

**CONTRACT FOR CONSULTING SERVICES  
SMALL ASSIGNMENTS  
TIME-BASED PAYMENTS**

**INDIVIDUAL PM CONSULTANT CONTRACT  
NO. IC-01  
(Project Management Consultancy Services)**

between

**Main State Tax Inspectorate of the Republic of Moldova**  
*[the Client]*

and

**Mr. Dorin Corcimaru**  
*[the Consultant]*

Chisinau, November 6, 2015

## CONTRACT nr.IC-01

THIS CONTRACT of INDIVIDUAL Project Management Consultancy Services ("Contract") is entered into this 23 day of the month of October, 2015, by and between the *Main State Tax Inspectorate of the Republic of Moldova* (hereinafter referred to as "the Client" or MSTI), *on the one hand, and Mr. Dorin Corcimar* (hereinafter referred to as "the Consultant") having its principal residence located at 24, *Valea Crucii str., ap. 12, mun. Chisinau, R. Moldova, on the other hand a citizenship and residence in Romania, address IM, Craitelor str., Otoponei, Ilfov county.*

WHEREAS, the Client wishes to have the Consultant performing the services of **Part-Time Project Management Consultant** hereinafter referred to,

WHEREAS, the Client received the Grant No. TF017415 towards the cost of implementation of the "TAMP Preparation Project" and intends to apply a part of these funds for performing the services hereinafter referred to,

WHEREAS, this is a civil contract signed according to the Civil code of Moldova, and

WHEREAS, the Consultant is willing to perform these services under the described below conditions,

NOW THEREFORE THE PARTIES hereby agree as follows:

1. **Services**
  - (i) The Consultant shall perform the services specified in Annex A, "Terms of Reference and Scope of Services," which is made an integral part of this Contract ("the Services").
  - (ii) The Consultant shall provide the reports listed in Annex B, "Consultant's Reporting Obligations," within the time periods listed in such Annex, and the personnel listed in Annex C, "Cost Estimate of Services and Breakdown of budget" to perform the Services.

2. **Term** The Consultant shall perform the Services during the period commencing *November 6, 2015* and continuing through *April, 30 2016* or any other period as may be subsequently agreed by the parties in writing.

3. **Payment** A. Ceiling

For Services rendered pursuant to Annex A, the Client shall pay the Consultant an amount not to exceed a ceiling of *US \$ 32512,50*. This amount has been established based on the understanding that it includes all of the Consultant's costs and profits as well as any tax obligation that may be imposed on the Consultant (i.e. net remuneration, Consultant's income tax, state mandatory Consultant's individual social insurance charge, mandatory insurance charge for medical assistance to be paid by the Consultant, state mandatory social insurance charge to be paid

by the Client for the Consultant's contract, state mandatory insurance charge for medical assistance to be paid by the Client for the Consultant's contract). The payments made under the Contract consist of the Consultant's remuneration as defined in sub-paragraph B below and of the reimbursable expenditures as defined in sub-paragraph C below.

B. Remuneration

The Client shall pay the Consultant for Services rendered at the rate per **man/day spent (eight hours per day)** in accordance with the rates agreed and specified in Annex C, "Cost Estimate of Services, List of Personnel and Schedule of Rates."

C. Reimbursables

The Client shall pay the Consultant for reimbursable expenses, in accordance with MSTI budget and Moldovan legislation, for the activities regarding or related to the current assignment, which shall consist of and be limited to:

- (i) normal and customary expenditures for official travel, accommodation, printing, and telephone charges; official travel will be reimbursed at the cost of less than first class travel and will need to be authorized by the Client's coordinator;
- (ii) such other expenses as approved in advance by the Client's coordinator.

D. Payment Conditions

The payment will be made in **Moldovan Lei**, equivalent by converting respective \$ amount using National Bank of Moldova official exchange rate USD/Moldovan Lei at the day of payment, as furnished by the National Bank of Moldova. The payment will be made not later than 30 days following submission of approved report and invoice.

4. **Project  
Administration**

A. Coordinator

The Client designates **ION Prisacaru, Head of MSTI**, or Deputy-head of MSTI as Client's Coordinator; the Coordinator will be responsible for the coordination of activities under this Contract, for acceptance and approval of the deliverables by the Client. Receiving and approving invoices for the payment will be done by MSTI.



