

## REQUEST FOR PROPOSAL (Individual Consultant)

1. The Philippine Institute for Development Studies (PIDS) invites all eligible consultants to submit proposals for the provision of consultancy services entitled “**Principal Investigator for the Issues Paper on the Philippine Digital Commerce Market**”
2. The study shall provide a detailed description of the industry, an evaluation of competition issues in the sector, an identification of potentially anti-competitive laws and regulations that affect firm entry and expansion, and recommendations on possible measures to address competition issues. The consultant, under the guidance and technical oversight of a PIDS Senior Research Fellow, shall be the principal investigator for the study. Details of the project are contained in the attached Terms of Reference.
3. The approved budget for the abovementioned research project is PhP450,000.00 and will be implemented for approximately 5 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. Curriculum Vitae;
  - b. Technical and Financial proposals using the PIDS-prescribed form (see attached);
  - c. PhilGEPS registration number;
  - d. Omnibus Sworn Statement in accordance with Section 25.3 of the 2016 Revised Implementing Rules and Regulations of the Republic Act No. 9184 IRR;
  - e. Income/Business Tax Return;
  - f. BIR Certificate of Registration (may be submitted prior to the issuance of Notice of Award); and
  - g. Filled-up registration form, which includes information on completed contracts and all on-going government and project contracts, including contracts awarded but not yet started (see attached).
5. Interested consultants may obtain further information from the Procurement Management Division c/o Sharold B. Magallones at 18/F Three Cyberpod Centris – North Tower, EDSA cor. Quezon Ave., Quezon City, or via email at [smagallones@mail.pids.gov.ph](mailto:smagallones@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 **March 1, 2018** at 2:00 p.m. 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.

## **TERMS OF REFERENCE**

### **Principal Investigator for the Issues Paper on the Philippine Digital Commerce Market**

#### **I. BACKGROUND**

The Philippine Institute for Development Studies is collaborating with the Philippine Competition Commission (PCC) for the conduct of an issues paper on the digital commerce market in the Philippines. The PCC is an independent quasi-judicial body mandated to implement Republic Act 10667 or the Philippine Competition Act (PCA). As the primary competition authority, the main thrust of the PCC is to promote economic efficiency and ensure fair and healthy competition in the markets. Empowered by the PCA, the PCC prohibits anticompetitive agreements, abuse of dominant position, and anticompetitive mergers and acquisitions.

As stated in the national competition policy chapter of the Philippine Development Plan 2017-2022, the government has committed resources for the conduct of issues papers in priority sectors where substantial impact on consumer welfare and market efficiency are expected.

Resources for this project shall be directed for the completion of an issues paper on the digital commerce industry of the Philippines. The study shall provide a detailed description of the industry, an evaluation of competition issues in the sector, an identification of potentially anti-competitive laws and regulations that affect firm entry and expansion, and recommendations on possible measures to address competition issues.

#### **II. OBJECTIVES**

The objectives of the issues paper are to:

1. Describe the entire technical system and value chain for the digital commerce market of the Philippines;
2. Describe the following sub-markets of the digital commerce ecosystem and the participants (businesses and customers) in detail, which are but not limited to:
  - a. E-Commerce Platforms
  - b. E-Commerce Market Software Development
  - c. E-Commerce Marketing
  - d. E-Payments and Financial Technology
  - e. E-Commerce Logistics
3. Describe the technical components necessary for a world-class digital commerce ecosystem in line with International Best Practices and compare such to the current digital commerce market in the Philippines;
4. Identify key challenges to competition and growth of the market, which are but not limited to;
  - a) Regulatory obstacles to healthy competition in the market;
  - b) Barriers to entry and expansion; and
  - c) Other potential competition issues
5. Propose recommendations to address the identified issues.

#### **III. SCOPE OF WORK, DELIVERABLES, AND SCHEDULE OF PAYMENT RELEASES**

PIDS seeks to engage the services of a consultant as Principal Investigator for this study. He/She shall be under the supervision of a PIDS Senior Research Fellow/Project Director, and is expected to undertake the following:

1. Submit an inception report, including a detailed work and financial plan in consultation with the PIDS and PCC;
2. Present the study framework in a roundtable discussion (with PCC)
3. Conduct focus group discussions (FGDs), key informant interviews (KIIs) or Surveys with relevant stakeholders and resource persons, as necessary, to gather information needed for the market or sector study.
4. Work closely with the PIDS Project Director and designated PCC economist/s to quickly cascade the methodology in conducting market studies
5. Collect the necessary data for the issues paper;
6. Present the preliminary results in a research seminar.
7. Draft the report with the assistance of research assistant and PCC economist/s;
8. Present the findings in a public consultation;
9. Draft a policy brief /Policy Note as a by-product of the study; and
10. Upon consultation with the PIDS Project Director and PCC, propose a more detailed research plan on a specific subject in the retail market for which significant competition issues have been identified

