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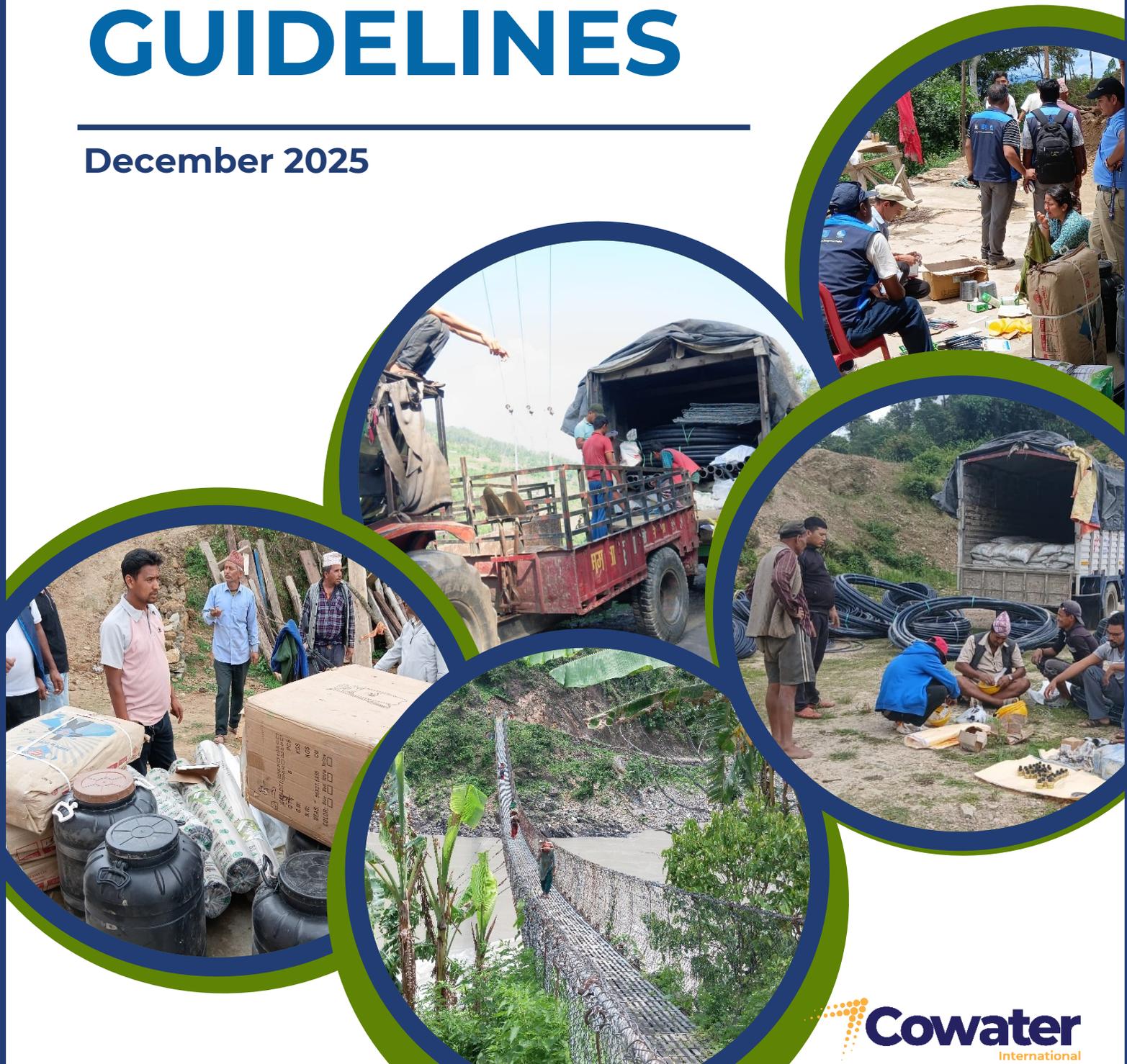
SUOMI
FINLAND



LOCAL ADAPTATION
TO CLIMATE CHANGE
LACC PROJECT

COMMUNITY PROCUREMENT GUIDELINES

December 2025



Name of the project: Local Adaptation to Climate Change Project (LACCP)

Duration of the project: 11/2024 -10/2029

Name of the document: Community Procurement Guidelines, Supporting document of Project Implementation Manual (PIM)

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Prepared by: Project Support Unit, Birendranagar, Surkhet

Target Users: UCs implementing LACC Project schemes, procurement committees, LGU staffs, project staffs, external materials suppliers, LG office and all relevant stakeholders of LACC Project

Distribution of the report: Public

This guideline has been updated from the “External Materials Procurement Manual” of RVWRMP (dated 5th March 2018) in accordance with the provisions outlined in the Project Document of the Local Adaptation to Climate Change Project (LACCP).

CHAPTER 5.3 OF THE PROJECT DOCUMENT STATES:

"The major procurement will be carried out in a transparent manner at the lowest appropriate level, which is the UC level, accountable to respective user groups. Funds from NRDF will be channeled to the UCs' accounts, and they will undertake procurement of materials and equipment, collection of local materials, supervision of construction activities, etc. The community procurement model of RVWRMP will also be applied in the Project so that all scheme-related procurements will be carried out solely by the UCs. Public audits at the community level are among the key instruments for transparency and accountability."

Following this guidance, the manual has been updated and implemented accordingly. **It is mandatory to adhere to this guideline for the procurement of construction materials used in all types of LACC Project schemes.** All User Committees, Project implementing LGU staffs, local governments, ward offices, and other stakeholders are required to follow it.

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Constructive feedback to improve the effectiveness of this guideline is welcome and can be sent to LACCPProject@laccp.org.np.

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DEFINITIONS OF KEY TERMS USED IN THIS GUIDELINE

- A. **“Schemes”**: Refers to water supply and sanitation, irrigation, multiple use system, toilet construction, improved cooking stove, improved water mill, agroforestry, conservation and other natural resources management activities prepared for achieving defined objectives within a specific geographic area and timeframe with a fixed budget under the LACC Project.
- B. **“Users Committee”**: Refers to an institutional group formed among direct beneficiaries of the schemes to implement, operate, manage, and maintain the scheme. This committee must be formed following due procedures and registered under prevailing legislation of Government of Nepal or the Local Government.
- C. **“Project”**: Refers specifically to the **Local Adaptation to Climate Change (LACC) Project** being implemented under local governments. It also includes the Project Coordination Unit established in MoFAGA, TA team’s Project Support Unit in Birendranagar Surkhet, Project Coordination Offices established in water related province ministries of Sudurpashchim and Karnali province governments and TA team’s cluster level Technical Support Units (TSUs) established in the different clusters.
- D. **“Mass Meeting”**: Refers to a gathering organized as per the project guidelines with representation from at least **75% of beneficiary households**, including **minimum 50% women participation** and **proportional representation** from all geographical and ethnic communities.
- E. **“LGU staffs”**: Refers to personnel assigned by respective local government to work exclusively for the Project or individuals hired directly by local government on a contract basis for project implementation support.
- F. **“Public Audit”**: Refers a process conducted by the User Committee, as per the step-by-step procedures of individual schemes, to inform and share with users and stakeholders about the project's goals, objectives, budget, results, achievements, and expenditures in a public mass meeting for review, feedback, and accountability.
- G. **“External materials”**: Refers to the construction and other schemes related external materials that are required to the User Committee as per the implementation procedures of individual schemes.
- H. **“Open Quotation”**: Refers a method whereby interested suppliers, firms, or companies submit non-sealed quotations specifying their rates for construction materials in response to the invitation issued by the User or Procurement Committee.
- I. **“Sealed Quotation”**: Refers to a formal quotation submitted by interested suppliers, firms, or companies in a sealed envelope (with official stamp/seal) stating the price of construction materials, as per the procurement notice from the User Committee.
- J. **“Procurement”**: Denotes the act of acquiring or supplying construction materials by the User Committee for the implementation of the project.
- K. **“Project Management Committee”**: Refers to the committee formed as per the project document MoFAGA LACC Project Operational Guideline (Karyabidhi),2082 and MoU with MoFAGA and respective Local Government to manage regular activities of the Project and make implementation decisions at local level.