B. Timesheets

During the course of their work under this Contract, including field work, the Consultant providing services under this Contract may be required to complete timesheets or any other document used to identify time worked, as well as expenses incurred, as instructed by the Project Coordinator.

C. Records and Accounts

The Consultant shall keep accurate and systematic records and accounts in respect of the Services, which will clearly identify all charges and expenses. The Client reserves the right to audit, or to nominate a reputable accounting firm to audit, the Consultant's records relating to amounts claimed under this Contract during its term and any extension, and for a period of three months thereafter.

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|--|---|
| <b>5. Performance Standard</b>                               | The Consultant undertakes to perform the Services with the highest standards of professional and ethical competence and integrity.  |
| <b>6. Confidentiality</b>                                    | The Consultants shall not, during the term of this Contract and within two years after its expiration, disclose any proprietary or confidential information relating to the Services, this Contract or the Client's business or operations without the prior written consent of the Client.   |
| <b>7. Ownership of Material</b>                              | Any studies, reports or other material, graphic, software or otherwise, prepared by the Consultant for the Client under the Contract shall belong to and remain the property of the Client.   |
| <b>8. Consultant Not to be Engaged in Certain Activities</b> | The Consultant agrees that, during the term of this Contract and after its termination, the Consultants and any entity affiliated with the Consultant, shall be disqualified from providing goods, works or services (other than the Services or any continuation thereof) for any project resulting from or closely related to the Services. |
| <b>9. Insurance, Annual leave and sick leave</b>             | <p>The Consultant will be responsible for taking out any appropriate insurance coverage, including health and social insurance.</p> <p>The Consultant is not entitled to any paid annual leave and sick leave.</p>  |
| <b>10. Modifications or Variations</b>                       | Any modification or variation of the terms and conditions of this Contract, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties, upon the prior written consent of the Bank (if required).  |



- 11. Suspension** The Client may, by written notice of suspension to the Consultant, suspend all payments to the Consultant hereunder if the Consultant fails to perform any of its obligations under this Contract, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall request the Consultant to remedy such failure within a period not exceeding ten (10) working days after receipt by the Consultant of such notice of suspension.

**12. Termination**

**12.1 By the Client** The Client may terminate this Contract in case of the occurrence of any of the events specified in paragraphs (a) through (f) of this Clause. In such an occurrence the Client shall give a not less than ten (10) days' written notice of termination to the Consultants, and thirty (30) days' in case of the event referred to in (f).

- (a) If the Consultant fails to remedy a failure in the performance of its obligations hereunder, as specified in a notice of suspension pursuant to Clause 11 hereinabove, within ten (10) working days of receipt of such notice of suspension or within such further period as the Client may have subsequently approved in writing.
- (b) If the Consultant fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause 17 of this Contract.
- (c) If the Consultant, in the judgment of the Client, has engaged in corrupt or fraudulent practices in competing for or in executing this Contract.
- (d) If the Consultant submits to the Client a false statement which has a material effect on the rights, obligations or interests of the Client.
- (e) If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than thirty (30) days.
- (f) If the Client, in its sole discretion and for any reason whatsoever, decides to terminate this Contract.

**12.2. By the Consultant** The Consultant may terminate this Contract, by not less than thirty (30) days' written notice to the Client, in case of the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause.

- (a) If the Client fails to pay any money due to the Consultant pursuant to this Contract and not subject to dispute pursuant to Clause 17 of this contract within forty-five (45) days after receiving written notice from the Consultant that such payment is overdue.

- (b) If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than fifteen (15) days.
- (c) If the Client fails to comply with any final decision reached as a result of arbitration pursuant to Clause 18 of this Contract.
- (d) If the Client is in material breach of its obligations pursuant to this Contract and has not remedied the same within thirty (30) days (or such longer period as the Consultant may have subsequently approved in writing) following the receipt by the Client of the Consultant's notice specifying such breach.

