# Republic of the Philippines PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES

18/F Three Cyberpod Centris, North Tower, EDSA cor. Quezon Ave., Quezon City Telephone No. 877-4043 Website: http://www.pids.gov.ph

#### INVITATION TO SUBMIT RESEARCH PROPOSALS

- 1. The Philippine Institute for Development Studies (PIDS) invites all eligible consultants to submit proposals for the provision of consultancy services entitled "Welfare Issues in Price Control on Occasions of Calamities, Emergencies, and Like Occurrences."
- 2. The project aims to assess the effects of the imposition of price control as a disaster response strategy on occasions of calamities, emergencies, and like occurences. The consultant, under the guidance and technical oversight of a PIDS Senior Research Fellow, shall be the Research Associate for the study, and is expected to work with the project team and provide technical assistance in the conduct of desk review and primary data collection.
- 3. The approved budget for the abovementioned research project is <u>PhP280,000.00</u> and will be implemented for approximately 6 months.
- 4. To be registered and eligible to be included in the PIDS' database of research consultants, interested proponents must submit the following documents:
  - a) PhilGEPS registration number
  - b) Tax Identification Number (TIN) and Curriculum Vitae (for individual consultants)
  - c) Filled-up accreditation form/registration form\*, which includes information on completed contracts and all on-going government and project contracts, including contracts awarded but not vet started.
  - d) Notarized Affidavit\* containing: statement of Filipino citizenship and supporting documents, i.e., birth certificate, passport, or other documents relative to citizenship; statement of not "blacklisted" or "barred" from bidding by any government agency, office, or corporation, and authority to verify documents.
  - e) Registered professional authorized by appropriate regulatory body to practice those profession or allied professions, if applicable.
  - f) BIR Certificate of Registration (for individual consultants)
  - g) DTI/SEC/CDA registration, and Mayor's Permit (for consultancy firms)
  - h) Audited financial statements for the immediately preceding calendar year stamped "received" by BIR or its duly authorized/accredited institutions (for consultancy firms)
  - i) Income/Business Tax Return
  - \*Registration of qualified proponents is on-going. Please secure copies of the registration form and affidavit from the Project Services Department c/o Jan Michael M. Oseo at 18/F Three Cyberpod Centris North Tower, EDSA cor. Quezon Ave., Quezon City. These documents may also be requested via email at joseo@mail.pids.gov.ph.
- 5. The Terms of Reference (TOR) of the study, the PIDS Technical and Financial Proposals template, and other pertinent documents may be secured by consultants from the Project Services Department c/o Jan Michael M. Oseo at 18/F Three Cyberpod Centris North Tower, EDSA cor. Quezon Ave., Quezon City, or via email at joseo@mail.pids.gov.ph.
- 6. The Institute shall adopt the Quality-Based Evaluation Procedure in the selection of consultants.
- 7. Deadline for the submission of eligibility requirements and technical and financial proposals for the abovementioned research project is on or before June 8, 2017 addressed to:

Sonny N. Domingo – Chairperson, BAC for Consultancy Services c/o The BAC Secretariat (Consultancy Services)
18/F Three Cyberpod Centris – North Tower, EDSA cor. Quezon Ave., Quezon City

8. PIDS reserves the right to reject any or all the proposals, or declare a failure of bidding, or not award the contract, if there is evidence of collusion including any act which restricts, suppresses or nullifies competition, or if there is a failure to follow the prescribed bidding procedures. PIDS also reserves the right to waive any required formality in the proposals received, and select the proposal which it determines to be the most advantageous to PIDS.

Sonhyl N. Dongii Chairperson

PIDS-BAC for Consultancy Services

## **Philippine Institute for Development Studies**

#### **TERMS OF REFERENCE**

# Welfare Issues in Price Control on Occasions of Calamities, Emergencies, and Like Occurrences

## 1. Background and Rationale

RA7581 or the '1992 Price Act' establishes a mechanism that supposedly protects consumers from inadequate supply of goods and unreasonable price increase.

Price controls distort the working of the market, sometimes aggravating problems rather than solving them. But there are occasions when price control is needed to address welfare concerns, particularly when prices become volatile. It is easy to understand how artificially high prices during calamities or disaster events may make survival or recovery more difficult for consumers. Although less obvious, damages caused by artificially low prices can also be incurred by local enterprises making it more difficult for the local economy to recover.