1 BACKGROUND AND RATIONALE

The Local Adaptation to Climate Change (LACC) Project is supported by the Government of Nepal (GoN), the European Union and the Government of Finland (GoF). It is a continuation of financial and technical support that GoF has provided to water sector in Nepal since 1989. The European Union started financing the RVWMP in November 2017, through an arrangement of delegated management to the Ministry for Foreign Affairs of Finland. The Project is financed jointly by the governments of Nepal and Finland, and the European Union (EU) through sharing the costs with local governments, communities and Users Groups. It is also anticipated to receive co-funding from respective province ministries, especially in implementation of drinking water supply schemes, irrigation schemes, MUS schemes, livelihood, forest and environment related activities.

The LACC Project's impact statement is: The people and their livelihoods and living conditions in Sudurpashchim and Karnali are more resilient to impacts of climate change and they use natural resources in a sustainable manner. **The outcome statement:** Sudurpashchim and Karnali provinces, selected local levels and communities adopt climate resilient, inclusive practices for sustainable natural resource management and livelihoods with equal participation of all segments in society. The achievement of the expected outcome is built on three outcome areas and mainstreaming five cross-cutting objectives: gender equality, non-discrimination with an emphasis on disability inclusion, climate resilience, low emission development, and protection of the environment, with an emphasis on safeguarding biodiversity.

To achieve the objective of the Project, it implements different schemes in project local governments of two provinces. User Committees are solely responsible for the procurement of all required external construction materials, including their collection, transportation, storage, and utilization, as well as the arrangement of skilled and unskilled labor needed for project implementation. Local governments, LGU staffs, and project staff play a facilitative role—supporting documentation and ensuring the quality of procured materials.

As per Chapter 5.3 of the Project Document (a schedule to the bilateral agreement between Nepal and Finland), "*The major procurement will be carried out in a transparent manner at the lowest appropriate level, which is the UC level, accountable to respective user groups. Funds from NRDF will be channelled to the UCs' accounts, and they will undertake procurement of materials and equipment, collection of local materials, supervision of construction activities etc. The community procurement model of RVWMP will be applied also in the Project so that all the scheme related procurements will be carried out by the UCs only. Public audits at the community level are among the key instruments for the transparency and accountability*". All The procurement process must follow the **Community Procurement Guideline** (this guideline) developed for this purpose. Additionally, **Section 67(b) of the Public Procurement Act, 2063** clarifies that procurement done under an agreement between the Government of Nepal and a development partner is **not required to follow standard public procurement procedures**, provided it follows the agreed procurement guidelines.

In line with this, all procurement regardless of size or type; must adhere to the principles of **transparency, quality, competition, participation, and cost-efficiency**. These principles are outlined in the **Project Implementation Manual** (September 2025). While the procurement law and related regulations, including the **Public Procurement Act, 2063**, and the **Local Government Operation Act, 2074**, can be applied where appropriate, they are not mandatory where the project guideline and bilateral agreement take precedence.

2 PRINCIPLES OF PROCUREMENT BY USERS' COMMITTEE UNDER LACC PROJECT

2.1 QUALITY ASSURANCE

The lifespan of constructed schemes with the project's support shall ensure the full operational status throughout the design period of the schemes. Only those schemes that are built according to defined standards can be sustainable. Therefore, to ensure sustainability, construction materials and works must be of good quality. All materials to be procured under the project must meet the specified technical standards.

All non-local materials must have quality certification such as Nepal Standard (NS), Indian Standard (ISI), British Standard (BSI), or equivalent. If any material does not meet the required quality standards, it shall not be used in the scheme. If substandard materials are delivered to the site for any reason, they must be returned immediately and replaced with standard materials. If the Users' Committee fails to return such materials and uses them, or if it is noticed after construction that such materials were used, the value of such materials will not be recorded in the final measurements, and the concerned local government will not release payments for them.

2.2 TRANSPARENCY AND PARTICIPATION

All records and decisions related to scheme construction must be transparent. Transparency is essential to ensure sustainability. Hence, before purchasing construction materials, the quantity, required quality, and estimated cost must be shared in detail with users during a mass meeting. Information on quality and quantity of the materials must be provided to the beneficiaries during the community action plan at the end of the preparatory phase.

At least three public audits must be conducted during the scheme cycle. In these audits, the Users' Committee must present detailed progress and financial reports, which must be approved by users. No financial transactions should be decided unilaterally by any member of the committee; all decisions must be made through official committee meetings with written and signed minutes.

Each mass meeting must include representation from at least 75% of beneficiary households, 50% female participation, representation from all beneficiary settlements/wards of the scheme area, and proportionate participation of all ethnic groups. If such a representation is not met in the first meeting, a second meeting must be called cancelling the called meeting.

As soon as materials are purchased and delivered, the Procurement Committee must call a mass meeting and present details of expenditures. Every procurement and income expenditure must go through public audit. No installment payments will be released by the NRDF unless the scheme area has been jointly monitored by local government and the project representatives.

The project will strictly follow the anti-corruption provisions mentioned in the Finnish Government's **Handbook Against Corruption (2012)** prepared for development workers. All transactions under this project must be designed and implemented with zero tolerance for corruption. If any party is found involved in any such case, immediate action will be taken based on available information.

2.3 COMPETITIVENESS AND COST-EFFECTIVENESS

All qualified producers or suppliers should have the opportunity to compete during procurement. Therefore, procurement notices must be publicly published, ensuring that all VAT-registered, tax-cleared, and eligible suppliers who can deliver materials on time can participate.

Notices must be published in local/regional newspapers or jobs portal or the project website www.laccp.org.np, concerning LG authorized websites and displayed in public offices to attract as many competitive bidders as possible. Notice publication is mandatory on the project website www.laccp.org.np and concerning LG websites. This competition helps us to achieve better quality at lower costs, allowing the amount saved to be used in additional schemes or activities at the local level.

Furthermore, all scheme-level expenditure must be managed cost-effectively. Transportation using porters or vehicles should also be done competitively and cost-effectively. Wage rates for skilled and unskilled workers must be managed frugally. If costs are minimized, the amount of savings can be deposited into the scheme's operation & maintenance fund. Assigned LGU staff should regularly facilitate the Users' Committee in this regard.

2.4 CAPACITY BUILDING

One of the main objectives of the project is to build the capacity of users and local governments. The project organizes various capacity-building programs to achieve this objective.

During the procurement process through the Users' Committee, awareness is raised among users, and the committee is trained in procurement procedures, financial management, quality control, and more. Their involvement in procurement helps enhance their capacity in scheme planning, management, operation, and maintenance, positively impacting scheme sustainability.

Moreover, community ownership over the infrastructure is expected to increase, leading to long-term maintenance. LGU staff involved in facilitation will also gain skills in planning, implementation, monitoring, and maintenance. Local government technicians and other stakeholders are also expected to benefit from these capacity-building initiatives.

3 PROCUREMENT OF CONSTRUCTION MATERIALS BY USERS COMMITTEE

The procedure to be followed by the users' committee for procurement of construction materials

The Users' Committee can adopt one of the following procedures while procuring construction materials. The chosen procedure must be discussed in detail and approved during a mass meeting convened to endorse the Community Action Plan of the scheme community. The process for external procurement of construction materials (Method No. 2 and 3) is described in detail in the following chapter below.