### **13. Fraud and Corruption**

For the purposes of this Sub-Clause, the terms set-forth below are defined as follows:

- (i) "*corrupt practice*" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party<sup>1</sup>;
- (ii) "*fraudulent practice*" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation<sup>2</sup>;
- (iii) "*collusive practice*" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party<sup>3</sup>;
- (iv) "*coercive practice*" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party<sup>4</sup>;
- (v) "*obstructive practice*" is
  - (aa) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or

<sup>1</sup> For the purpose of this sub-paragraph, "*another party*" refers to a public official acting in relation to the selection process or contract execution. In this context "public official" includes World Bank staff and employees of other organizations taking or reviewing selection decisions.

<sup>2</sup> For the purpose of this sub-paragraph, "*party*" refers to a public official; the terms "*benefit*" and "*obligation*" relate to the selection process or contract execution; and the "act or omission" is intended to influence the selection process or contract execution.

<sup>3</sup> For the purpose of this sub-paragraph, "*parties*" refers to participants in the procurement or selection process (including public officials) attempting either themselves, or through another person or entity not participating in the procurement or selection process, to simulate competition or to establish contract prices at artificial, non-competitive levels, or are privy to each other's bid prices or other conditions.

<sup>4</sup> For the purpose of this sub-paragraph, "*party*" refers to a participant in the selection process or contract execution.



(bb) acts intended to materially impede the exercise of the Bank's inspection and audit rights.

**14. Force Majeure**

- (a) For the purposes of this Contract, "Force Majeure" means an event which is beyond the reasonable control of a Party, is not foreseeable, is unavoidable, and which makes a Party's performance of its obligations hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action are within the power of the Party invoking Force Majeure to prevent), confiscation or any other action by Government agencies.
- (b) Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or such Party's Sub-Consultants or agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected both to take into account at the time of the conclusion of this Contract, and avoid or overcome in the carrying out of its obligations hereunder.
- (c) Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder.

**15. Assignment**

The Consultant shall not assign this Contract or Subcontract any portion of it without the Client's prior written consent.

**16. Law Governing Contract and Language**

The Contract shall be governed by the laws of the Republic of Moldova, and the language of the Contract shall be English.

**17. Dispute Resolution**

Any dispute arising out of this Contract, which cannot be amicably settled between the parties, shall be referred to adjudication/arbitration in accordance with the laws of the Client's country.

FOR THE CLIENT



FOR THE CONSULTANT

Signed by \_\_\_\_\_  
Dorin Corcimaru



## **LIST OF ANNEXES**

Annex A: Terms of Reference and Scope of Services

Annex B: Consultant's Reporting Obligations

Annex C: Cost Estimate of Services and Breakdown of budget

## **Annex A: Terms of Reference and Scope of Services**

### **Republic of Moldova**

#### **Tax Administration Modernization Project (TAMP) (P127734)**

##### **I. Background**

###### **1.1 General Background.**

The Government of the Republic of Moldova (GoM) is currently preparing a comprehensive Tax Administration Modernization Project (TAMP), aiming at comprehensive reforming of the Moldovan State Tax Service (STI, Beneficiary) in terms of the organizational and HR aspects, tax policy and operational procedures, as well as the profound modernization of the information technology.

The development objectives of the TAMP are to strengthen the STI capacity through increased efficiency and effectiveness. This include the establishing a unified tax administration organization, with the proposed introduction of regional centers, systematic development of HR and profound modernization of operational procedures transparently reflected in the adequate information technology (IT). Additional TAMP overall objectives are to reduce the taxpayers' compliance cost and to improve compliance and the professionalism and integrity of the STI staff.

The TAMP initiative has been designed on the basis of five main components, these being:

Component 1.Tax policy and analysis.

Component 2.Institutional development.

Component 3.Operational development.

Component 4.IT infrastructure and system Modernization.

Component 5. Project Management and Change Management

The GoM has received a grant from the Multi-donor Programmatic Trust Fund for Europe and Central Asia Region Capacity Development (TF017415) for the preparatory activities specifically related to the TAMP component IV - Revision of business processes and development of functional and technical requirements for the Integrated Tax Management System (ITMS). Procurement of services under the Grant shall be carried out in accordance with the World Bank's Procurement Guidelines.

