

**Capacity Development Program for
Kathmandu Upatyaka Khanepani Limited (KUKL)
Terms of Reference**

A. Objective of the Assignment

1. The objective of this assignment is to provide expertise for the overall organizational development of the Kathmandu Upatyaka Khanepani Limited (KUKL) to improve their capacity to operate and manage their systems, improve operational efficiency and provide better customer service. In particular, the Consultants will assist KUKL in their transformation efforts to help ensure they have a strong foundation to keep up with the various infrastructure improvements around Kathmandu Valley, and deliver quality services.

B. Background

2. Kathmandu Valley is the country's economic and political capital. It now comprises 18 municipalities across 570 square kilometers and contributes about one-fourth of the national gross domestic product.

3. Kathmandu has been experiencing grave water scarcity issues, with as much as 75% of the public getting water for only one hour per week. Because of this, storage tanks, house pumps, and shallow wells are popularly used. Public and private tanks are provided where customers can fetch water. Consumers resort to inefficient, private solutions fulfilled partly through an unregulated water vending industry.

4. KUKL is the water utility/operator responsible for managing urban and peri-urban drinking water and sanitation services to consumers in the Kathmandu Valley. It has a current customer base of around 208,000 customers managed through 10 branches. It has an average water supply of 114 million liters per day (MLD). Its water infrastructures include 35 surface water sources, 78 underground water sources, 20 treatment plants, 43 reservoirs and 39 pumping stations. Total current network is at 1,170 km of DI, CI, HDPE, GI, SI and PVC pipes. Current wastewater treatment capacity is at 85 MLD partially covering the five (5) municipalities of Kathmandu, Madhyapur Thimi, Bhaktapur, Lalitpur and Kirtipur.

5. Current level of non-revenue water (NRW) is unknown. Significant opening and closing of valves is done manually on a regular basis to allow water to be received by certain areas at specific times. Current network management is not based on any systematic analysis. Current work force is at 1140, among which 88 are newly recruited comprising of varying technical and managerial profiles.

6. Major tunnel, transmission and network improvement works are nearing completion (phase 1) or under planning (phase 2) to bring additional water supply to the Valley. The anticipated system is designed to supply 510 MLD (2025 projections). By mid-2019, it is expected that there will be an additional supply of 170 MLD available for distribution. Capital works include a new network in most of the neighborhoods located within the Ring Road. For the rest of KUKL's service area, improvements to the network are expected in the next 7-10 years. Optimization of current available water and additional water supply is necessary to improve the current level of service received by customers, and to decrease disparity in services considering the anticipated improvements within the Ring Road.

C. Scope of Work

7. The Consultant shall deliver a comprehensive capacity development program for KUKL staff organized into 6 main themes. The trainings shall impart knowledge and skills and

be organized to collectively produce the outputs expected to be adopted by KUKL as key guiding documents for its operations. The sessions shall use a variety of tools to make the sessions energetic and effective. These may include case studies, videos, lectures, group work, field visits and others.

Theme	Objective
Strategic planning	To support the development of a strategic plan, vision statement, mission statement, and key performance metrics based on the agreed plans and statements.
Leadership Development Program	To broaden managers' perspective on basic management, and interpersonal skills for effective leadership. To assess managers leadership styles and provide guidance for further development. To develop a long-term program to develop leadership of KUKL's current and future leaders.
Strengthening the human resources function	To develop job descriptions for key staff and improve the performance management system by introducing metrics that may be used for evaluation (e.g. key objectives, results areas, indicators). To prepare a succession plan program to help KUKL to identify critical positions and a pipeline of talent, and training requirements. To train managers on key human resources function.
Strengthening internal and external communications	To establish a communications plan and standard operating procedures (SOPs) for priority internal and external communications (e.g. reports required by management for decision-making; methods to cascade information throughout the organization; external information dissemination and consultations with key stakeholders). The plan and SOPs should handle routine and crisis communications. To train identified staff on KUKL 'values' to act as spokesperson for the organization, while building their capacity for public speaking.
Streamlining and documenting branch processes	To map the main processes followed in branch operations, and recommend measures to streamline operations. Support documentation of the main processes and develop SOPs for main branch functions.
Improving customer service and collection efficiency	Train staff on optimization and standardization of water meter management and develop meter management policy covering meter calibration, basics of water meters (i.e. technologies, meter reading, meter set assembly, etc.). Train staff on protocols for dealing with customers, including difficult customers and develop a customer handbook. Develop strategy for billing and revenue collection improvement.