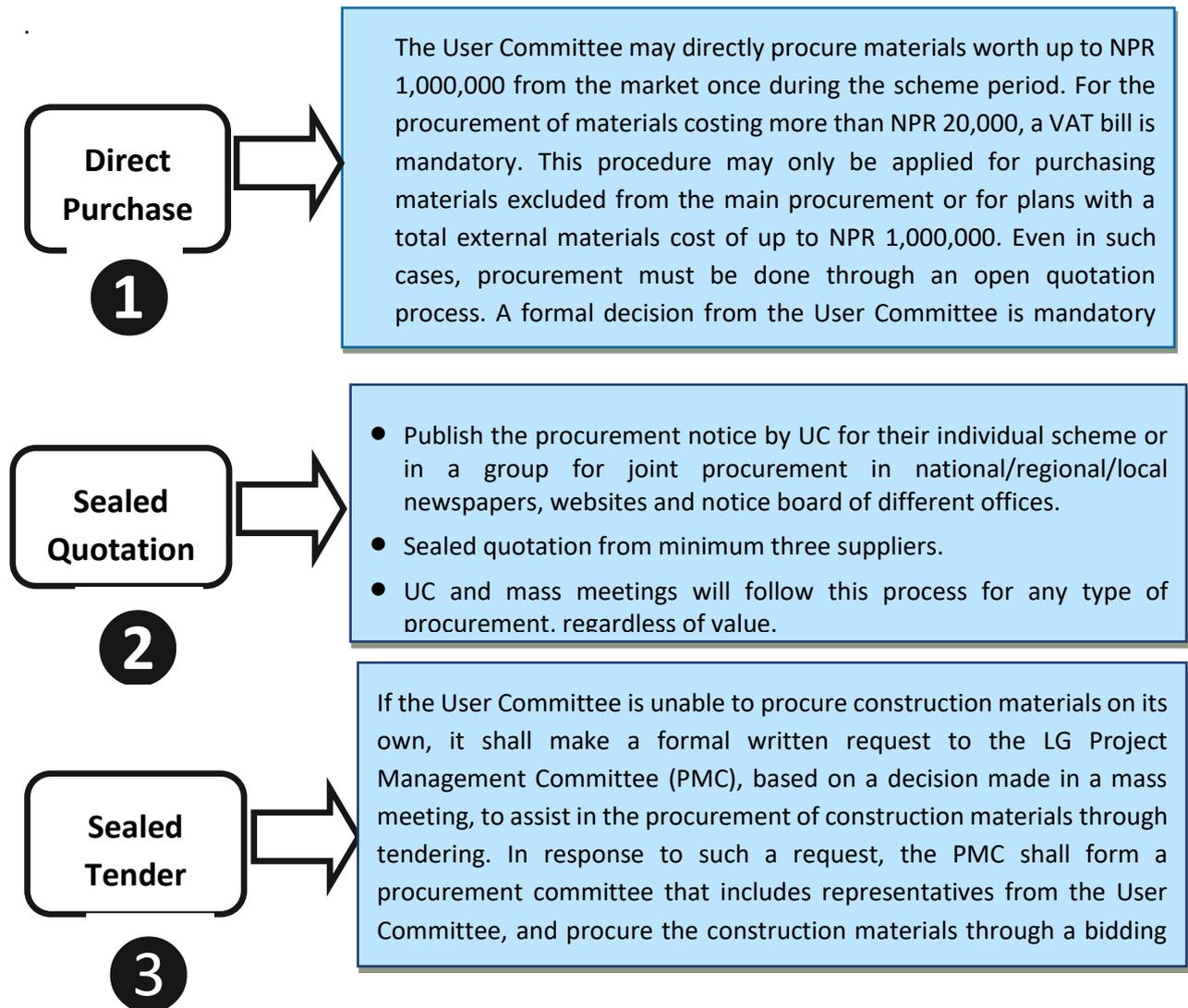


Figure 1 General procurement processes

General procurement process to follow by UC in any procurements

The procurement process must be followed by the users, users’ committees, and procurement committees at every stage of the selected procurement method, whether direct purchase, sealed quotation, or sealed tender as outlined below and guided by the sectoral step-by-step manuals (2025) of the LACC Project.

1. Transparency shall be maintained at all stages of the procurement process, regardless of the amount involved. Accurate records of all proceedings and decisions of meetings must be properly maintained
2. The Users’ Mass Meeting shall select a three-member Procurement Committee for the procurement of construction materials for the scheme, ensuring the inclusion of at least one woman. Of the three members, two should be from the Users’ Committee and one from the general users. During the same mass meeting, one member shall be designated as the Coordinator of the Procurement Committee. The mass meeting shall also make a mandatory decision on the method of procurement (direct purchase, competitive quotation, or bidding)

3. Both the user committee and the procurement committee must have received mandatory training from the LGU implementing the LACC Project on procurement procedures before starting any material procurement. The training must clearly explain the provisions of the LACC Project Implementation Manual (2025), Local Government Operation Act 2074 (2017), Public Procurement Act 2063 (2007), Public Procurement Regulations 2064 (2008), and the LACC Project Community Procurement Guideline (2025) (this procedure), including the standards and specifications of construction materials as provisioned on LACC Project's handbook for Quality and Specification of Construction Materials (2025), and book keeping & financial management.
4. The LG office of LG executives and the assigned LGU technical personnel with the support of TA Technical Officer, must prepare a detailed quotation with technical specifications and standards for the required materials as per the scheme's design and cost estimate.
5. The chairperson of the user committee or the coordinator of the procurement committee must sign all pages of the quotation documents before their sale and distribution and must affix the committee's official stamp.
6. After the delivery of materials, the User Committee shall record the materials based on the bills received and the date of receipt. Consumable materials must be entered into the Consumable Stock Ledger, while non-consumable materials must be entered into the Non-Consumable Stock Ledger. The quality of the materials shall be checked and verified at the road head, and a verification report shall be submitted to the Local Government Unit (LGU) to initiate the first payment process to the suppliers by the User Committee as per received materials.
7. The payment to the supplier shall be made only through Account Payee (A/C Payee) cheque.
8. If a supplier fails to deliver materials on time, provides low-quality materials, or violates any contract terms, the Local Government Project Management Committee (PMC) may blacklist the supplier and prohibit their participation in future project-related bidding processes based on recommendations from the monitoring team during SBS monitoring. Similarly, any supplier selected as a top-priority bidder during evaluation who refuses to sign the contract with the Users' Committee (UC) according to their proposal shall also be included in the blacklist for future bidding. The Project Management Committees of the respective local governments shall regularly maintain and update the blacklist based on monitoring team recommendations across different schemes, and the PMC will notify the Project Support Unit (PSU) to maintain an updated project-level list. The PSU will share this updated project-level blacklist with PMCs prior to each bidding process, and the LGU will inform the respective procurement committees as directed by the PMC, ensuring that blacklisted suppliers are restricted from participating in future competitive procurement.
9. If the monitoring team identifies or suspects any misuse of funds or illegal financial transactions in the procurement process and reports it to the Project Management Committee, the Chief Administrative Officer (CAO) of the Local Government may formally request the concerned bank, in writing, to freeze the User Committee's account. The account shall only be reactivated upon written instruction from the CAO.

4 STEP-BY-STEP PROCEDURE FOR PROCUREMENT OF CONSTRUCTION MATERIALS THROUGH SEALED BIDDING

If the mass meeting decides to procure external construction materials through sealed Quotation, all stakeholders must strictly adhere to each step outlined in this procedure. Steps are presented in following figure and detailed explanation of each step is provided below.

