

**Terms of Reference**  
**IDH Sustainable Trade Initiative**  
**Development of a decentralized traceability system for the Sustainable  
Production of Calves Program**

July 28, 2022

### **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 (“ToR”) IDH aims to hire a traceability technology company to develop a system that will enable the scaling of the Sustainable Calves Program to reach 1 million calves by 2025.

### **2. Background**

IDH is looking for a service provider to scale the Sustainable Production of Calves Program incorporating global traceability in its chain. The main objective is to position the program to reach 1 million calves by 2025 at a reasonable cost per head. For 2022 that means including the 3 major meatpackers and their biggest buying farms in relevant regions. This will lead to exponential growth of calves/producers over the next 3 years. Essential to the scalability of the program are: 1. A Data Standard (GS1) that allows for multiple traceability systems to be used AND for the integration with existing systems used for direct suppliers; 2. Design Program Management Software including a dashboard so IDH can see all data of participating ranchers; 3. Assess API Integration in order to lower program costs and human error through automatic integrations of data

### **3. Assignment**

#### **Objectives**

The overall objective of this assignment is the development of a system the enable the scaling of the Sustainable Calves Protocol, allowing at least 1 million head of cattle to be covered by the traceability protocol by 2025. For this, it is necessary to develop a standard for data processing that allows its decentralization, as well as a software for the collection and management of the data which can be connected to other digital platforms already available.

## Deliverables

The deliverables of this assignment will be:

Deliverables of assignment	Deadline
I. Developed a Decentralized Protocol	28/02/2023
II. Design Program Management Platform	31/12/2023
III. Assess API Integration	31/12/2023

- I. Developed a Decentralized Protocol: with a decentralized tagging and identification protocol; aligned with interoperable data standards published by GS1 and used by brands and retailers worldwide.
- II. Design Program Management Platform: system architecture, showing data sources, reports, budget development, cost-savings, production costs and timeline for implementation.
- III. Assess API Integration: inclusion in management software design integration with national and international data sources; system architecture showing external data pushing and pulling data from the system.

Plus, the continuous engagement with additional stakeholders through the project, increasing incentives for possibilities on automated incentive payments, free mobile data/internet service and improving financing options with banks.

## 4. Selection Procedure

The procedure will be as follows:

1. Publishing the tender to submit a proposal based on this ToR.
2. Evaluation of the proposals by the evaluation committee. The evaluation committee will evaluate the proposals based on the selection criteria as published in this ToR.
3. Decision on selection of the service provider.
4. Inception meeting with the selected service provider.

The schedule below indicates the timelines for the tender procedure:

Tender process	Timeline
ToR published	29/07/2022
Deadline for submission of proposals**	12/08/2022
Selection of Service provider	19/08/2022
Start of assignment	29/08/2022

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

After the deadline to submit a proposal has passed, the evaluation committee will evaluate the proposals.

The proposals will first be tested for completeness:

- The absence of the documents referred to in Section 6 of this document can lead to exclusion from further participation in the tender procedure. This is also the case when minimum requirements listed in this ToR are not met.
- If the proposal is complete, the selection committee will evaluate the proposal based on the criterion as mentioned in section 6.

The assignment will be awarded to the service provider with the most economically advantageous tender. This is determined based on the evaluation criteria price and quality.

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

## 5. Proposal requirements

IDH is requesting the service providers to hand in a proposal of maximum 40 pages (excluding company biographies, CVs, sample work and references). The proposal must be handed in a MS Word or PowerPoint version next to a PDF submission to facilitate any copy-and-pasting of content that we may need during evaluation.

The proposal must at least include:

### Content:

- a. A succinct, well-documented approach addressing the requirements set out this ToR. We request that the proposal structure match the selection criteria as closely as possible
- b. Maximum of three client references and a sample of previous work relevant to the deliverables in this ToR
- c. An overview of the project team, including the CVs of the project team members
- d. Budget presented in Euros (ex VAT) with a break-down of days/rate per project team member
- e. Statement on Ground for exclusion (see section 7 below)

The proposal must be submitted to Nathália Monéa at [monea@idhtrade.org](mailto:monea@idhtrade.org) before **12/08/2022 at 6pm Brazilian time zone (GMT-3)**.