At the minimum, the report should contain a discussion of the following:

- market structure of the digital commerce market, including e-commerce platforms, e-commerce market software development, e-commerce marketing, e-payments and financial technology, and e-commerce logistics
- technical system and available technologies for the provision of digital commerce systems in the Philippines, including cost structure and the value of cloud computing and the ability to leverage Big Data;
- laws and regulations that preclude market entry for each technology; and
- proposed measures to correct anti-competitive elements in the market.

The consultant will submit the following based on the schedule below:

| <b>DELIVERABLES</b>  | <b>Timelines</b>  | <b>% of contracted amount*</b> |
|--|---|--------------------------------|
| Inception Report and Presentation of Study Framework in a roundtable discussion (with PCC)   | Within 15 days from the Receipt by the Consultant of Notice to Proceed (NTP)        | 10%                            |
| Progress Report containing the literature review   | Within one (1) month after the acceptance and approval of Inception Report          | 25%                            |
| Draft Report and Presentation of Preliminary Results in a Research Seminar   | Within two and a-half months after the acceptance and approval of Inception Report  | 25%                            |
| Presentation of Findings in a Public Consultation, submission of Final Report, Policy Brief/Policy Note and Turn-over of data and do-files | Within four and a-half months after the acceptance and approval of Inception Report | 40%                            |

**NOTE: Payments will be based on the acceptance and approval by PIDS of the corresponding outputs**

The detailed description of the deliverables are as follows:

1. **Inception Report** – This report shall include a detailed work and financial plan. The inception report will be important in ensuring a clear understanding of project management and engagement processes. This will be useful in clarifying and removing any uncertainties that might exist before the project commences, and establishing

expectations regarding methodologies, deliverables, outcomes, and potential challenges. This will ensure a mutual understanding of the objectives, scope, and other requirements of the project. In this report, the Consultant is expected to identify the needed data, including the projected cost and source, discuss the design and approach, including the proposed methodology for the project. After the acceptance of the inception report, the Consultant shall present the general framework of the study to the PIDS and PCC in a roundtable discussion.

2. **Draft Report with Preliminary Findings** – This report shall include assessment of the preliminary findings gathered from the project. At the minimum, the Consultant is expected to provide discussions on the following key points: (i) market structure of the Digital Commerce Market, including a profile of each major player; (ii) nature of competition in the Digital Commerce Market (iii) facilities, services and business processes in the Digital Market, as well as the value of cloud computing and the ability to leverage Big Data (iv) exercise of market power of major players with regard to their ability to set prices above marginal cost; (v) factors that potentially limit market competition; (vi) laws and regulations that preclude market entry; and (vii) proposed measures to correct anti-competitive elements in the market. Moreover, the Consultant should be able to present a structural screening exercise to determine whether conditions in the market are conducive to the formation and stability of a cartel. This report will be presented in a research seminar. At the discretion of PIDS and PCC, industry regulators and other relevant stakeholders may be invited to elicit their inputs and views.
3. **Final Report** – This report shall reflect the suggested inputs and revisions that have been adopted by PIDS and PCC from earlier presentations and discussions of the draft Report. The findings covered by the Final report will be disseminated and presented in a public consultation. This shall also include a policy brief/Policy Note, which shall serve as a by-product of the project.

#### **IV. Qualifications of the Consultant**

The Consultant should have the following qualifications:

- Ph.D. in Computer Science, Network Engineering, Economics or a related field;
- Extensive knowledge on the Digital Commerce Markets sector, with at least 10 years of total experience as researcher, of which at least 5 years in Digital Commerce and/or Network Engineering research;
- Proven publication track record; and
- Ability and willingness to mentor

#### **V. Project Duration**

The Consultant will be engaged for five (5) months, from the issuance of the Notice to Proceed (NTP) until June 30, 2018, on a part time basis. The Consultant's work must be completed by June 30, 2018 at the latest, and no man days will be chargeable after this date.

#### **VI. Project Cost**

The estimated cost of this consulting service is Four hundred fifty thousand pesos (Php450,000). This does not include the cost of field visits which will be shouldered by PIDS.