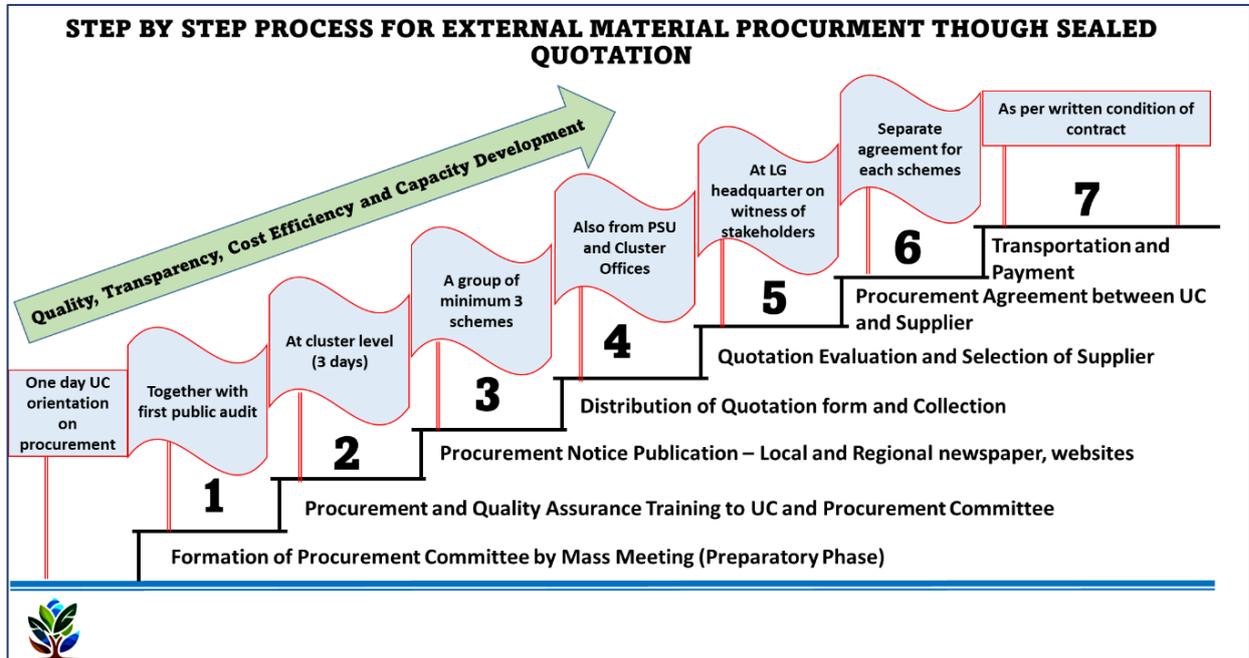


Figure 2 Step-by-Step to procurement

Upon completion of the scheme’s design and cost estimate, a one-day orientation on procurement and financial management shall be conducted for all members of the User Committee. This orientation shall provide information on the procurement process and record-keeping requirements during scheme implementation and will be facilitated by the Local Government Unit (LGU) staff. (Refer to Annex 1 for the orientation content).

Steps for the procurement process are explained below.

4.1 FORMATION OF PROCUREMENT COMMITTEE THROUGH USERS' MASS MEETING

At the end of the scheme preparation phase, the scheme’s layout, design and cost estimate report, and Community Action Plan shall be approved through a Users’ Mass Meeting. In the same meeting, a Procurement Committee shall be formed for the procurement of necessary external construction materials, based on the following provisions:

- The Procurement Committee shall consist of two members from the Users’ Committee and one person from outside the committee but from within the project area.
- At least one woman must be included in the Procurement Committee.
- All members must be trusted by the community.

- Individuals with a history of financial misconduct shall **not** be included.
- The decision to form the Procurement Committee must be recorded in the Mass Meeting minutes and signed by all participants.

Mandate and Responsibilities of the Procurement Committee

Although procurement recommendations with their decisions shall be done by the Procurement Committee, the overall responsibility rests with the Users' Committee. The Users' Committee shall delegate the following authorities to the Procurement Committee through a formal decision:

- **Formation of a joint group of Users' Committees** within the same LG or geographically aligned area for joint material procurement, considering procurement management costs and competitiveness due to attraction of suppliers from volume of work. While formulating the joint Group, consider the **similar types of schemes in that group** (e.g. water supply scheme group, irrigation scheme group, Micro irrigation group).
- **Decide the bid form fee** which must be deposited and submit the evidence of fee deposition or the bank voucher for the deposited amount in specified bank account within the sealed quotation envelope.
- **Decide the date of call, duration and time** for procurement bid notice
- **Set the date, time, and place** for opening sealed bids (must be within the scheme area's LG office).
- **Determine the locations for publishing bid notices** in national/regional/local newspapers including relevant LG's office notice board and website or cluster technical support unit's notice board or PSU Surkhet notice board or LACC Project's website (www.laccp.org.np) or other online portals.
- **Determine the locations for submission and collection bid proposals** (e.g. relevant LG's office or LACC Project cluster technical support unit, the PSU Surkhet and other locations designated by the Users' Committee).

In the case of **solar and electrical lift schemes**, for the procurement of electro-mechanical external materials and installation services, and the LACC Project Liaison Office (DMI) in Kathmandu should also be added as bid submission locations. Liaison Office in Kathmandu will manage to deliver the collected bids to the PSU, Surkhet.

- The Users' Committee (UC) procurement committee should decide the method and date for **collecting submitted bid proposals** at the LACC Project Cluster Technical Support Unit and the PSU Surkhet office and take responsibility for this process.
- Among the sealed quotations submitted, the User Committee's (UC) Procurement Committee shall **verify whether any supplier has been blacklisted** by the Local Government Project Management Committee (PMC). Any supplier identified as blacklisted in any project implementing local government shall be **excluded for the evaluation process**, and a bid envelope should not be opened.
- Opened bid documents will be handed over to the evaluation team as mentioned below in 4.5 by the bid opening team after documenting observation notes, minutes, or a Muchulka.

- Based on the comparative evaluation from the bid evaluation team, **recommend to the Users committee for the supplier or manufacturer selection decision** of the supplier or manufacturer offering the lowest price for the specified quality materials.
- After awarding the contract to the selected supplier, **verify the delivered materials and invoices for quality and quantity** with the support of the technical team, **prepare a report**, and **recommend it to the Users' Committee for payment**. Arrange **transportation from the delivery point** to the scheme site and **ensure safe storage** (the transportation location must be specified in the procurement notice).

Members of the Procurement Committee must regularly report to the Users' Committee regarding the progress of procurement activities. After the procurement is complete, a detailed report must be submitted to the Users' Committee, and the entire procurement process along with expense details must be approved through a users' mass meeting.

4.2 USERS COMMITTEE MANAGEMENT TRAINING

Training will be organized at the LG headquarters or cluster points for the representatives of the users' committees (Chairperson, Vice-Chairperson, Secretary, Treasurer) and the members of the procurement committee. The training will cover topics such as bookkeeping, material procurement process, and identification of material quality.

The training shall include the detailed process of construction material procurement, the forms and format to be used, accounting and bookkeeping that the users committee must maintain, and the identification of the quality of procured materials. The training may be organized either at the local government headquarters or, if multiple users committees from different LGs are involved, at cluster or the appropriate location.

During the training, practical exercises on accounting and live demonstrations of quality construction materials shall be provided. Committees from multiple Local Governments (LGs) may participate in the training. Following the training, based on the size and number of projects in each LG, a group of **at least three projects** shall be formed for joint material procurement management.

(Refer to Annex 2 for the detailed training content.)

Each Users' Committee shall identify construction materials in accordance with **the LACC Project Handbook for Quality and Specification of Construction Materials**. This includes items such as pipes, fittings, tools, cement, and other construction materials to be used in the schemes and related project activities. This handbook shall be considered an integral part of this guideline. Each Users' Committee shall receive a copy of this handbook after signing the Users' Committee and LG Scheme Construction Agreement.

4.3 PUBLICATION OF PROCUREMENT NOTICE

It is mandatory to publish a notice for the procurement of construction materials on project website (www.laccp.org.np), the relevant LG websites, or in a newspaper. The notice may also be published on an online procurement portal or in a national or regional newspaper near a major market area (e.g., Dhangadhi, Nepalgunj, Surkhet,) or the local newspaper of the districts).

In cases where specific materials are unavailable in local or regional markets and must be procured nationally, the same procedure outlined in this guideline shall be followed to publish a national-level notice or online portals. This allows multiple Users' Committees to manage the procurement of materials jointly through a competitive sealed quotation process. Decisions by the Procurement Committee on behalf of the Users' Committee to publish the notice should be clear.

When publishing a notice, the following points must be clearly stated (a sample notice is provided in Annex 3):

1. **Clear details in the notice**, including:

- Location where quotation forms are available and whether a fee is required or not,
- Method to submit sealed quotations,
- Location/office to submit the sealed quotations,
- Date, time, and place for opening the sealed quotations.

The initial notice must be published at least **15 days** prior to the submission deadline. If no quotations or fewer than three quotations are received, a second notice shall be issued for an additional **7 days**. If adequate quotations are still not received, the joint Procurement Committee may decide to proceed with evaluation of the quotations that have been received. A copy of the published notice must be sent to the LG Offices, ward offices, District Chamber of Commerce and Industry, District Coordination Committee (DCC) and other relevant offices.

4.4 DISTRIBUTION AND COLLECTION OF QUOTATIONS

Since Users' Committees may not be able to visit all locations to distribute the quotation documents or indicate where they are available, the project shall provide necessary support for uploading the quotation documents/forms on relevant websites and for their distribution (e.g., via email).