Sections 6 and 7 of the Price Act provide for the imposition of automatic price freeze, unless otherwise declared by the President, on prices of basic necessities whenever an area is proclaimed a disaster area or declared under a state of calamity; emergency; martial law; rebellion, or war. A price ceiling may also be imposed on basic and prime commodities given the effects of a calamity or an emergency.

"Basic necessities" includes: rice; corn; bread; fresh dried and canned fish and other marine products; fresh pork, beef, and poultry meat; fresh eggs; fresh and processed milk; fresh vegetables; root crops; coffee; sugar; cooking oil; salt; laundry soap; detergents; firewood; charcoal; candles; and drugs classified as essential by the Department of Health;

"Prime commodities" include fresh fruits; flour; dried; processed and canned pork; beef and poultry meat; dairy products not falling under basic necessities; noodles; onions; garlic; vinegar; patis; soy sauce; toilet soap; fertilizer; pesticides; herbicides; poultry; swine and cattle feeds; veterinary products for poultry; swine and cattle; paper; school supplies; nipa shingles; sawali; cement clinker; GI sheets; hollow blocks; plywood; plyboard; construction nails; batteries; electrical supplies; light bulbs; steel wire; and all drugs not classified as essential drugs by the Department of Health.

This study will focus on the implications of RA7581, particularly its provisions on price freeze/ price ceiling, during disaster events. It will try to answer issues

on the effects of price control on consumer protection and local economic recovery.

In carrying out this work, the Philippine Institute for Development Studies will procure the consultancy services of a Consultant as Research Associate to assist the Project Director in the management and conduct of the study.

# 2. Objectives

Traditional interventions during and after major disaster events usually focus on the welfare of individuals and households, often at the expense or neglect of local economic recovery. RA7581 is an example of a double edged policy which protects a section of the populace (consumers) and holds back another (local enterprises).

The general aim of the proposed study is to assess the effects of the imposition of price control as a disaster response strategy on occasions of calamities, emergencies, and like occurrences.

Specifically, the study will

- 1. Look into the risk of price volatility during the immediate aftermath of disaster events:
- 2. Determine the indicative welfare effects of price control on the consuming public and local enterprises; and,
- 3. Recommend ways to facilitate local economic recovery while protecting disaster-affected consumers.

#### 3. Scope of Work

Under the guidance and technical oversight of a PIDS Senior Research Fellow who serves as Project Director, the Consultant shall be the Research Associate for this study. He/She is expected to work with the Project Team and provide technical assistance in the conduct of the tasks mentioned below.

The study will require the conduct desk review, and primary and secondary data collection as needed. A case study site will be selected either in the southern Philippines (Tacloban City, Zamboanga City) or the Northern Philippines (Benguet, Cagayan Valley). Focus group discussions, key informant interviews among local consumers and enterprises (particularly MSMEs) and/or a short survey will be conducted as required.

## 4. Qualifications of the Consultant

The Consultant should have the following qualifications:

- Advance degree in Economics, Development Economics, Statistics or related field
- Desirable Qualifications: with relevant research experience and good track record of delivering high quality output

# 5. Deliverables and Schedule of Payment Releases

The Consultant will prepare the following outputs based on the schedule below:

Activities and Deliverables	Due Dates	Payment Tranches
<b>Inception Report</b> describing in detail the methodology, work plan, and schedule of activities, acceptance and approval of PIDS	July 6, 2017	10%
Preliminary or Progress Report containing the literature review, acceptance and approval of PIDS	August 17, 2017	25%
Draft Report and presentation in an internal Research Workshop, acceptance and approval of PIDS	October 19, 2017	25%
Final Report addressing comments to the Draft Report and comments from the Research Workshop, Policy Notes and turnover of data and materials used, acceptance and approval of PIDS	November 30, 2017	40%

## 6. Project Duration

The contract period is from June 19, 2017 to December 15, 2017 on a part-time basis.

## 7. Project Cost

The estimated cost of this consulting service is Two hundred eighty thousand pesos (Php280,000). This does not include the cost of field visits which will be shouldered by PIDS.

#### 8. Evaluation Criteria

Proposals will be evaluated based on the following criteria:

- a. Consultant's Qualifications: 50%
  - i. Advanced degree in Economics, Development Studies, Statistics or other related fields
  - ii. Relevant research experience
  - iii. Good track record of delivering high quality output
- b. Plan of approach and methodology with emphasis on the clarity, feasibility, innovativeness and comprehensiveness of the plan approach, and the quality of interpretation of project problems, risks and suggested solutions: 50%