



**Terms of Reference**  
**Better Jobs – Living Wage**  
**A Business Model for Better Living Wage Benchmark Accessibility**  
March 29, 2021

## **1. Introduction**

IDH Sustainable Trade Initiative (“IDH”) accelerates and up-scales sustainable trade by building impact-oriented coalitions of front running companies, civil society, governments, knowledge institutions and other stakeholders in several commodity sectors. We convene the interests, strengths and knowledge of public and private partners in sustainability commodity programs that aim to mainstream international and domestic commodity markets. We jointly formulate strategic intervention plans with public and private partners and we co-invest with partners in activities that generate public goods.

On basis of these Terms of Reference IDH aims to select a party that will construct **A Business Model for Better Living Wage Benchmark Accessibility**. This project is part of the IDH [Roadmap on Living Wages](#). It builds on the Roadmap’s [step 1](#) - which identifies and recognizes living wage benchmark methodologies - by building a business model for the development of living wage benchmarks and the creation and maintenance of a database to facilitate access to them.

IDH reserves the right to update, change, extend, postpone, withdraw or suspend the Terms of Reference, this tender, or any decision with regard to the selection or contract award. IDH is not obliged in this tender procedure to make a contract award decision or to conclude a contract with a participant. IDH reserves the right to suspend or annul the Tender Procedure at any moment in time.

Participants cannot claim compensation from IDH, any affiliated persons or entities, in any way, in case any of the afore-mentioned situations occur.

By handing in a proposal, participants accept all terms and reservations made in these Terms of Reference, and subsequent information and documentation in this tender procedure.

## **2. Objectives**

The overall objective of this project is to develop a business model for the development of living wage benchmarks by IDH-recognized living wage benchmark methodologies and the creation and maintenance of a database to facilitate access to them.

The specific objectives of this project are threefold:

1. Understand and capture the existing business models of each of the sources of the living wage benchmarks that are recognized by IDH; the reasoning behind these models; a clear breakdown of costs of developing benchmarks; and the opportunities, barriers, and needs for a new collective benchmark distribution platform.



2. Design a business model that will provide users access to benchmarks developed by IDH-recognized living wage benchmark methodologies in a cost-effective manner from a single dataset whilst meeting source's/owner's revenue requirements (e.g., a self-sustaining distribution system/location that provides enough revenue for the owners/authors to maintain and update existing benchmarks and, if possible, generating revenue toward new benchmarks).
3. Present and build consensus around the business model with relevant stakeholders (e.g., methodology owners, IDH, other key users).
4. Recommend next steps for bringing an agreed upon business model and distribution system from concept to completion, including identifying potential housing services and partners for a publicly accessible database of benchmarks.

### 3. Deliverables

The deliverables of this project/study will be:

Deliverables of project	Deadline
Analysis of existing living wage benchmark business models	4 weeks after contract start
Business model draft	2 weeks after analysis
Agreed upon, final business model	4 weeks after draft
Recommended next steps and presentation to key stakeholder groups associated with the Roadmap on Living Wages	With final business model

### 4. Proposal guidelines

In the proposal, please provide the following:

- a. A succinct, well-documented approach, including:
  - a. How discussions and interviews with stakeholders will be organized, and how business model information from the different sources will be synthesized and evaluated;
  - b. Other information requirements, from secondary sources and/or the IDH team, including level of effort/time required from relevant parties;
  - c. How the business model will be documented and delivered.
- b. An explanation of communication style and tool.
- c. Inclusion of a budget with a break-down of days/rate per consultant.
- d. Clear description of the project team, relevant experience of team members and time allocation per team member.
- e. Statement of experience.