- Technical staff from the project, LGU staff, or the Local Government shall support the Procurement Committee in preparing the quotation forms.
- Procurement Committee must send the prepared quotation forms, with the signature of the Chairperson (Coordinator) and the stamp of the Users' Committee on every page, to the designated offices along with an official cover letter for the distribution and collection. A sample quotation form is provided in **Annex 4** and must include the terms, conditions, and specifications of key materials to be procured.
- The fee for quotation form submission shall be non-refundable: NPR 1,000 per quotation for total procurement up to NPR 2 million, and NPR 3,000 per quotation for procurements between NPR 2 million and NPR 20 million. This must be clearly stated in the notice.
- Interested suppliers must deposit the quotation fee into the designated Local Government account as specified in the notice and submit the deposit voucher or proof of payment within the sealed quotation document. If it cannot be confirmed that the prescribed fee has been paid, the sealed quotation will not be evaluated.
- Since payment will only be made after delivery and technical inspection of the materials, no bid security or bank guarantee is required.

- Quotation forms may be distributed from the Local Government office, Project Cluster Support Unit, PSU Office Surkhet, or Project Liaison Office at Development Management Institute (DMI), Kathmandu. Interested suppliers may also request a quotation form by emailing the respective Local Government Unit (LGU) for their calculation only, sealed bids must be submitted in officially stamped and signed copies of bid documents distributed by different sources on behalf of procurement committee as mentioned in the notice.
- Sealed quotation forms may be submitted at the Local Government office or Project Cluster Level Technical Support Unit or PSU Office Surkhet, or Project Liaison Office at DMI, Kathmandu. Completed sealed quotation forms must be submitted within the specified date and time, including the bank voucher or evidence of form fee payment to the LG account and self-declaration letter as specified in the notice.
- The project shall provide support for the safe collection, recording of bids and hand overing submitted and collected quotations to the respective procurement committees. Procurement committees shall ensure timely receipt of the bids and transportation to meet the already decided date and timelines of procurement process.

4.5 EVALUATION OF QUOTATIONS AND SELECTION OF SUPPLIER

All sealed quotations received will be opened on the mentioned date, time, and place in the presence of the procurement committee, chief administrative officer (or representative), Finance Administration section staff, infrastructure development section staff of the local government and the representatives from project cluster units (TA Advisors or NRM Expert and/or Technical Officer), representation of interested bidders and LGU staff.

The evaluation team, including one representative from each procurement committee, one from the project, and one from the local government Finance Administration section and infrastructure development section, will immediately begin preparing a comparative evaluation chart.

Expenses related to quotation evaluation shall be covered by the funds collected from quotation fees, by the Users' Committees from their management cost budgets as provisioned in the scheme estimate, or by the NRDF if not manageable from the aforementioned budget sources. The supplier offering the lowest bid that meets all requirements shall be recommended to the Users' Committee for approval.

Key evaluation considerations:

- The supplier must submit, along with a written application for the bid, a copy of the **Value Added Tax (VAT) registration certificate**, a copy of the firm **registration or renewal certificate**, a copy of the **tax clearance certificate** for the previous fiscal year, proof **or bank voucher of the prescribed fee payment**, and a **self-declaration letter** stating that, under the LACC project, the supplier has not previously refused to sign contracts or provide materials and services as per their bid proposals, has delivered materials on time, has not supplied low-quality materials, and has not violated any contract terms. Suppliers who fail to submit these documents shall be deemed ineligible for bid evaluation. Sample Declaration Letter presented in **Annex-10**.
- Quoted rates must be clearly written in both numbers and words, and all pages must be signed and stamped. In case of a discrepancy, the rate written in words shall prevail.

- Before opening, all present individuals must sign the sealed envelopes. Suppliers or their representatives may attend the opening; however, their absence shall not prevent the opening process.
- Any corrections made in the quotations must be documented in the official register as per the prevailing rules and practices of procurement management.
- The Procurement Committee shall form an Evaluation Committee at the time of opening the sealed quotations. The Evaluation Committee shall prepare a comparative chart using the format provided in **Annex 5** and identify the lowest valid bid. If the lowest bid exceeds the cost estimate, the committee may negotiate with the supplier to bring the bid within the estimated limit.
- Based on evaluation team & Procurement Committee recommendation, Users committee shall select the supplier or manufacturer for further proceedings. The User committee shall inform the selected supplier within 3 days using the format provided in **Annex 6**.

All meeting minutes and decisions must be clearly recorded in the committee meeting minutes and shared to each user committee during final decision-making and public audits.

4.6 PROCUREMENT CONTRACT

- Users' Committees which are included in joint procurement committee shall separately sign individual scheme contracts in the specified format with the selected supplier, using the agreed quotation rate with selected supplier with the approval decision of respective UC. The contract must be made within **7 days** of notification to the selected supplier.
- The terms specified in the notice and quotation forms shall be incorporated into the contract. Project staff, LGU staff, and relevant Local Government sections shall facilitate and support the preparation of the required documents, including specifications for the quantity and quality of materials. A sample contract format is provided in **Annex 7**.
- After the Users' Committee approves the quotation and completes the contractual process, the respective Local Government office may release the first installment (up to 50% of the total contract amount, as per the LACC Project Implementation Manual (2025)) from the Natural Resources Development Fund (NRDF) to the Users' Committee's account.
- The Users' Committee shall issue a written order to the supplier specifying the delivery timeline and location. The contract shall include clear terms and the signatures/seals of both parties, with copies retained by the supplier, the Users' Committee, and submitted to the LGU.
- The validity period of the approved quotation shall be mutually agreed upon by the supplier and the Users' Committee.
- The Users' Committee must issue the work order within **3 days** of signing the contract. (Sample format provided in **Annex 8**.)

4.7 MATERIAL SUPPLY AND PAYMENT

- The supplier must deliver the materials within the deadline specified in the contract.
- The quantity, quality, and rates of the materials mentioned in the invoices, which must match the rates in the approved quotation, shall be verified by the procurement committee representatives and assigned technical staff or individuals deployed in the project at the designated delivery site (the nearest point accessible by truck) or at the project site. A verified receipt report of quantity and quality shall be submitted to the LGU (sample format in **Annex 9**).
- The Users' Committee shall not make any payment until all materials have been inspected and certified by the technical personnel along with representatives of the procurement committee. Payments shall not be made under any circumstances for undelivered materials. In cases where payments have been made and discrepancies arise later, the Users' Committee must take full responsibility for recovering any payments that are lost, unjustified, or unacceptable to the community, local government, and the LACC Project.
- If any materials are found to be below the specified quality during inspection, it is the supplier's responsibility to take them back and replace them with materials that meet the required standards at the same location. No additional transportation cost will be paid by the UC.
- Once a report is received from the assigned technical staff and procurement committee confirming that all materials have been received in proper condition, the Users' Committee will initiate the payment process. All payments shall be made only through account payee cheques.
- After the materials are delivered, the Users' Committee must record them based on the invoices received, including the date of receipt. Consumable items must be entered into the **Consumable Inventory Ledger**, and non-consumable items into the **Non-Consumable Inventory Ledger**.

5 PROCEDURE FOR PROCURING CONSTRUCTION MATERIALS THROUGH TENDER

If the Users Committee is unable to procure construction materials themselves, due to the larger size of the scheme or technically complex schemes, they may decide in a mass meeting to submit a written request to the Project Management Committee for assistance in the procurement process.

Upon receiving such a request, the LG Project Management Committee will form a Procurement Committee, including representatives from the Users Committees, and carry out the material procurement through a bidding process, making the materials available to the Users Committees.

The Users Committee shall pay the supplier based on the recommendation of the Project Management Committee. The procedure will follow the steps as described next page.