8. The Consultant shall oversee the planning, development, conduct and documentation of the capacity development program. This program will comprise several training and workshop sessions, site visits, consultations with KUKL management, evaluation of KUKL staff, providing feedback to KUKL General Manager and top management, helping KUKL develop templates, forms, job profiles, assessment of future organizational requirements and recommendations to KUKL on talent development initiatives. The workshops are meant to be tailored to KUKL, and highly participatory, using KUKL staff inputs to collectively finalize outputs to ensure ownership, while being guided by experienced trainers.

D. Detailed Tasks

9. Understanding the current situation of KUKL, the anticipated infrastructure improvements, and KUKL's aspirations in terms of operational and customer service targets.

10. Getting familiar with KUKL's current and anticipated organizational structure, and work with KUKL management to identify appropriate participants for specific training modules.

11. Finalizing the overall capacity development program in consultation with the KUKL management with clear objectives, methodologies, appropriate resource persons, target participants and clear training and learning evaluation methods.

12. Leading a team of seven (7) experts to design, develop, conduct and follow up on eighteen (18) workshops totaling 84 days as listed in **Table 1**.

Table 1 – List of Workshops

	Workshop Name	No. of Days	KUKL Level Participants	Staff
1	Strategic Planning for Water Operators Part 1 Part 2	1 2	7 – 12 7 – 10	
2	Formulating Vision, Mission and Values Statement Part 1 Part 2	1 2	7 – 12 7 – 10	
3	Organization Effectiveness – Managing Change from a Water Utility’s Experience	1	7 – 12	
4	Developing Performance Metrics for Water Operators Part 1 Part 2	1 2	7 – 12 7 – 10	
5	Developing Job Descriptions Part 1 Part 2	1 2	7 – 12 7 – 10	
6	Developing a Succession Plan Part 1 Part 2	1 9	7 – 12 7 – 10	
7	Developing Performance Management Tools and Systems Part 1 Part 2	1 9	7 – 12 7 – 10	
8	Faculty Management for Employee Engagement Part 1 Part 2	1 7	7 – 12 7 – 10	
9	Values Formation Part 1 Part 2	1 3	7 – 12 7 – 10	
10	Management Development Program Part 1 Part 2	1 4	7 – 12 7 – 10	
11	Leadership Development Program Part 1 Part 2	1 6	7 – 12 7 – 10	
12	Communications			

Workshop Name	No. of Days	KUKL Level	Staff Participants
Part 1	1	7 – 12	
Part 2	2	7 – 10	
13 Documentation of Branch Systems and Procedures			
Part 1	1	7 – 12	
Part 2	9	7 – 10	
14 Fundamentals of Water Meter Management			
Part 1	1	7 – 12	
Part 2	1	7 – 10	
15 Customer Handling			
Part 1	1	7 – 12	
Part 2	2	7 – 10	
16 Analysis of Billing and Collection Reports			
Part 1	1	7 – 12	
Part 2	1	7 – 10	
17 Building the HR Function			
Part 1	1	7 – 12	
Part 2	1	7 – 10	
18 Study tour for benchmarking an efficient, profitable water utility	5	7 – 12	
Total workshop days	84		

13. Leading consultations with KUKL management before and after each training session to confirm appropriateness of methodologies, participants and timing of each session.

14. Providing feedback to KUKL management on each of the participants after each training session and identify talents with high potential to become future trainers for KUKL.

15. The Consultant will be responsible for the preparation and logistics of the workshops, including:

- a. Identifying and securing training/workshop venue for all sessions
- b. Providing two snacks and lunch for all participants, trainers and secretariat for each day of training (approx. 30 persons)
- c. Providing local transportation for site visits and bringing participants to/from different training venues for each day of the workshops
- d. Purchasing/renting equipment for the training (e.g. projector, white board, etc..)
- e. Engaging local interpreter to assist in the translation of materials and to assist during trainings/sessions
- f. Providing training materials for the participants for all sessions
- g. Ensuring high-energy programs from 9 am – 5 pm with 1 hour lunch break and two 15-minute breaks.

16. Ensuring high-quality documentation of each of the training sessions and workshops.

17. Ensuring adequate coordination between team members and ensuring overall quality control.

18. Providing offsite support to KUKL in the form of telephone and videocall consultations, as necessary to finalize outputs of each workshop.