## 1.2 Objectives of the Assignment

The objective of the assignment is to:

- Assist the STI to successfully manage the TAMP project preparatory activities efficiently and monitor that all the works are implemented in accordance with the terms and performance indicators settled out; and
- Assist the STI in the development of necessary project management skills and technical support capabilities within the STI, organization of change management activities through technical advice, to ensure the successful launch of the TAMP project with emphasis on component IV, the ITMS solution tender.
- Assist the STI in the initiation of the TAMP project, including preparation of all procurement documents to ensure the launch of the TAMP project starting with April 2016

The assignment shall include, but not be limited to, consulting services to be provided during Project Preparation work, both within the STI and in relations with the external stakeholders, as well as anticipating, identifying and solving problems, performing monitoring, assessing risks, and cooperating with stakeholders under the project. The assignment may be extended beyond project preparation to include project management support during TAMP project execution.

The following objectives and activities are out of scope of this assignment:

- Participation in the decision making process for the procurement of services and goods
- Conducting Grant Audits
- Performing activities related to the Project Preparation scope related to other consultants and/or STI PIU staff.
- Translation of the materials not related to the project management processes and to the reports provided by the Consultant to the third parties.

## II. Scope of Work

### 2.1. Activities

To achieve the assignment objectives, the PM consultant will perform the following tasks:

- Organize, coordinate and manage the STI project team and will coordinate the activities of the Consulting company;
- Develop and keep up to date the action plan related to Project Preparation work, as it will be approved by the STI;



- Organize and ensure that the activities related to Project Preparation work are made efficiently and the objectives are achieved;
- Facilitate taking optimal and strategic decisions by STI regarding Project Preparation work, this includes ensuring monthly steering committee meeting agendas are set for, review of project plan, issue log, and risk matrix;
- Monitor Project preparation work in accordance with the terms and performance indicators set out identifying variances from plan and proposing corrective actions;
- Maintaining an issue log and risk matrix for the project, analyze difficulties arising during implementation, work out and enforce remedial actions for problematic situations, including assisting STI to take decisions in critical situations;
- Initiate administrative procedures referring to adjustment in project components/subcomponents, documents, and budget;
- Coordinate, with the authorization of STI, the relevant relations and actions/measures within the STI, with the state administration authorities, public institutions, donors, World Bank, other institutions, individuals and legal entities directly or indirectly involved in project activities;
- Elaborate working plans on project activities;
- Provide assistance in the elaboration of bid documents;
- Organize and ensure the activities related to the signing of contracts and to the authorization of payments for the project related activities;
- Support the STI team in selection of the Company who will be responsible for preparation of TAMP Component IV: Revision of business processes and development of functional and technical requirements for the ITMS;
- Ensure synchronization and harmonization of Project activities with the activities of the Sweden Tax Service mission;
- Supervise the observance of due procedures in project financial management;
- Ensure timely elaboration of reports and relevant financial statements related to Project Preparation work;
- Assist the SFS team in planning for grant audits in compliance with the Project requirements;
- Set up in STI of a Project Implementation Unit (PIU) as project support for Project Preparation and TAMP implementation work;
- Arrange PM training and organize the activity of the PIU staff;
- Assist the STI project team in preparing the ITMS Change Management Plan;
- Assist the STI project team in preparing the ITMS Implementation Activity Plan. Fulfill duties and perform additional functions to those stated, which are implied by the held position, necessary to implement and reach Project objectives

The PM consultant will establish close working relations with the STI project team and the Consulting Company working on the project.

## 2.2 Timing and Inputs

The assignment should start in November 2015 and be completed by April 2016. The assignment requires an expert with complementary skills. It is estimated to entail 3.5 person months of input (100% of time in the field, at least 2 weeks per month) over 7-month period of consultancy, covering assistance, coordination, reporting and presentation of the analysis and recommendations to the STI.

The inputs should be phased to allow adequate time for interactive consultations and reviews of the deliverables by the STI.

The consulting is expected to provide the necessary inputs during critical activities according to a mutually agreed work plan. The work plan should clearly indicate the work schedule and explain the expected contributions and documents. The Consultant will perform the assignment activities as set out below.

## 2.3 Languages

The Consultant shall work in the English and/or Romanian/Russian language. Documents shall be submitted in both English and Romanian.