#### **VII. Evaluation Criteria**

Proposals will be evaluated using the following criteria:

- a. Consultant's Qualifications: 40%
  - Ph.D. in Computer Science, Network Engineering, Economics or a related field
  - Extensive knowledge on the Digital Commerce Markets sector, with at least 10 years of total experience as researcher, of which at least 5 years in Digital Commerce and/or Network Engineering research;
  - Proven publication track record
  - Ability and willingness to mentor
  
- 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: 60%

# TECHNICAL PROPOSAL

[NAME OF STUDY]

[DATE]

**Name and Address of Consultant/Firm:**

---

---

---

**PART I: TECHNICAL DESCRIPTION**

**A. Methodology:**

*(In this section, describe your proposed approach and methodology.)*

**1. Conceptual Framework of the Study:**

*(General description of the conceptual framework of the study)*

**2. Sources of Data:**

*(Sources of available data and the methods to be used in gathering data)*

**3. Analytical Tools/Approach:**

*(Please provide comments on the Terms of Reference to demonstrate your understanding of the objectives, timeframe, tasks, and outputs. Constraints or difficulties that could be encountered in undertaking the service (or by the Project Team more generally) should also be highlighted.*

*Based on your comments of the TOR, discuss your approach to undertaking the service.)*

## PART II: WORK PLAN

### A. Schedule of Activities and Deliverables:

| Phase/Activity                    | Expected Outputs | Due Dates |
|-----------------------------------|------------------|-----------|
| <hr/>                             |                  |           |
| <i>As stated in the PIDS TOR.</i> |                  |           |
| <hr/>                             |                  |           |

### B. Timeframe:

*As stated in the PIDS TOR.*

### **Part III: Statement of Capability (1-2 pages)**

A. Please provide evidence of your skills in providing the service using the qualifications stated in the TOR.

B. Please indicate ongoing and planned projects and/or commitments which may affect your ability to participate in this project in a timely manner.

Prepared/Submitted by: \_\_\_\_\_

Signature over Printed Name

# FINANCIAL PROPOSAL

[NAME OF STUDY]

[DATE]



*Philippine Institute for Development Studies*

**RESEARCH CONSULTANT'S REGISTRATION FORM**

|   |            |                |  |                    |
|---|------------|----------------|--|--------------------|
| 1. NAME:  |            |                |  |                    |
| 2. AFFILIATED AGENCY/FIRM:  |            |                |  |                    |
| 3. BUSINESS ADDRESS:  |            |                |  |                    |
| 4. TEL. NO.   | 5. FAX NO. | 6. E-MAIL:     | 7. TIN: (please attach copy of the TIN-ID) |                    |
| 8. FIELD OF SPECIALIZATION: <i>(Please tick applicable items)</i>                                       |            |                |  |                    |
| <input type="checkbox"/> Macroeconomics <input type="checkbox"/> Competitiveness & Competition Policies |            |                |  |                    |
| <input type="checkbox"/> Social Sector Reform <input type="checkbox"/> Infrastructure Development       |            |                |  |                    |
| <input type="checkbox"/> Agriculture <input type="checkbox"/> Governance                                |            |                |  |                    |
| <input type="checkbox"/> Environment and Natural Resource Management                                    |            |                |  |                    |
| <input type="checkbox"/> Policy Analysis, Planning Tools and Monitoring Systems                         |            |                |  |                    |
| <input type="checkbox"/> Others, please specify: _____  |            |                |  |                    |
| 9. RESEARCH PROJECTS FOR THE LAST THREE (3) YEARS   |            |                |  |                    |
| Project Title   | Location   | Project Period | Implementing Agency                        | Amount of Contract |
|   |            |                |  |                    |

**Please attach certificate of satisfactory completion issued by the client, in the case of completed contracts, if any.**

**10. ON-GOING RESEARCH PROJECTS (Including contracts awarded but not yet started, if any):**

| Project Title | Location | Project Period | Implementing Agency | Amount of Contract |
|---------------|----------|----------------|---------------------|--------------------|
|               |          |                |                     |                    |

**11. PUBLISHED RESEARCH WORKS:**

| TITLE | YEAR PUBLISHED |
|-------|----------------|
|       |                |

**PLEASE USE ADDITIONAL SHEETS FOR NOS. 9, 10 & 11 WHEN NECESSARY AND ATTACH TO THIS DOCUMENT.**

12. REFERENCES:

| CONTACT PERSON | INSTITUTION | CONTACT NOS. |
|----------------|-------------|--------------|
|                |             |              |
| DATE:          |             |              |

**Important: Please attach your latest curriculum vita.**