E. Deliverables and Milestone Payments

19. The contract is on a lump-sum basis with milestone payments as listed below for each expected output. The outputs will be developed as a result of each interactive workshop. It is expected that each output will be developed through a combination of KUKL staff inputs facilitated by the trainers, and the experts' professional recommendations. The payment will be made once the comments from KUKL have been incorporated into the draft and the final version is accepted. The budget should take into consideration the costs associated for off-site preparations (pre-training) and follow-up/finalization of outputs (post-training) in addition to the delivery of the training. The detailed content of all training modules shall be provided to KUKL in soft copy and hard copy after the sessions.

Table 2 Payment schedule

Output	Date	Milestone payment
Mobilization advance (no output)	Upon contract signing	15%
Capacity development program proposal	15 days after NTP	5%
Theme No. 1: Strategic Planning <ul style="list-style-type: none"> • Strategic plan for KUKL • Vision, mission and values statement • Key performance indicators for employees for 15 staff (5 staff <i>Level 9-12</i>; 7 staff <i>Level 6-8</i>; and 3 staff <i>Level 5 and below</i>) • Strategic planning training modules 	20 days after completion of Workshops 1 to 4	15%
Theme No. 3: Strengthening the Human Resources Function <ul style="list-style-type: none"> • Job descriptions for 15 staff (5 staff <i>Level 9-12</i>; 7 staff <i>Level 6-8</i>; and 3 staff <i>Level 5 and below</i>) • Succession plan for identified critical positions • Performance management tool • HR training modules 	20 days after completion of Workshops 5 to 7	15%
Theme No. 4: Strengthening internal and external communications <ul style="list-style-type: none"> • Evaluation of identified employees for training on KUKL values • Training on KUKL values and public speaking • Communications training modules 	20 days after completion of Workshops 8 to 9	10%
Theme No. 2: Establishing a Leadership Development Program <ul style="list-style-type: none"> • Leadership development plan for KUKL staff levels 9 to 10 • Individual leadership style assessment • Leadership training modules 	20 days after completion of Workshops 10 to 11	10%
Theme No. 4: Strengthening internal and external communications <ul style="list-style-type: none"> • Communications planning and SOPs 	20 days after completion of	10%

Output	Date	Milestone payment
Theme No. 5: Streamlining and documenting branch processes <ul style="list-style-type: none"> • Documentation of major branch systems and processes • Branch management training modules 	Workshops 12 to 13	
Theme No. 6: Improving Customer Service and Collection Efficiency <ul style="list-style-type: none"> • Meter Management Policy • Employee Engagement Program¹ • Customer Handbook • Customer service and collection efficiency modules 	20 days after completion of Workshops 14 to 17	10%
	15 days after completion of entire assignment	10%

20. The Consultant will work under the direct supervision of the KUKL General Manager, working closely with the ADB Project Officer, and will coordinate with focal persons within KUKL.

21. The Consultant will select 5 top performing participants to participate in a 6-day immersion program at a utility outside of Nepal to be selected in coordination with KUKL. ADB shall support liaison with the utility, if needed. The Consultant shall propose criteria to select the participants in the immersion program. All travel costs including per Diem for the immersion program shall be included in the financial proposal of the proponent.

22. The Consultant will be engaged for 34 person-months extending over a 12-month period.

F. Experts' Inputs, Roles and Qualifications

23. The firm shall at least 10 years of managing water supply operations in a developing country, and several experiences training utility staff in developing countries. The firm should demonstrate experience in transforming a struggling water operator to a highly-performing, efficient utility. Key experts with full time engagement in the firm shall be encouraged. It is expected that the experts would work closely together since many of the modules are multi-disciplinary and require the inputs of various experts.

Key experts (for evaluation)

24. **Team Leader/Organizational Development Expert.** The Expert will be the main liaison between the consultant team and KUKL. He/she will be responsible for directing the team and ensuring relevance and quality control of all documentation. The Expert shall lead the situational analysis of KUKL, and ensure adequate coordination between the team members. He/she will lead the preparation of the training materials. The Expert shall have a minimum of 20 years' experience in water supply and sanitation operations, ranging from technical to managerial functions. Specific experience in designing and implementing training

¹ Engagement program consists of activities to motivate employees and create a sense of community, a positive working environment, common purpose and loyalty. They might include team building activities, sports teams etc..

and capacity development programs is desired, preferably with some experience in Asia. At least a Bachelor's degree is required.

