

## TERMS OF REFERENCE

*Procurement of Consultancy Services for the Establishment of  
Quality Management System (QMS) – System Review and Improvement Processes  
Aligned With and Certifiable to ISO 9001:2015 Standard  
for Investment Coordination Committee Appraisal Process  
At the NEDA Central Office*

### I. PURPOSE

The purpose of this Terms of Reference (TOR) is to outline the QMS Review and Improvement Processes requirements aligned/consistent with the requirements of the International Organization for Standardization (ISO) 9001:2015 Standard for the Investment Coordination Committee (ICC) process at the NEDA Central Office (CO).

### II. BACKGROUND

Administrative Order No. 161, "Institutionalizing Quality Management System (QMS) in Government" was issued on October 5, 2006 and was amended by Executive Order No. 605 dated February 23, 2007, mainly to adopt ISO 9001:2000 QMS as part of the implementation of a government-wide Quality Management Program (QMP).

The Government Quality Management Committee (GQMC) was constituted by the heads of the Department of Budget and Management, Department of Trade and Industry, Development Academy of the Philippines, Department of Interior and Local Government and Office of the President to formulate policies and oversee, monitor and evaluate the implementation of the Government Quality Management Program (GQMP), and submit progress report to the President. The GQMP shall have the following key components:

1. Government QMS Standards (GQMSS). This involves the development of a guidance document and the adoption of relevant ISO management systems and standards that integrate relevant provisions of pertinent laws/rules/regulations to develop a culture of quality and integrity in governance characterized by citizen- focused and well-performing government organizations.
2. Advocacy and Capability Building. This is expected to promote awareness, generate support, harness resources and develop organizational capabilities in the establishment, implementation and continuing improvement of QMS in public sector organizations.
3. Certification of Agencies' QMS to GQMSS. The Philippine Certification for ISO QMS (PISO-QMS) shall be established to give due recognition to qualified government organizations that have demonstrated conformity of their QMS to ISO 9001:2000 and the GQMSS.

This initiative has taken place with the Government's aim to institutionalize QMS in all departments and agencies of the Executive Branch, including Government-Owned and Controlled Corporations (GOCCs) and Government Financial Institutions (GFIs), to effect actual improvements in public governance in recognition of the ISO 9000 series which ensures consistency of products and services through quality processes.

In compliance with Memorandum Circular No. 2016-1, "Guidelines on the Grant of the Performance-Based Bonus for Fiscal Year 2016," issued by the AO 25 Inter-Agency Task Force (IATF) on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems, an ISO 9001-aligned documentation of the ICC process was established at the NEDA CO. On December 29, 2016, the Approved Quality Manual, Approved Procedures Manual, and relevant Work Instructions and Forms, were posted in the NEDA Transparency Seal, and passed the validation conducted by the GQMC.

Thus, NEDA CO is ready for the continuation of its remaining QMS activities for ICC process, mainly composed of the establishment of the Review and Improvement Processes, covering the provision of Capacity Building to the Internal Quality Audit Team, carrying out of the first Internal Quality Audit of the QMS activities and conduct of Management Review, Pre-Certification Assessment and Third Party Certification Assistance until the grant of ISO 9001:2015 Certification.

### **III. OBJECTIVES**

The establishment of the Review and Improvement Processes will help determine the effectiveness of the NEDA CO ISO 9001 QMS, its processes and activities and is expected to accomplish the following objectives:

1. To establish an Internal Quality Audit process consistent with the requirements of ISO 9001:2015 QMS;
2. To train heads and process owners on the requirements for correction and corrective action, requisites of 5 S and Basic Workplace Housekeeping and the concepts of Determining Root Causes and formulating effective and efficient corrections and corrective actions;
3. To assist/guide the Top Management on the conduct of Management Review, formulation of appropriate responses to the audit nonconformities and adoption of mechanisms for continual improvement and other needed actions to enhance readiness for certification audit;
4. To prepare the Top Management, Quality Management Structure, Functional Teams, key personnel and staffs for the certification and long-term maintenance of a QMS compliant to ISO 9001:2015 through effective Pre-Certification Assessment; and
5. To achieve ISO 9001:2015 certification with the assistance/guidance of the Consultant and strengthened interfaces and improved teamwork among the different NEDA CO sector and evaluating Staffs and relevant support Staffs in relation to ICC's process activities.