## 2.4 Reporting relationship

PM consultant will report directly to Project manager and the STI Manager who oversees the activity related to the project implementation of the group of consultants.

In the consultant's working relations with the STI and all the key stakeholders, the Consultant will be expected to be self-sufficient and conduct himself in the highest professional manner.

## 2.5 Resources provided

The Consultant shall be responsible for all logistics as well as for all interpretation and translation services, if necessary.

STI will provide office space, administrative assistance, meeting space, meeting logistics and other such resources as required to carry out this assignment.

## 2.6 STI Inputs

- STI staff members will work with the Project Manager in course of grant implementation and preparation
- STI PIU and project teams will allocate at least 2 hours/day or 1 day/week for project activities
- The STI project team will participate to weekly project meetings (Mondays, 13.00-16.30)



- The Project Manager will be nominated by the STI and will be able to participate to current meetings (if necessary) and to all weekly and monthly project meetings.
- The STI will allocate a separate office space for the PIU, including for repository of project documents
- The WB approvals will be made in a reasonable time-frame

## 2.7 Deliverables

- Training courses in project and change management for the STI PIU staff and relevant internal stakeholders
- Action Plan for the Project Preparatory works
- Set of PIU documents: charter / regulations, processes design and description, templates, procedures and instructions
- Overall (high level) project plan for the TAMP Project
- Status Reports (according to the communication plan)
- Opinions provided in the procurement of the services and goods for Project Preparatory works
- ITMS Change Management Plan
- ITMS Implementation Activity Plan

## 2.8 Main Milestones

- |   |                |
|---|----------------|
| 1. The Consulting Company for Project Preparatory works selected                                      | by Nov 2015    |
| 2. Project Manager and PIU staff assigned by the STI  | by 06 Nov 2015 |
| 3. High-level TAMP Project Plan drafted and approved  | by 15 Nov 2015 |
| 4. The RFP submitted for approval to the WB   | by 06 Nov 2015 |
| 5. STI PIU settled up and functional  | by 25 Nov 2015 |
| 6. The Action Plan for the Project Preparatory works for the TAMP Component IV submitted for approval | by 30 Nov 2015 |
| 7. The STI PIU staff and key internal stakeholders trained in PM                                      | by 15 Dec 2015 |
| 8. Consulting company for Project Preparatory works subcontracted                                     | by 15 Dec 2015 |
| 9. TAMP Project Preparatory works done  | by 20 Mar 2016 |
| 10. Procedures for starting the Grant audit already done  | by 20 Mar 2016 |
| 11. The initiation activities for the TAMP project done   | by 31 Mar 2016 |



## **Annex B: Consultant's Reporting Obligations**

The Consultant will submit periodic status update reports and any other reports as it will be required by the World Bank and Client's representatives.

The Consultant will be responsible for organizing of the following periodic meetings:

- weekly status update meetings with the project team and internal stakeholders
- monthly status update meetings with the Steering Committee representatives

### **Annex C: Cost Estimate of Services and Schedule of Rates**

#### **a. Remuneration in USD**

<i>Name</i>	<i>Daily Rate, USD</i>	<i>Units, Time Spent (man-days)</i>	<i>Total, USD</i>
November _____, 2015 - April 30, 2016	464,46	70	32512,50

**CONTRACT CEILING 32512,50 USD\***

#### **b. Breakdown of consultant's daily rate:**

The daily amount to be paid from the project funds under this contract is the equivalent of USD 464,46 which includes taxes according to Moldovan legislation:

- a) The Consultant's net rate – 18 714,45 ( 267,35 x 70 days)
- b) the Consultant's income tax 18%, - 4108,05
- c) the state mandatory Consultant's individual social insurance 6% - 1530
- d) the state mandatory insurance charge for medical assistance to be paid by the Consultant 4.5% - 1147,50
- e) the state mandatory social insurance charge to be paid by the Client 23% - 5865
- f) the state mandatory insurance charge for medical assistance to be paid by the Client 4.5% - 1147,50

#### **c. Reimbursables - not applicable**

\* This sum includes all taxes to be paid by the Consultant and by the Client on the contract with the consultant.