**Terms of Reference (ToR)***Payroll Management System (PMS)*

# Introduction

WaterAid is an international not-for-profit organization, established in 1981, determined to make clean water, decent toilets and good hygiene normal for everyone, everywhere within a generation. It aims to change millions of lives every year, working in 28 countries to provide clean water, decent toilets and good hygiene.

Since it started in 1981, WaterAid has remained resolutely focused on tackling these three essentials that transform people’s lives. Without all three, people can’t live dignified, healthy lives. With all three, they can unlock their potential, break free from poverty, and change their lives for good. Children grow up healthy and strong, women and men get to earn a living, whole communities start to thrive. It sounds normal and it should be.

WaterAid Nepal (WAN) was established in 1987 during the UN Water and Sanitation Decade, 1981-1990. WaterAid’s work covers service delivery as well as research, learning, capacity building, and advocacy related to Water, Sanitation and Hygiene (WASH). WAN’s work in Nepal spans across 4 districts and is based on a systems strengthening and programmatic approach to ensure service delivery and promote advocacy in the WASH sector.

# Background

Effective human resource and financial management are integral to WaterAid Nepal's success in achieving its mission. Currently, WaterAid Nepal utilizes manual processes for managing employee payroll, which are time-consuming, error-prone, and resource-intensive. To ensure greater efficiency, accuracy, and transparency in its financial operations, WaterAid Nepal has identified the need to implement a comprehensive Payroll Management System (PMS).

WaterAid Nepal is seeking qualified vendors with expertise in payroll management systems to submit Expressions of Interest (EOI) for the development, customization, and implementation of a robust and user-friendly PMS. The selected vendor will be responsible for:

1. Conducting a thorough needs assessment to understand WaterAid Nepal's specific requirements and workflows.
2. Developing and customizing a Payroll Management System tailored to meet WaterAid Nepal's payroll processing needs, ensuring compliance with local labor laws and tax regulations.
3. Providing training and support to WaterAid Nepal staff for the effective use of the PMS.
4. Ensuring data security, confidentiality, and regular data backups.
5. Delivering ongoing maintenance and support services as required.
6. Developing a time sheet system.

# Objectives of the Assignment

The potential service provider is expected to develop, test and install an automated payroll and time sheet system at the WaterAid Nepal Office. The overall objective of the payroll system is to effectively manage, analyse and report employees' pay, benefits, tax and other deductions, monthly provisions, accruals.

# Scope of Services

1. **System Features:**
	* + **Manage Employee Information**: The system should be capable of handling employee data, including but not limited to, names, gender, and contract types. It should also allow for the addition of specific data for both active and separated staff, with the ability to edit this information.
		+ **Pay slip**: It should generate individual pay slips automatically, delivering them to employees' email accounts.
		+ **Salary Processing Flexibility**: The system should enable the processing of salaries for single individuals or groups of employees at any given time, as needed.
		+ **Payroll Calculations**: The system should support payroll simulations, re-runs, reversals, back-pay calculations, and proration calculations.
		+ **Payroll Register and Payment Options**: The system should automatically generate a Payroll register sheet, facilitating the approval process and documentation. It should also provide options for transferring funds to staff bank accounts or making cash payments in cases where banking facilities are unavailable.
		+ **Automated Alerts**: The system should include automated alert features, such as notifications for expiring contracts, to ensure timely actions are taken.
		+ **Variance Reporting**: The system should have the capability to generate variance reports covering all aspects of payroll management.
* **Provision/Accrual Calculations**: The system should be able to calculate monthly provisions and accruals, including but not limited to Dashain provisions, SSF provisions, Annual Leave provisions, and Sick Leave provisions.
* **Scalability**: The system should support both scale-up and scale-down as soon as required.
* **Employee Self-Service Portal**: The system should provide a web-based online portal for employees to access self-service features, enhancing their ability to manage their own information and payroll-related tasks.
* **Data Protection Compliance**: The system should align with WaterAid's data protection policy, ensuring the secure handling and storage of sensitive employee information.

These system features are essential to streamline payroll management processes and ensure compliance with organizational policies and regulations.

**B. Valuable Features**

* Single Sign-On, LDAP.
* Okta authentication.
* Cloud based platform (SAGE people and Salesforce).
* Tool to do bulk user updates.
* Ability to choose different year start dates for each user.
* Data integrity, archiving and storage

**C. Further Solution Requirements**

* Security Essential: Service Security and access management must ensure that system processes and data can be actioned and accessed only by appropriate and authorized personnel.
* Web Interface Essential: Provides friendly and adaptable interaction between user and database.
* Database Essential: Stores the calculated taxes and salaries.
* Data Protection: The delivered solution must comply with WAN data protection policy and local data protection requirements and best practice.
* Search: required to search out tax files, salary slip and bank files etc.
* Performance Essential: Performance of the system, including data access, should be adequate and fast.
* Platform Independence: Required System should be capable to work in any environment.

**D. Maintenance and Support**

* Regular support for the operation of the software
* Phone and email support for minor issue
* Remote Desktop Support for critical issue
* Bug Fixing
* On site visit once a month(non-cumulative)
* Software minor version upgrade of the subscribed modules

# Reporting Line Manager

The consultant will report to Head of People and Organizational Development, WaterAid Nepal.

# Duration

Estimated time for the successful launch of the system within three months from the start date.

# Budget

The service provider shall submit financial proposal with detailed breakdown including applicable taxes and deductions (if any) at the time of proposal submission.

# Required Qualifications

* Demonstrated experience in successful services of similar systems in country including Corporate Houses, Financial Institutions, especially in INGO context
* Demonstrated experience of providing similar services including regular maintenance and support
* Minimum 3 years of experience in providing similar services
* Team members with qualification in IT and accounting background
* Ability to produce quality work within deadline and under pressure
* Understanding on the importance of organizational internal control

# Submission of Proposal and deadline

The consultant is required to submit the technical and financial proposal along with detailed breakdown.

Legal documents of the company such as company registration, VAT certificate, tax clearance certificate of Fiscal year 2078/2079 OR tax clearance extension for FY 2079/2080.

The proposal should demonstrate sound knowledge, technical skills and capability as required by the nature of the work of the assignment and understanding of the requisite tasks set forth in the scope of work.

The submission of your proposal shall be in PDF file with the subject line mentioning **“EOI for Payroll Management System”** through

email: nepal-procurement@wateraid.org.

The deadline for submission of proposal is 20th December 2023.