Joint Procurement Process by the LG Project Management Committee

1. The PMC shall formulate the procurement committee comprising the head of the Infrastructure Development Section, project representative, Chief of Finance and Administration Section, legal advisor (if any), UC representative, and other members as deemed necessary. The Procurement Committee shall be led by the UC representative.
2. The entire procurement process shall be conducted in the name of the Users' Committee.
3. The PMC shall make procurement decisions in accordance with the existing **Public Procurement Act and Rules** of Government of Nepal.
4. All documents required for the bidding process shall be prepared by LGU technical staff with the support of the project's technical officer or NRM expert or Technical Assistance Adviser.
5. The Procurement Committee shall assign a Technical Committee, led by the head of the Infrastructure Development Section, to review the bids received and provide necessary recommendations.
6. The Procurement Committee shall evaluate the bids, and the Users' Committee shall make the final decision regarding the selection of the bidder(s).
7. With the support of the TA team members and LGU technical staff, Infrastructure Development Section shall prepare contract documents on behalf of the Procurement Committee. These contracts shall be provided to the uses committee for the contract agreement between UC and selected bidder. Head of Infrastructure Development Section and TA Advisor shall sign the contract as witnesses.
8. The PMC shall take necessary measures to ensure the quality and quantity of the procured materials.
9. The head of the Infrastructure Development Section and the project's technical personnel shall inspect the materials and recommend payment to the PMC, which in turn will recommend payment to the Users' Committee.
10. The Users' Committee shall make payments as per the recommendation of the PMC, with decisions approved through a mass meeting of the Users' Committee.

ANNEX 1 UC ORIENTATION ON PROCUREMENT AND FINANCIAL MANAGEMENT

Training Duration: 1 day

Participants: All members of the User Committee, Coordinator of the Monitoring Sub-Committee and ward technical staffs of the concerned Ward

Training Time: After the preparation of the Draft Design Report (Step-by-Step Process)

Resource Persons: LGU staff

Organizer: LGU of the Project

Objectives of the Training:

- To provide detailed information on the procurement process to be conducted by the user committee.
- To inform about the records of construction materials, pipes, tools, laborers, and voluntary labor, and the importance of record keeping.
- To raise awareness among user committee officials regarding the quality of construction materials.

Training Contents

Day	Contents	Time	Activity and IEC Materials
First Day	Session One:		
	<ul style="list-style-type: none"> • Introduction • Objective of Training • Fund Flows • Contribution Pattern, contribution from LG and Users 	30 minutes	Introduction game
	<ul style="list-style-type: none"> • <u>Fund Release Process to UC</u> • Conditions of agreement between UC and LG • Installment release process from NRDF • Required bills and receipts • Community contribution (cash) • O&M fund 	45 Minutes	Fund flow chart Contribution Pattern chart
	<ul style="list-style-type: none"> • <u>Materials procurement process</u> • Procurement process • Quotation process 	90 Minutes	Sample Agreement O&M manual Procurement guidelines Picorial book of construction materials Available brands of materials UC operational guidelines

	<ul style="list-style-type: none"> • Market survey • Public auditing process 	45 minutes	
	<p><u>Quality of Materials and nearest market</u></p> <ul style="list-style-type: none"> • Discussion on NS, ISI mark and numbers of pipe fittings tools cement MS rod • Quality of local materials • Producing company, brand, nearest market and transportation service 	60 Minutes	<p>Design report sample</p> <p>Materials specification</p> <p>Ledgers and book keeping formats</p>
	<p><u>Scheme cost components and bookkeeping</u></p> <ul style="list-style-type: none"> • Construction materials, transportation and labor • District/LG rate • Maximum budget and income sources • Bank account • Income expenditure account • Consumable materials ledger • Non-consumable materials ledger • Requisition and store entry 		
	Closing		

ANNEX 2: UC PROCUREMENT AND CONSTRUCTION MANAGEMENT TRAINING

Training Duration: 3 Days

Participants: Users Committee officials (Chairperson, Vice-Chairperson, Secretary, Treasurer), members of the Procurement Committee, and one representative from the Monitoring Committee of the respective ward/LGs.

Training Timing: Immediately after signing the implementation phase agreement (Step-by-step process)

Resource Persons: TA Advisor/NRM Expert/Technical Officer, LACC Project Officer, Head of infrastructure development Section, Head of Finance Administration Section of the LG

Organizer: Local Government Unit (LGU) responsible for project implementation

Objectives of the Training:

- To empower Users Committees to manage procurement processes and related documentation effectively.
- To enable participants to identify material quality and maintain records of construction materials, pipes, tools, workers, and community contributions.
- To build the capacity of participants in maintaining transparency and proper decision-making processes in the project.
- To raise awareness among executive members about the quality specifications of construction materials.

Training Contents

Day 1			
Session	Topics	Duration	Activities & Materials/Documents
1 st Session	<ul style="list-style-type: none"> • Introduction • Training objectives • Pre-training test • Project overview, fund flow mechanism, and investment breakdown 	90 min	Game, presentation, written test Fund flow chart, investment breakdown chart
2 nd Session	<ul style="list-style-type: none"> • Fund disbursement process into Users Committee account • Key provisions of the agreement • Required documents to be maintained by the committee 	90 min	Presentation Sample agreement Sample documents
3 rd Session	<ul style="list-style-type: none"> • External procurement process • Roles and responsibilities of Users Committee, Procurement Committee, Monitoring Committee, and stakeholders 	90 min	Procurement procedure and phased activity schedule Users Committee operational guideline

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4th Session	<ul style="list-style-type: none"> • Quality and specifications of external materials • Quality of local construction materials • Construction standards (e.g., pipelines, structures) • Quality & Quantity verification report 	120 min	Project design report Illustrated guide to materials used in water supply and similar projects
Day 2			
1st Session	<ul style="list-style-type: none"> • Recap of Day 1 • Practical observation of material quality 	90 min	Site visit to supplier for quality verification of construction materials
2nd Session	<ul style="list-style-type: none"> • Scheme cost and documentation • Cost categories and allowable expenditures 	90 min	Project design report various forms
3rd Session	<ul style="list-style-type: none"> • Public audit and information board • Transparency process and key content • Introduction to accounting and record forms to be maintained by Users Committee 	90 min	Sample forms, sample information board Users Committee operations guide
4th Session	<ul style="list-style-type: none"> • Introduction to procurement and record-keeping forms • Record formats for materials, transportation, skilled/unskilled labor • District rate, budget ceiling, and income sources • Sample vouchers • Income & expense ledger • Consumable & non-consumable inventory ledger • Material request forms and store entries 	120 min	Maintenance guideline/procedure Procurement procedure Users Committee operations guide Sample ledger and vouchers
Day 3			
Sessions 1–3	<ul style="list-style-type: none"> • Hands-on practice filling out procurement and accounting forms • Practical exercises based on fictional project scenarios 	270 min	Group work using sample forms case-based exercises
Final Session	<ul style="list-style-type: none"> • Open discussion on unclear topics • Post-training evaluation • Closing session 	120 min	Discussion Written test Training closing

ANNEX 3: SAMPLE NOTICE TO BE PUBLISHED BY USERS' COMMITTEES IN NEWSPAPERS

Invitation for Sealed Quotation

First Date of Publication: [.....]

Joint procurement committee announces an open call for the eligible firms or suppliers for the[at least three] water supply/Irrigation/MUS schemes operated in Ward No. [.....] underMunicipality/Rural Municipality/ **Local Adaptation to Climate Change (LACC) Project**, for the supply of construction materials (pipes, and fittings, cement,) at[roadhead] in accordance with the project's procurement guidelines.

Hence, sealed quotations are invited from VAT-registered firms or suppliers willing to supply the specified quantity of materials with the weight and quality according to the specifications provided with the quotation form, under the following terms and conditions:

Terms and Conditions:

1. Firms/suppliers can be obtained hard copies of quotation document from Or and can be download the quotation form from respective LGs websites and LACC Project official website as provided below.

----- LG-1 Website, ----- LG-2 Website, -----,

LACC Project Website: www.laccp.org.np

2. While submitting the bid documents firm/supplier must deposit for NPR [.....] (non-refundable) in the name ofand account no of the Bank. While submitting the sealed quotation it must be included with copies of their VAT registration certificate, firm registration or renewal certificate and updated tax clearance certificate in the envelope with the self-declaration letter as per given format while submitting it in the LGs offices, LACC Project PSU Surkhet, LACC Project Cluster Offices (TSUs). These forms can be obtained within 15 working days from the date of publication of this notice.