### 5. Selection criteria & procedure

#### Grounds for exclusion

1. Tenderers shall be excluded from participation in a procurement procedure if:



- a) organizations that own and operation benchmark methodologies themselves cannot apply; the chosen consultant will work directly with them to build the database;
- b) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- c) they or persons having powers of representation, decision-making or control over them have been convicted of an offence concerning their professional conduct by a judgment which has the force of res judicata;
- d) they have been guilty of grave professional misconduct proven by any means which the IDH can justify;
- e) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established, or with those of the Netherlands or those of the country where the contract is to be performed;
- f) they or persons having powers of representation, decision making of control over them have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organization, money laundering or any other illegal activity, where such illegal activity is detrimental to the MFA's financial interests.

Tenderers must confirm in writing that they are not in one of the situations as listed above.

2. Tenderers shall not make use of child labor or forced labor and/or practice discrimination and they shall respect the right to freedom of association and the right to organize and engage in collective bargaining, in accordance with the core conventions of the International Labor Organization (ILO).

### **Consultant/Consultancy profile**

The consultant(s) need to have the following experience / knowledge:

- Business model development and implementation expertise;
- Knowledge and experience building cost-base business models involving the products, services and needs of multiple organizations or institutions;
- Knowledge of relevant web-based platforms that serve similar functions to the needs outlined in this scope of work;
- Knowledge of living wage benchmark methodologies, including those recognized by IDH;
- Knowledge of [Roadmap on Living Wages](#).

The consultant(s) need to have the following skills:

- Business planning and modelling, including developing financial models;
- Needs assessment;
- Navigating competing interests of different stakeholders to achieve consensus;
- Driving cost-based business models from initial conception to successful implementation.

The consultant(s) need to have the following characteristics:

- Organized
- Active listener
- Flexible
- Creative



- Practical
- Cost Sensitive
- Analytical
- Constructive

We would like to receive the CV of the consultant(s) and at least 3 references per consultant.

## **Procedure**

The procedure will be as follows:

- Inviting consultancy companies for presenting a full proposal based on the TOR.
- Pitching of the proposal for the IDH living wage team.
- Evaluation of the proposals by an evaluation committee consisting of 2 IDH representatives and 2 volunteer members of the Roadmap on Living Wages' Steering Committee. The evaluation committee will evaluate the proposals on the basis of the exclusion, selection and award criteria as published in these Terms of Reference.
- Decision on selection of consultancy.
- Inception meeting with the selected consultancy company.

<b>Tender process</b>	<b>Timeline</b>
Terms of Reference published	Feb 5 <sup>th</sup> 2021
Deadline for submission of proposals*	April 30 <sup>th</sup> 2021
Pitching of proposal for IDH team	May 11 <sup>th</sup> , 2021
Selection of consultancy	May 18 <sup>th</sup> , 2021
Awarding of contract to successful consultant	May 21 <sup>st</sup> , 2021

\* Proposals submitted after the deadline will be returned and will not be considered in the tender procedure.

IDH will reject offers if any illegal or corrupt practices have taken place in connection with the award or the tender procedure.

## **6. Evaluation Method**

Proposals will be evaluated based on relevant experience, knowledge, and costs using the criteria outlines in 5.2. Shortlisted candidates may be contacted by IDH for further information or interview.

## **7. Confidentiality**

The Tenderer will ensure that all its contacts with IDH, with regards to the Tender, during the tender procedure take place exclusively in writing by e-mail to Ronald Sanabria via [sanabria@idhtrade.com](mailto:sanabria@idhtrade.com). The Tenderer is thus explicitly prohibited, to prevent discrimination of the other Tenderers and to ensure the diligence of the procedure, to have any contact whatsoever regarding the tender with any other persons of IDH than the person stated in the first sentence of this paragraph.



The documents provided by or on behalf of IDH will be handled with confidentiality. The Tenderer will also impose a duty of confidentiality on any parties that it engages. Any breach of the duty of confidentiality by the Tenderer or its engaged third parties will give IDH grounds for exclusion of the Tenderer, without requiring any prior written or verbal warning.

All information, documents and other requested or provided data submitted by the Tenderers will be handled with due care and confidentiality by IDH. The provided information will after evaluation by IDH be filed as confidential. The provided information will not be returned to the Tenderer.

#### **8. Contact information**

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