### **IV. SCOPE OF SERVICES**

Owing to the lack of expertise that can be utilized to address this immediate organizational concern, NEDA CO has decided to hire external professional/consulting services. The said consulting services shall involve the following activities:

1. Preparation of the Work Plan for the ISO 9001:2015 QMS Systems Review and Improvement Processes. The work plan shall include the timetable/schedule for each of the activities and the identified participants and expected outputs;

2. Conduct of customized training on ISO 9001:2015 Internal Quality Auditing QMS to build the capability of the designated Internal Quality Audit Team to plan, conduct and report internal audits, including the conduct of simulated audit exercises and report-writing of Internal Quality Audit findings;
3. Conduct of training and provision of technical guidance to heads, process owners and Internal Quality Audit Team on the requirements and concepts of 5 S and Basic Workplace Housekeeping, Root Cause Analysis and Corrective Actions to enable NEDA/ICC to address QMS nonconformities, including those from audits, and sustain the QMS implementation and maintenance since corrective action is one of the pillars of any ISO 9001:2015 QMS;
4. Conduct of a comprehensive Pre-Certification Assessment of NEDA/ICC's QMS to determine potential critical issues and enable NEDA/ICC to institute actions and interventions prior to the actual certification audit;
5. Extension of technical guidance to Top Management, heads and process owners on matters related to Management and systems review and improvement requirements of ISO 9001:2015 and guide NEDA/ICC in preparing for the third party certification audit; and
6. During Third Party Certification, provision of expert advice/assistance and conduct of consulting and coaching sessions to ensure issuance of ISO 9001:2015 Certification for the ICC Process, in particular, the project appraisal process conducted by the NEDA Sector Staffs, and the facilitation of the ICC approval process, limited to procedures conducted and within the control of the ICC Secretariat.

The Third Party Certification should commence within one (1) month after closing all major nonconformities based on the results of the Pre-Certification Assessment and upon the advice of the Consultant. Furthermore, the technical guidance, consulting and coaching sessions shall continue to be conducted as needed until the desired Certification is achieved.

Appraisal of Public Private Partnership (PPP) projects is excluded, considering that PPP Center, as the lead agency for PPP projects, may establish its own QMS and further undergo a separate certification process.

## **V. REPORTING AND EVALUATION**

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To ensure proper planning, management, implementation and monitoring of the project, the ISO 9001 QMS Technical Consultant shall work closely with the concerned Offices/Staffs, including the following key officials/personnel/groups:

1. The Head of the Agency or his designated representative/s;
2. The NEDA CO Top Management;
3. The Quality Management Representative;
4. The Deputy Quality Management Representatives;
5. The NCO Quality Management Structure and Working/Functional Teams;
6. The ICC Core Secretariat;
7. The ISO Core Team Secretariat; and
8. Other concerned Offices/Staffs.

On behalf of NEDA, the Quality Management Representative (QMR) or his duly designated representative, shall evaluate the quality of work delivered by the ISO 9001 QMS Technical Consultant based on this TOR to ensure the quality and relevance of work being conducted, and based on this, shall issue a written project acceptance/approval, retention, or discontinuance.

Based on mutual agreement, related additional duties and responsibilities may be assigned to the ISO 9001 QMS Technical Consultant.

## **VI. CLIENT'S RESPONSIBILITY**

The following comprise the general expectations from the NEDA, as client:

