Individual Service Providers (or whenever necessary the Director of Human Resources), and the Directors for Human Resources and Legal Affairs for HQ-contracted Individual Service Providers.

57. In the case of termination, the Individual Service Provider will be entitled to a pro-rata payment for any work already performed to the satisfaction of the Contracting Department.
OTHER CONDITIONS FOR CONTRACTING

Contracting of former and retired UN staff members

58. A former or retired staff member may be engaged as an Individual Service Provider subject to the following provisions:

a. A minimum of one month break is observed between separation or retirement and re-engagement as an Individual Service Provider. Where a separation has occurred through termination on mutually agreed terms, a minimum of 36 months must elapse between separation and Contract start date;

b. The former or retired staff member cannot be contracted to perform the same or substantially similar functions of the post from which the staff member had separated or retired (exceptions through the Director of Human Resources are possible);

c. The former staff member cannot be contracted where separation from service was due to: abandonment of post; misconduct; non-renewal or termination of appointment for unsatisfactory service; or resignation pending an investigation or pending completion of the disciplinary process;

d. The fees payable are based on the proposed Contract ToR for the services to be performed, and not on the previous and most recent level of remuneration while holding a staff member appointment;

e. The contracting of a retired staff member who is in receipt of a benefit from the United Nations Joint Staff Pension Fund, is subject to the following restrictions, unless the payment of Pension Fund benefits has been deferred:

   i. Maximum duration of Contract is 6 months per calendar year;

   ii. Fees payable in a calendar year may not be more than the maximum amount\(^\text{13}\) of US$ 22,000.

Contracting of family members and spouses

59. Individual Service Provider contracts shall not be issued to a person who bears any of the following relationships to a staff member: father, mother, son, daughter or sister.

60. Spouses of staff members may be engaged as an Individual Service Provider provided that:

   a. they are fully qualified and are selected in a competitive selection process;

\(^{13}\) As at the date of this Directive or other amount promulgated thereafter.
b. they would not be superior or subordinate in the line of authority to the staff member, or be in a role that could be perceived to constitute a conflict of interest in relation to the staff member or functions to be exercised;

c. they or the staff member do not participate in any review or decision-making process that affects the status or entitlements of the respective spouse.

61. The spouse of an Awarding Authority or Contracting Manager (or the spouse of the senior UNRWA staff member in charge of a Contracting Department where the Awarding Authority is her or his delegate) cannot be engaged as an Individual Service Provider in the same or a subordinate Contracting Department or line of approvals or certifications in which the Awarding Authority work. Likewise, the spouse of a staff member working in procurement functions may not work in the same department, or in any function related to procurement activities.

**Contracting of staff members on special leave**

62. A staff member (of UNRWA or other UN entities), including staff members on special leave (whether with or without pay) cannot be engaged as an Individual Service Provider.

**Restrictions on employment as a staff member**

63. An Individual Service Provider may be hired as a staff member in the same programme or support unit at the same duty station only after at least three months have elapsed between the end of an individual contract and the time of application and consideration for an appointment as a staff member; and subject to the selection conditions outlined in the relevant Area and International Staff Selection Personnel Directives.

64. In the event a former Individual Service Provider is re-employed by the Agency under a different contract modality, including as a staff member, the terms of the new employment shall be fully applicable without regard to any period of former service.

**THIRD PARTY ADMINISTRATIVE SERVICE ARRANGEMENTS**

65. The services of a third party service administrator - such as UNOPS, UNDP, or other UN service providers with relevant and proven sourcing expertise - for engaging an individual for temporary services may only be considered where it is in the interest of the Agency to use such service rather than contracting an individual directly by the Agency. The contracts awarded in such cases must be between the individual and such third party service administrator on a reimbursable basis with UNRWA, and not between the individual and UNRWA. All memoranda of understanding or agreements with third party service administrators must be approved by the Director of Human Resources. Approval requests must meet the principles stipulated in this Directive and require a justification with Terms of Reference for the function and duration thereof.
MODIFICATION OF CONTRACT

66. Any modification to the contract must be in accordance with this Directive and made upon mutual agreement between the Agency and the Individual Service Provider and upon approval of the relevant Awarding Authority. Any material change required to the terms of the contract will be made by issuing a written amendment. Where the amendment changes the value or terms of the contract in such a way that additional approvals are required under the conditions, including thresholds, as defined in this Directive, then the amendment must be approved by the respective approval authorities.