The sealed envelope must clearly mention the name and address of the Joint procurement Committee, ward no...,RM/M and the subject: "*Sealed Quotation for Supply of Construction Materials, Pipes, and Fittings.*"

3. The sealed quotation can be submitted either:
 - a. In person by an authorized representative of the supplier, or
 - b. Through postal or courier services. Quotations sent via postal or courier must be received **by 12:00 PM on the 16th day** of publication. Late submissions will not be entertained.
4. Payment will only be made by the Users Committee **after delivery** and technical verification of the materials at ([.....]) the designated market/location. No security deposit or bank guarantee is required for this purpose.
5. Received sealed quotations will be opened on [..... date] at the Office of Rural/Municipal Executives (LG-1, LG-2 -----) in the presence of representatives from the Procurement Committee, LG representative, LGU staffs, and bidders or their representatives. Quotations will still be opened even if the bidder's representative is not present.

6. If the last date for submitting or opening the quotation falls on a public holiday, the activity will be carried out on the next working day.
7. Rates must be clearly written in both **figures and words**. In case of any discrepancy, the **amount written in words** shall prevail. Any corrections must be signed and stamped.
8. Apart from the designated fields in the quotation form, no additional notes or information should be written elsewhere.
9. Quotations that are **incomplete, improperly filled, or submitted after the deadline** will not be considered.
10. The Users Committee reserves the full right to **accept, reject, or partially accept** any quotation without providing any reason.
11. Additional terms and conditions are provided with the quotation form. All conditions shall follow the LACC Project Community Procurement Guideline (2025).
12. If any amendments are needed to this notice, they will be published on the **notice board** of the respective LG.
13. For more information, please contact the office of Rural Municipality/ Municipality or project Cluster Technical Support Unit [.....,].

Joint Procurement Committee

ANNEX 4: SAMPLE QUOTATION FORM

Regarding Submission of Sealed Quotation

Under the Rural Municipality/Municipality/**Local Adaptation to Climate Change (LACC) Project**, for theschemes to be implemented in Ward No. of this[name of the LG(s)], sealed quotations are invited from eligible and interested suppliers in accordance with the notice published on date 20..... newspaper, LACC Project websites www.laccp.org.np, and [..... LG websites] and [..... other online portal name here]. In addition to the conditions mentioned in the notice, the following provisions shall apply during the supply of various construction materials, pipe, fittings, and tools, as per the cost estimate approved by the Office of the local government:

1. The supplier must transport the materials to the user committee's warehouse located at (mention the place accessible by truck or tractor, market or location). While quoting rates, transportation costs must be clearly mentioned or included in the item rates. No additional transportation cost will be paid by the user committee beyond the quoted rate. All materials must be delivered within days from the date of agreement with the user committee (duration to be set by the district based on project size).
2. Writing outside the designated space in the quotation form or adding any remarks outside the prescribed sections is not allowed.
3. Supplied materials must meet the specified quantity, quality, and weight. Prior to transportation, materials can be inspected by technical personnel and procurement committee. If the materials are found non-compliant upon supply and inspection, the supplier must replace the items with the correct ones of the required quality at the same location without any extra cost and delay.
4. The user committee will make payments by cheque only after technical verification and certification of the materials. No advance payment will be made for material supply.
5. All supplied materials must have the **Nepal Quality Mark (NS)** if manufactured in Nepal, or the **ISI Mark** if manufactured in India. Specifications of the materials to be supplied are attached.
6. While quoting prices, both figures and words must be written clearly in Nepali currency without any overwriting, erasure, alteration or correction. In case of discrepancy, the amount written in words will prevail.
7. Suppliers must submit their quotations only on the quantity sheet certified by the procurement committee (Form No.). Quotations submitted on other documents will not be accepted.
8. Suppliers shall be responsible for paying all applicable taxes. A 1.5% advance income tax will be deducted at the time of payment, unless a revenue receipt for the same is submitted to the committee.
9. Suppliers may not include any conditions other than those mentioned by the user committee.

10. The sealed quotation must include certified copies of the firm's renewed registration certificate, VAT registration certificate, and updated tax clearance certificate.
11. The selected supplier will be notified within **3 days** of the decision date. The contract must be signed within **7 days** of notification, and the work order will be issued within **3 days** after the contract is signed.
12. The selected supplier must sign separate agreements with each user committee that published the notice and must supply materials accordingly. Payments will be made separately by each respective user committee.
13. If the supplier fails to deliver all materials to the designated location within days of contract signing or if it becomes clear that the supply cannot be completed, the user committee may terminate the agreement without any obligation to compensate the supplier.
14. If the selected supplier refuses to sign the agreement or causes significant delays in delivery after signing, affecting project progress, the user committee will request LACC Project to blacklist the supplier and recommend the Project management committee and Project support Unit to declare the supplier disqualified to submit sealed quotations for any other LACC Project schemes in any district in the future.

Procurement Committee

Names, addresses, and official stamps of all user committees publishing the notice

[Quotation form is attached]

SN	Description of materials	Unit	Total Required Quantity				Unit Weight	Required Specifications	Proposed Brand Name	Proposed Rate		Total Amount	Remarks
			[.....]	[Scheme Name]	[Scheme Name]	Total Qty				in Number	in word		
A	HDPE pipe												
1	HDPE pipe (20mm PN 20)	m											
2		m											
B	GI Pipe												
3		m											
4		m											
C	Fitting & Valves												
5		pc											
6		pc											
D	Other materials												
7	Cement	Bags											
8		m											
9		m											
E	Tools												
10		pc											
11		pc											
12		Pc											
Total Weight of materials xxxxxx Kg					Proposed Transportation Rate per kg NRS.....			Total					
Roadhead Location to transport the materials xxxx,xxxx,							VAT						
									Total Transportation cost				
									Grand Total				

.....
Signature

Bidder Name

Address

Contact Person

Stamp

Contact number

S N	Description of materials	Unit	Total Required Quantity				Unit Weight	Required Specifications	Proposed Brand Name	Proposed Rate		Total Amount	Rem arks
			...[Scheme Name]	...[Scheme Name]	...[Scheme Name]	Total Qty				in Numb er	in wor d		
A	HDPE pipe												
1	HDPE pipe (20mm PN 20)	m											
2		m											
B	GI Pipe												
3		m											
4		m											
C	Fitting & Valves												
5		pc											
6		pc											
D	Other materials												
7	Cement	Bag s											
8		m											
9		m											
E	Tools												
1 0		pc											

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1													
1		pc											
2		pc											
3		pc											

Total Weight of materials..... Kg Proposed Transportation Rate per kg NRS.....

Road head Location to be received the materials,,

Signature

Name of the Bidder

Contact Person of Bidder

Contact number.....

Address.....

Stamp

VAT	
Total	
Transportation cost	
Grand total	

ANNEX 5: SAMPLE TABLE FOR COMPARATIVE QUOTATION EVALUATION

Based on the sealed quotation submission notice published in the newspaper dated [B.S. Date 20....], and following the evaluation of the bids submitted within the stipulated deadline, it has been observed that the supplier offering the lowest price is deemed suitable for selection. Therefore, it is recommended that the respective Users Committees make decisions accordingly.

Comparative Evaluation Table

Sn	Item	Cost Estimate				Supplier 1 [Name]		Supplier 2 [Name]		Supplier 3 [Name]		Supplier [Name]		Remarks
		Unit	Quantity	Rate	Total	Rate	Total	Rate	Total	Rate	Total	Rate	Total	
1	2	3	4	5	6	7	8	9	10	11	12
1														
2														
3														
....														
....														
Total														
NPR + or – than estimate														
Less or more than estimate (%)														

Based on the analysis above:

- Lowest bidder: [Supplier Name], Amount in figures: NPR [Amount], In words: [Amount in words]
- Second lowest bidder: [Supplier Name], Amount: NPR [Amount], In words: [Amount in words]
- Third lowest bidder: [Supplier Name], Amount: NPR [Amount], In words: [Amount in words]
-th lowest bidder: [Supplier Name], Amount: NPR [Amount], In words: [Amount in words]
-th lowest bidder: [Supplier Name], Amount: NPR [Amount], In words: [Amount in words]

Evaluators:

- Name: _____ | Position: _____ | Signature: _____ | Date: _____
- Name: _____ | Position: _____ | Signature: _____ | Date: _____
- Name: _____ | Position: _____ | Signature: _____ | Date: _____

ANNEX 6: SAMPLE NOTICE OF QUOTATION APPROVAL

[Name] Water Supply and Sanitation User Committee
[Rural Municipality/Municipality], Ward No. []
(Under the Local Adaptation to Climate Change Project)

Ref. No.: _____
Dispatch No.: _____
Date: [DD/MM/YYYY]

Subject: Notification of Bid Approval

To: Mr./Ms. [Supplier's Name]

This is to notify you that your bid submitted in response to the sealed quotation notice published on [Date] in websites or[Newspaper] and evaluated accordingly, has been approved by the user committee meeting held on [Date].