1. Designation of a counterpart support team who will work closely with the Consultant regarding technical and administrative requirements, including monitoring of the progress of the various activities;
  2. Provision of room/office space and desktop computer for the use of the consultant, as may be needed in the course of the project;
  3. Provision of all the necessary/required information/data related to the project and identification of participants as may be needed in pursuing the tasks under this TOR;
  4. Provision of logistical requirements for the conduct of the stakeholder training, workshops and consultations, and payment of all the associated costs, including equipment, supplies, meals and snacks of participants and Resource Persons, traveling expenses, training venue and room/hotel accommodation, if needed;
  5. Reproduction of training materials, handouts and other QMS documents and/or payment of the cost of producing professionally-bound copies of all reports and reproduction of training materials and certificates and QMS documentation outputs;
  6. Ensure availability and participation to briefing/ training/ workshop/ consultation and presentation sessions and active involvement of the QMR, Deputy QMRs, other members of the Quality Management Structure and concerned officials and personnel on matters pertaining to Internal Quality Audit, Productivity and Quality Improvement Tools, Management Review, Pre-Certification Assessment, QMS Continual Improvement mechanisms, among others;
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7. Adherence of the identified participants to timelines set according to the schedule of training, workshop and consultancy sessions per work plan. For any request for change or cancellation of schedule, however, at least a one (1) week notice shall be given and the said change/adjustment shall be made based on mutual agreement by both parties; and
  8. Release of performance security upon issuance of the final Certificate of Acceptance/ Satisfactory Service.

## VII. CONSULTANT'S RESPONSIBILITY

The ISO 9001 QMS Technical Consultant shall provide information that indicates experience, capacity and capability to undertake the work outlined herein, within the specified timelines. As part of this, the consultant is expected to provide an indication of public QMS-related engagements, as well as QMS consultancy works that are currently underway, planned or completed. This will be considered in the assessment of the Consultant's QMS-related experience profile.

The ISO 9001 QMS Technical Consultant undertakes to perform the Services with the highest standards of professional and ethical competence and integrity. Any studies, reports or other materials, graphic, software or otherwise, prepared by the Consultant for the Client shall belong to and remain the property of the Client.

The following are the general expectations from the Consultant:

1. Commitment to treat with utmost confidentiality, all information and materials gathered and used relating to this engagement or the Client's business or operations;
2. Prior to the signing of the contract, the Consultant shall post performance security in the amount and form as prescribed by Section 39 of the Revised Implementing Rules and Regulations of Republic Act No. 9184, the Government Procurement Reform Act;
3. Preparation of the ISO 9001 QMS Systems Review and Improvement Processes Work Plan with schedule of activities for all the training, workshops and consultancy in compliance with the ISO 9001:2015 requirements for the entire duration of the engagement;
4. Adherence to appointment/training and workshop schedules and consultancy visits and any changes or adjustments of schedules as agreed upon. For any request for change or cancellation of schedule, however, at least a one (1) week notice shall be given and the said change/adjustment shall be made based on mutual agreement by both parties;
5. Provision of one (1) complete set of soft copies (PDF or MS Office format) of training materials at least one (1) week before the actual training/workshops to give sufficient time for reproduction, compilation and distribution;
6. Provision of information on any conflicts of interest and proposed approach to the resolution thereof; and
7. Provision of technical advice and guidance to the Client until Third Party Certification. The Consultant shall continue to perform the necessary tasks at no additional cost to NEDA, except the amount provided in this TOR, until ISO 2015 QMS certification is achieved.

## VIII. CONSULTANT'S QUALIFICATION REQUIREMENTS

The ISO 9001 QMS Technical Consultant shall show proof or sample work to support the following qualification requirements:

### A. Qualification and Competencies

1. Must hold at least a Bachelor's degree in public management, public administration, business administration, engineering or related field and attended at least forty (40) hours relevant QMS/ISO training; and
2. Must have undertaken at least five (5) successful consultancy and training services within the last ten (10) years, with firms/entities, including private companies, on the establishment of QMS towards the achievement of certification to ISO 9001 Standard, supported by submission of Certificate of Satisfactory Service issued by the previous client/Agency.
3. Premium points shall be provided for the following: (a) Consultants who engaged in the latest version of ISO 9001 series; and (b) Consultant's experience with government organizations and in processes related to appraisal and approval of projects.

### B. Evaluation and Selection Criteria

1. Selection Criteria. The Consultant must attain a hurdle rate of 70% to be considered based on the following set of selection criteria with their corresponding weight assignment:

Criteria	Weight
<b>a. Qualifications of the Consultant</b>	60%
i. Education	5%
ii. Trainings Attended	5%
iii. Experience	50%
At Least 5 Successful Consultancy and Training Towards ISO 9001 Certification for a Government or Private Organization	
<b>b. Plan of Approach and Methodology</b>	30%
i. Substance of the Proposal	20%
ii. Completeness of the Proposal	5%
iii. Clarity of Methods and Approaches	5%
<b>c. Job Capacity/Current Workload Relative to Capacity</b>	10%
Total	100%

\*Job capacity of the Individual Consultant shall be determined based on the committed man-hours requirements of his/her ongoing/committed engagements.