25. **Deputy Team Leader/Senior Training Expert.** The Expert will provide inputs to the design of the training sessions and workshops to ensure they are interactive, participatory and that knowledge transfer objectives are achieved. He/she will propose appropriate mix of classroom and more hands-on training. He/she shall also be the main resource person during the training sessions and workshops to ensure continuity throughout the entire capacity development program. He/she will be the overall in charge of designing the training sessions, delivering the sessions and will use resource persons as needed for preparing the modules and for delivering the sessions. He/she shall facilitate discussions during the sessions, provide inputs to the discussions, and summarize the key points from each session. He/she shall provide feedback to KUKL on the participation and performance of the participants. The Expert shall have a minimum of 10 years' experience in water supply and sanitation operations with particular experience on designing and implementing tailored training modules for water utility staff in at least two countries. Experience as training expert in water supply and sanitation sector in different countries is preferred. At least a Bachelor's degree is required, higher education in relevant field is preferred.

26. **Training Coordinator.** In close coordination with the KUKL, the Expert will be the overall in charge to ensure smooth delivery of the training sessions and workshops and work closely with the Team Leader in the planning and preparation of the sessions. He/she will be responsible for the logistics (venue, food, printing, transport, projector, etc.), coordination with resource speakers, and preparation and distribution of training and workshop materials. The Expert shall work with KUKL and the Team Leader to identify the participants for each training session. He/she shall provide participants with all necessary information prior, during and after the training/workshop sessions. The Coordinator shall have minimum of 10 years' experience in water supply and sanitation operations with particular experience on managing training programs. Experience in designing and implementing training and capacity development programs in Asia is highly desired. At least a Bachelor's degree is required.

27. **Senior Human Resources Expert.** The Expert will work with the Team Leader on the assessment of KUKL's current situation, and requirements for training. The Expert will work with the Senior Training Specialist to design the content for the modules used for all workshops under Theme No. 3: Strengthening the Human Resources Function. The Expert will work with the Senior Training Specialist to finalize the workshop report, and all outputs related to Theme No. 3. He/she may be requested to review or provide inputs into other themes too. The Expert shall have at least 5 years of experience in human resource management domain, preferably in a water utility. Preference is given to those having experience of working in developing countries on change management programs. At least a Bachelor's degree is required.

28. **Communications Expert.** The Expert will work with the Senior Training Specialist to design the content for the modules used for all workshops under Theme No. 4: Strengthening Internal and External Communications. The Expert will work with the Senior Training Specialist to finalize the workshop report, and all outputs related to Theme No. 4. He/she may be requested to review or provide inputs into other themes too. The Expert shall have at least 5 years of experience working in communications related function in a water utility, and preferably experience working in or supporting utilities in developing countries. At least a Bachelor's degree is required.

29. **Branch Management Specialist.** The Expert will work with the Senior Training Specialist to design the content for the modules used for all workshops under Theme No. 5: Streamlining and Documenting Branch Processes. The Expert will work with the Senior Training Specialist to finalize the workshop report, and all outputs related to Theme No. 5. He/she may be requested to review or provide inputs into other themes too. The Expert shall

have at least 10 years of experience working in a water utility, and at least 5 years' experience working as a branch manager. He/she should have experience training staff and preferably experience working in developing countries. He/she must have a Bachelor's degree or higher.

Non-key staff (will not be evaluated)

30. **Assistant Human Resources Expert.** He/she will provide support to the Senior Human Resources Expert and other team members as needed for smooth preparation and delivery of the training sessions and outputs. He/she shall provide mostly administrative support.

Table 3 Indicative Experts' Input (May be altered based on consultant self-assessment, without substantive alteration of the scope)

No.	Expert	Home Office (person-days)	Field Office (person-days)
1	Team Leader/Organizational Development Expert	72	76
2	Deputy Team Leader/Senior Training Expert	96	100
3	Training Coordinator	48	75
4	Senior Human Resources Expert	82	73
5	Communications Expert	20	17
6	Branch Management Specialist	24	28
7	Assistant Human Resources Expert (non-Key Expert)	48	59
	Total	390	428

Clients Input and Counterpart Personnel

31. Kathmandu Upatyaka Khanepani Limited shall provide necessary information about the Human Resource and working scenario within the organization. Office shall assign a relevant officer to act as focal point with the consultant.

32. For further information/queries:

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