## 6. Testing and weighing

The assignment will be awarded to the service provider with the most economically advantageous tender. The most economically advantageous tender is determined on the basis of the evaluation criteria of price and quality.

### Grounds for exclusion

1. Service providers shall be excluded from participation in this tender procedure if:
  - a) 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;

- b) 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;
- c) they have been guilty of grave professional misconduct proven by any means which the IDH can justify;
- d) 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;
- e) 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.

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

2. Service providers 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).

Scoring and weighing

The evaluation criteria are compared and weighed according to the procedure below. This concerns a general outline of the scoring methodology and an explanation how the service provider can demonstrate compliance with the requirements.

*Step 1 - Criterion Quality*

Evaluation scores will be awarded for each of the components. The evaluation committee will score each component unanimously.

The proposal will be assessed based on the following selection criteria:

Component		Criteria	Max. Grading
1	<b>Proposal overall</b>	The extent to which the proposal meets the requirements set out in Section 3 above and throughout this document. Can the Service provider deliver the requirement deliverables? Will the Service provider be able to deliver a comprehensive solution?	5
2	<b>Design and Development process</b>	The extent to which the Service provider demonstrates that a clear design and development process will be followed and IDH is adequately consulted for input during the design and development.	5

		The extent to which it is clear what is required of IDH in terms of human resources, digital assets and other input to deliver the project without being too onerous on our staff.	
3	<b>Track record</b>	<p>The extent to which the Service provider presents the required level of expertise and knowledge to fulfil the requirements both at team member and company level.</p> <p>To extent to which the Service providers gives a clear description of the project team, relevant (delivering similar projects) experience of team members and time allocation per team member.</p> <p>[Relevant experience in non-profit sector is advantageous.]</p>	5

The evaluation committee will unanimously score each component by assigning scores from 1 to the maximum grading, with the maximum grading representing optimal performance on the component and 1 representing extremely poor performance on the respective component.

#### *Step 2 - Criterion price*

A combined price in Euros (ex VAT) is to be presented. This is to be broken down by team member rate and hours.

The criterion of assessment is “the best price for the proposed level of quality” with a maximum grading of 5.

#### *Step 3 - Weighting*

The final score will be weighted 70% on Quality and 30% on Price.

If scores of service providers are equal, priority will be based on the total scores that were given for the Criterion Quality. The assignment will be awarded to the service provider that has received the highest score for the Criterion Quality. If the evaluation of the Criterion Quality does not lead to a distinction, the score for the component “Proposal overall” will be decisive. If this does not lead to a distinction, the ranking will be determined by the drawing of lots.

#### Award

Once IDH has decided to which Service provider it intends to award the assignment, a written notification thereof is sent to all Service providers participating in the tender procedure.

The Service provider is contracted via a letter of assignment, following IDH’s template (Annex @).

### **7. Communication and Confidentiality**

The Service provider 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 Nathália Monea via <mailto:monea@idhtrade.org>. The Service provider is thus explicitly prohibited, to prevent discrimination of the other Service providers 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 confidentiality. The Service provider will also impose a duty of confidentiality on any parties that it engages. Any breach of the duty of confidentiality by the Service provider or its engaged third parties will give IDH grounds for exclusion of the Service provider, without requiring any prior written or verbal warning.

All information, documents and other requested or provided data submitted by the Service providers 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 Service provider.

#### **8. Disclaimer**

IDH reserves the right to update, change, extend, postpone, withdraw, or suspend the ToR, this tender procedure, or any decision regarding 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.

Participants in the tender procedure 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 this ToR, and subsequent information and documentation in this tender procedure.