\*\*Premium points will be provided for the following: (a) Consultants who engaged in the latest version of ISO 9001 series; and (b) Consultant's experience with government organizations and in processes related to appraisal and approval of projects.

2. Evaluation Procedure. Pursuant to RA 9184 and its Revised IRR, the proposals shall be evaluated using Quality-Cost Based Evaluation (QCBE).

Overall Evaluation Criteria	Weight
a. Technical Proposal	80%
b. Financial Proposal	20%
Total	100%

#### IX. DOCUMENTARY REQUIREMENTS

Pursuant to Annex H of the Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184, otherwise known as the Government Procurement Reform Act (GPRA), the following requirements shall be submitted together with the technical and financial proposals:

1. Curriculum Vitae including all ongoing/committed contracts and completed contracts within the last ten (10) years, among others;
2. Income or Business Tax Return;
3. PhilGEPS Registration Number;
4. BIR Certificate of Registration shall be submitted in lieu of DTI Registration and Mayor's Permit (as required specific to individual consultants); and
5. Omnibus Sworn Statement using the GPPB-prescribed Form.

The Plan of Approach and Methodology shall be included in the technical proposal that shall be submitted by the Consultant/Bidder, in addition to the above documentary requirements. This contains the methods, approaches and proposed implementation activities and the corresponding schedule consistent with the TOR.

#### X. MODE OF PROCUREMENT

The procurement process for this undertaking shall be executed in accordance with RA 9184 and its Revised IRR through Small Value Procurement.

#### XI. DURATION OF ENGAGEMENT AND APPROVED BUDGET FOR THE CONTRACT (ABC)

The engagement of the ISO 9001 QMS Technical Consultant will cover a period of **seven (7) months** from the receipt of Notice to Proceed with a required actual number of 45 man-days for the duration (see Suggested Implementation Schedule showing the specific requirements in page 8). The ABC is **Six Hundred Thousand Pesos (₱600,000.00)**, inclusive of all applicable government taxes, charges and fees.

# Suggested Implementation Schedule

Quality Management System (QMS) Activities - System Review and Improvement Processes Towards ISO 9001:2015 Certification for the Investment Coordination Committee (ICC) Secretariat Appraisal and Facilitation of ICC Action

Task	Number of Days*	Total No. of Days	Indicative duration		May				June				July				August				September				October				November				December			
			Start date	End date	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4				
I. Implementation of the Contract - CS:																																				
1. Submission of Inception Report	within 10 days from Notice to Proceed		Last week of May																																	
2. SS & Basic Workplace Housekeeping	one (1) day x 2 batches	2	06/01/2017	06/02/2017																																
3. Effective Internal Quality Audit	two (2) days	2	06/05/2017	06/06/2017																																
4. Effective IQA Report Writing	one (1) day	1	06/07/2017	06/07/2017																																
5. Root Cause Analysis to Formulate Corrections/Corrective Actions	two (2) days	2	06/08/2017	06/09/2017																																
II. Consultation/Coaching Sessions:																																				
1. Conduct of IQA	two (2) days/week x 3 weeks	6	06/13/2017	07/13/2017																																
2. Management Review	one (1) day	1	07/14/2017	07/14/2017																																
3. Address Nonconformities	two (2) days/week x 4 weeks	8	07/14/2017	08/14/2017																																
4. Pre-Certification Assessment	two (2) days/week x 4 weeks	8	08/15/2017	09/15/2017																																
5. Third Party Certification Assessment	one (1) day/week x 15 weeks	15	09/15/2017	12/27/2017																																
6. Completion of the Terminal Report			12/28/2017	12/29/2017																																
		45																																		

\*Each man-day is equivalent to eight (8) hours.