MONITORING AND EVALUATION

67. Individual files for all Individual Service Providers who are undertaking service should remain with their Contracting Managers or Head Field Human Resources Offices (HFHROs) and retained for official reference. The Human Resources Department will monitor Individual Service Provider workforce data accessible via REACH as well as through follow-up data collection under paragraph 68 below.

68. Until such time as the REACH capability is developed to facilitate a real time review of all contracts, including of approvals and exceptions requested and granted, Contracting Departments are required to provide the Human Resources Department (HRD) with a copy of all awarded contracts as well as to maintain essential information related to the engagement of Individual Service Providers, and be prepared to report in a tabulated excel-form on all contracts entered into, including but not limited to the following:

- Full name, Gender and Nationality of the Individual Service Provider;
- National ID or passport number;
- Purpose of the assignment;
- Duty station;
- Fees, Gross Contract Value and Funding Source;
- Category of Individual Service Provider (International or Local);
- Contract duration;
- Exceptions granted, if any, and
- Contract performance assessment.

RESPONSIBILITIES

69. Contracting Manager:
   a. Ensures compliance with all aspects of the contract;
   b. Identifies the need for the services of an Individual Service Provider and attests that the conditions for engaging an Individual Service Provider are met;
   c. Develops Terms of Reference for the proposed assignment;
d. Assesses qualified candidates, recommends a suitable candidate and documents the selection process;

e. Assures quality of the services provided by the Individual Service Provider and certifies release of payments;

f. Conducts performance evaluation of the services of Individual Service Providers;

g. Ensures that copies of all executed contracts be maintained centrally within the Field or Department.

70. **Head Field Human Resources Office (HFHRO) in Field Offices or HQ Department Administration Officer:**

a. Ensures that conditions required for contracting are met, or otherwise makes a submission to the DHR for approval;

b. Advises on the appropriate fee payable to the Individual Service Provider, based on existing salary scales. Where no salary scale exists, advises on the appropriate comparator or value-for-money considerations;

c. Submits and verifies all information required for the annual report to be prepared by HRD on the implementation of this Directive.

71. **Field Director/ HQ Department Director/ Head of Liaison Office:**

a. Ensures compliance with and is accountable for all aspects of this Directive;

b. Approves contracts for Individual Service Providers, subject to any additional approvals by other approval authorities as outlined in this Directive.

72. **Head Field Finance Office/ HQ Finance Department:**

a. Certifies availability of funds for the contracting of Individual Service Providers;

b. Effects payments in line with the terms of the contracts and upon certification of the Contracting Manager to release such payments.

73. **Director of Human Resources:**

a. Establishes policies and procedures for the contracting of Individual Service Providers supplementing this Directive;

b. Proposes amendments to this Directive;

c. Undertakes approvals under the defined authorities in this Directive;

d. Approves or rejects requests for exceptions as submitted by Contracting Departments;

e. Monitors compliance with policies, procedures and standards;

f. Presents an annual report on the implementation of this Directive, including but not limited to exceptions requested by Contracting Departments and exceptions granted;

g. Determines general exceptions to this Directive for application in all or specific UNRWA operations when there is an emergency as declared by the Commissioner-General.
ANNEXES

1. Contract and Conditions of Service
2. Attestation, Funds Clearance and Approval Form
3. Performance Evaluation Report
4. Certificate of Final Clearance