You are hereby requested to be present at [.....Location] before [.....Date] to sign the supply agreement as per the terms and provisions mentioned in the notice and bid documents.

Chairperson

[Name]

[User Committee Name]

ANNEX 7: SAMPLE CONTRACT AGREEMENT BETWEEN SUPPLIER AND USER COMMITTEE

[Name] Water Supply and Sanitation User Committee
[Rural Municipality/Municipality], Ward No. []
(Under the Local Adaptation to Climate Change Project)

Contract Agreement for Supply of Construction Materials

This agreement is made on [Date] between the [Name] User Committee (hereinafter referred to as "the Committee") and Mr./Ms. [Supplier Name] (hereinafter referred to as "the Supplier"), who has been selected based on the sealed quotation notice published on [Date] in websites or[Newspaper] and the user committee's decision dated on [Date].

The following terms and conditions are mutually agreed upon:

1. The supplier shall deliver the specified quantity of materials, pipes, and tools to the user committee's warehouse at [Location] by [Deadline]. If the delivery is delayed, the Committee reserves the right to terminate the agreement without any obligation to compensate the supplier.
2. The cost of transportation up to the [Roadhead] is included in the quoted rate, and the Committee shall not bear any additional transportation costs.
3. Supplied materials must meet the quantity, quality, and weight as per the specifications. If the materials are found to be substandard during inspection, the Committee will not make payment. The supplier must replace them at their own cost and without delay.
4. Payment will only be made after verification by the technical team and procurement committee at the designated roadhead.
5. The Committee shall deduct 1.5% of the total invoice amount as Tax Deduction at Source (TDS) and provide the supplier with a copy of the deposited voucher.
6. All materials produced in Nepal must have the Nepal Standard (NS) mark, and those from India must have the IS mark.
7. Any terms not mentioned here will follow the provisions of the approved bid form or the procurement guidelines of the Local Adaptation to Climate Change Project.
8. If the supplier causes significant delays in delivery, supplies materials of lower quality than the agreed standards after contract signing, affects project progress or quality, or violates the terms and conditions of the contract, the supplier will be disqualified from participating in future procurement processes for all LACC Project schemes. This disqualification will be based on the decision of any LACC Project-working Local Government Project Management Committee, following the recommendation of the scheme-level monitoring team, and will apply to all schemes in any local government under the LACC Project.
9. If any issue arises between the contracting parties, it shall be resolved through mutual agreement in written form

This contract has been prepared in two copies, and each party retains one signed original copy.

Executed on [Date].

Contract Location: [_____]

On **Behalf** **of** **the** **Supplier:**
Name: _____
Position: _____
Mobile Number: _____
Signature: _____
Stamp: _____

On **Behalf** **of** **the** **User** **Committee:**
Name: _____
Position: Chairperson
Mobile Number: _____
Signature: _____
Stamp: _____

Witnesses:

1. _____
2. _____

CC:

1. Accounts Section, [LG Name] Office
2. Local Adaptation to Climate Change (LACC) Project Cluster Technical Support Unit Office, [Location]

Attachments:

- Approved Quantity List of the Supplier

ANNEX 8: SAMPLE WORK ORDER TO BE ISSUED BY THE USER COMMITTEE

[Name] Water Supply and Sanitation/Irrigation/Forest/Agriculture User Committee
[Rural Municipality/Municipality], Ward No. []
(Under the Local Adaptation to Climate Change Project)

Ref. No.:
Dispatch No.: _____
Date: [DD/MM/YYYY]

Subject: Issuance of Work Order

To: Mr./Ms. [Supplier Name]

As per the contract signed on [Date] between the Committee and your firm for the supply of construction materials, pipes, fittings, and tools, you are hereby instructed to supply the approved quantity, sizes, and series of materials as per the specification and terms stated in the approved bid document by [Deadline].

Chairperson

[Name and UC Name]

**ANNEX 10: SAMPLE SELF-DECLARATION LETTER TO BE
SUBMITTED BY THE SUPPLIER**

Ref. _____ No.: _____
Dispatch _____ No.: _____
Date: [DD/MM/YYYY]

Subject: Self Declaration Letter

To:

[Name] Water Supply and Sanitation / Irrigation / Forest / Agriculture User Committee
[Rural Municipality / Municipality], Ward No. []
(Under the Local Adaptation to Climate Change Project)

Dear Chairperson of Procurement Committee,

We, [Supplier Name], hereby declare that, under the LACC Project:

1. We have not previously refused to sign contracts or provide materials and services as per our bid proposals.
2. We have delivered materials on time in all previous agreements with Users Committees under this project.
3. We have not supplied low-quality materials in any previous agreements with Users Committees.
4. We have not violated any contract terms in the past.

We also confirm that we have submitted along with this declaration:

- Copy of Value Added Tax (VAT) registration certificate
- Copy of firm registration or renewal certificate
- Copy of tax clearance certificate for the previous fiscal year
- Proof or bank voucher of the prescribed fee payment

We understand that if any of the above information is found to be false or fraudulent, we shall be disqualified from the bidding process without any objection or claim.

Signature of Authorized Person: _____
Name of Authorized Person: _____
Supplier Name and Address: _____
Stamp: _____

Key considerations to be ensured by Users Committee:

1. **No Sub-Contracting of Work:** The User Committee must not sub-contract the entire or partial scope of work they have taken responsibility for. If such sub-contracting is found, legal action will be taken according to the law.
2. **Settlement of Advance Before Next Installment:** The next tranche of advance payment for the project from the LG Executive Office will not be released unless the previously received advance is fully settled. At least the equivalent amount of work (as per technical evaluation) must be completed before a new advance is requested.
3. **No Loans from Project Funds or Materials:** Scheme funds or materials must not be lent to any employee, individual, or institution for purposes other than project implementation. Advances for project-related work must also be taken only with proper clearance and accountability.
4. **Unsettled Advance at Fiscal Year-End:** If any scheme extends into the next fiscal year, all work done with the current year's advance must be accounted for by Ashad 20 (mid-July). Otherwise, the remaining advance will be treated as an outstanding balance (Beruju) in the new fiscal year.
5. **Extension of Scheme Completion Deadline:** If the scheme cannot be completed within the stipulated time, the committee may request an extension with valid reasons/justifications. The Rural/ Municipality may grant this, but the extended period must not exceed the original contract cost, as doing so is against the law.
6. **Tax Deductions on Procurement and Transportation:** While purchasing construction materials, the committee must deduct 1.5% as advanced income tax from the total transaction amount paid to the supplier or manufacturer. This amount is deducted during the final installation by the Rural/Municipal Office. If the supplier needs a receipt, it can be collected at the end of the fiscal year. Similarly, 10% transportation and store rent tax must be deducted from the total transport and storage cost. These two taxes shall be deducted at the time of final payment by the local government.
7. **Individual Liability for Unauthorized Decisions:** If any representative or member acts independently without a committee decision, they shall be held personally liable for any resulting damage or losses. In case of misuse of scheme funds, all members of the User's Committee shall be held collectively financially responsible and required to repay the amount.
8. **Inventory Registration and Safe Storage:** All procured goods/materials must be recorded in the inventory ledger before use. Materials should be stored safely. The committee is responsible for any misuse or loss of these materials.
9. **Handling of Excess Materials:** If any materials remain unused after construction, the committee must decide in a public meeting of users to store them securely and must inform the Rural/Municipal Executive Office accordingly.