## XII. DELIVERABLES AND TERMS OF PAYMENT

The following outputs/services will be expected from the consultant to be submitted/delivered to NEDA on the day/date specified below and based on the agreement between NEDA and the Consultant.

Deliverables	Timelines	Terms of Payment
<b>1. <u>Submission of Inception Report</u></b> a. Background of the consultancy services to be undertaken during the implementation of the Consulting Services, including the list of major activities and tasks to be provided by the Consultant with specific duration and the relevant work timetable, identified constraints and risks and how to address these, among others.	Within 10 days upon consultant's receipt of the Notice to Proceed (NTP) from NEDA.	10%
<b>2. <u>Conduct of Training, Workshop and Guidance/Consultation Sessions on Internal Quality Auditing and Report Writing</u></b> a. Seminars, workshops and guidance/consultation sessions on 5 S and Basic Workplace Housekeeping and Root Cause Analysis on the formulation of effective corrections and corrective actions to address QMS nonconformities; b. Seminars, workshops and guidance/consultation sessions on the development of Internal Quality Audit Plan/Program suitable for ICC QMS and process-/risk-based audit checklists; and c. Guidance/consultation sessions on the conduct of Internal Quality Audit, preparation and presentation of Internal Quality Audit Report.	Within Month 1 upon receipt of NTP	30%
<b>3. <u>Conduct of Guidance/Consultation Sessions on Management Review and Conduct of Pre-Certification Assessment (PCA)</u></b> a. Technical guidance on the conduct of Management Review and adoption of mechanisms for continuous improvement and other needed actions to enhance readiness for certification audit;	Within Month 3 upon receipt of NTP	40%
b. Assessment of QMS implementation and performance to review readiness for certification audit and preparation of corresponding PCA Report; and c. Guidance/consultation sessions to take appropriate corrections/ corrective actions, identify preventive actions and close all nonconformities.		

Deliverables	Timelines	Terms of Payment
<b>4. <u>Provision of Reliable Expert Advice/Assistance During Third Party Certification</u></b> a. Technical advice, assistance and guidance to plan for the certification audit, particularly, responses to queries during the audit and appropriate and effective corrections, root cause analysis and corrective actions to address nonconformities.	During Certification Audit	10%
<b>5. <u>Submission of Documentation Report</u></b> a. Project Completion/Terminal Report containing the highlights of QMS activities for each phase of the project.	Within Day 5 After Certification Audit	10%

Each payment shall be supported by a Certificate of Satisfactory Service based on the training and workshops conducted and technical guidance/consultations rendered comprising the actual outputs as certified by the ISO 9001 QMS Technical Consultant and duly accepted by the QMR or his authorized representative.

#### **Retention Payment**

Retention payment of 10% shall be made by the Consultant. It shall be based on the total amount due to the Consultant prior to any deduction, and shall be retained from every progress payment until fifty percent (50%) of the value of the project, as determined by NEDA, has been completed. If, after fifty percent (50%) completion, the project is satisfactorily accomplished and on schedule, no additional retention shall be made; otherwise, the ten percent (10%) retention shall be imposed. Provided, however, that for delays caused by the Client, no additional retention shall be made.

The total retention money shall be due for release upon approval of the Final Report. The Consultant, may, however, request the substitution of the retention money for each progress billing with irrevocable standby letters of credit from a commercial bank, bank guarantees or surety bonds callable on demand, of amounts equivalent to the retention money substituted and is satisfactorily undertaken. Otherwise, the ten percent (10%) retention shall be made. The said irrevocable standby letters of credit, bank guarantees and/or surety bonds, to be posted in favor of NEDA shall be valid for the duration of the contract.

<b>Conforme:</b>
<div style="border-bottom: 1px solid black; margin-bottom: 10px; min-height: 20px;"></div> <b>Bidder's Company Name</b>
<div style="border-bottom: 1px solid black; margin-bottom: 10px; min-height: 20px;"></div> <b>Name &amp; Signature of Authorized Representative</b>
<div style="border-bottom: 1px solid black; margin-bottom: 10px; min-height: 20px;"></div> <b>Designation</b>
<div style="border-bottom: 1px solid black; margin-bottom: 10px; min-height: 20px;"></div> <b>Date</b>