




REQUEST FOR PROPOSAL

1. The Philippine Institute for Development Studies (PIDS) invites all eligible individual consultants to submit proposals for the **Consulting Service for Increasing labor productivity in the services sector: Towards a Theory of Change and Some Design Options.**
2. The Approved Budget for the Contract (ABC) is **PhP476,000.00.**
3. Interested consultants must submit the following documents using PIDS the prescribed forms:
 - a) Curriculum Vitae of the proposed Consultant(s)¹
 - b) Technical Proposal Form¹
 - c) Financial Proposal Form¹
 - d) Filled out Data Privacy Notice and Personal Data Protection Form¹
 - e) Statement of Completed contracts²
 - f) Statement of All Ongoing and Awarded But Not Yet Started Contracts²
 - g) Notarized Omnibus Sworn Statement (for ABC above PhP50,000.00)¹
 - h) Income/Business Tax Returns (for ABC above PhP500,000.00)¹
 - i) PhilGEPS Registration Number (certificate or screenshot)¹
 - j) Valid Mayor's/Business Permit (Firm) or BIR Certificate of Registration³ (Individual).
4. Interested consultants may obtain further information from the Procurement Management Division at telephone via email at procurement@pids.gov.ph.
5. The Institute shall adopt the Quality-Based Evaluation procedure in selecting consultants based on the attached Terms of Reference.
6. The deadline for submission of proposals is on **26 May 2025 (5:00 PM)** addressed to:

The BAC Chairperson for Consultancy
Services c/o The BAC Secretariat
Procurement Management Division
18/F Three Cyberpod Centris – North Tower, EDSA cor. Quezon Ave., Quezon City

Proposals may also be submitted through email at procurement@pids.gov.ph.

7. PIDS reserves the right to reject any or all of the proposals, declare a failure of bidding, or not award the contract if there is evidence of collusion, including any act that 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 it determines most advantageous to PIDS.


DR. AUBREY D. TABUGA
Chairperson
PIDS-BAC for Consultancy Services

Reference No.:2025-142

¹Applicable for individual consultants and firms

²Applicable for firms only

³ Individual consultants must issue Official Receipt (OR) during payment.

**Philippine Institute for Development Studies
TERMS OF REFERENCE**

**Consulting Service
for
Increasing labor productivity in the services sector:
Towards a theory of change and some design options**

1. Background and Rationale

The services sector has been described as a catch basin for employment, absorbing labor that cannot be accommodated in the agriculture and industry sectors. In 2023, the share of the services sector in total employment was 59.3%. ‘Wholesale and retail trade’ was the biggest subsector, and together with ‘Transportation and storage’ and ‘Other service activities’, accounted for 58.2% of employment in the services sector.

On average, the services sector has consistently exhibited a higher labor productivity than the agriculture, forestry, and fishing sector but lower than the industry sector (PSA 2019). There is significant variation across services, however, with certain subsectors such as information and communication and financial and insurance services producing higher value of output per worker compared to industry, including manufacturing (Serafica 2024). According to Rodrik and Sandhu (2024), increasing productivity in labor-absorbing services is crucial for growth and equity. As economies expand, the bulk of jobs will be in services and therefore these jobs need to be productive enough to support income growth. The challenge however, is that not much is known about boosting productivity in this sector.

Given the size of the sector and its role in the economy, there is a need to be proactive and formulate ways to increase productivity in services. Recognizing the inherent heterogeneity of the sector, relevant policy issues include understanding the nature and causes of low productivity and underemployment in services, the mechanisms including barriers to the movement of workers from less productive to more productive economic activities, and identifying lessons and best practices to help improve the design and implementation of labor market interventions.

The Philippine government already employs a mix of policy instruments including skills development, employment services, public works & livelihood programs, social insurance, and support for international migration. However, the various labor market initiatives are not based on an integrated framework, nor are they supported by robust monitoring and evaluation systems. Developing a theory of change and adopting an approach that is focused on outcomes (e.g., increased employment and earnings) can help ensure that synergies are achieved, maximizing the impacts of the various programs (WB 2023).

A study to improve labor productivity in the services sector can be useful in implementing labor market interventions by the national government agencies such as the DOLE, DSWD, and DTI as well the Local Government Units (LGUs). Chapter 4 of the Philippine Development Plan 2023-2028 seeks to “Increase Income-earning Ability” and focuses on the following key outcomes: (a) employability increased, (b) access to employment opportunities expanded, and (c) shared labor market governance achieved (NEDA 2022). Furthermore, the current administration has passed two pieces of legislation, namely: Republic Act No. 11962 or the “Trabaho Para sa Bayan Act,” a 10-year employment plan signed in 2023 and Republic Act No. 12063 or the “Enterprise-Based Education and Training (EBET) Framework Act” signed in 2024.

2. Objectives of the Study

As the services sector continues to expand, labor productivity must increase as well to ensure that the structural transformation of the economy leads to higher incomes for everyone, fostering broad-based and inclusive growth as articulated in Ambisyon Natin 2040 (NEDA 2017).

General Objective

Understand the mechanisms to improve labor productivity in the services sector to guide in the design of labor market interventions.

Specific Objectives

- i. Develop an umbrella theory of change to guide the development of specific interventions to increase labor productivity in the services sector.
- ii. Suggest design ideas for evaluating interventions aimed at increasing labor productivity in the services sector.

3. Objectives of the Consultancy

The consultancy aims to engage a labor economist who will support the Project Director/Principal Investigator throughout the research study. This includes involvement in crafting the research design, developing methodology, and conducting data analysis, with attention to the labor markets in the services sector. The consultant will also play a pivotal role in ensuring milestones are met and may take the lead on specific research components. His/her expertise will be instrumental in interpreting research findings and making substantive contributions to scholarly outputs.

4. Scope of Work, Deliverables, and Schedule of Payment Releases

Under the guidance and technical oversight of a PIDS Research Fellow who serves as the Project Director/Principal Investigator, the Consultant¹ is expected to work with the Project Team and undertake the following tasks/activities²

1. Co-write with the Project Director and other members of the study team the required reports such as: a) Draft Report, b) Final Report, and c) Policy Note.
2. Provide Input in the crafting of the instruments for data collection.
3. Provide data analysis from the secondary data
4. Present the findings of the study in a research workshop together with the Project Director/Principal Investigator
5. Sign a Non-Disclosure Undertaking with PIDS. Any information gathered and generated in the implementation of the project shall be processed subject to the applicable provisions of the Republic Act No. 10173, known as the “Data Privacy Act of 2012” and its Implementing Rules and Regulations and relevant issuances of the National Privacy Commission (NPC).
6. Others as may be assigned by the Project Director.

¹ The consultant may be an individual or a firm.

² If the consultant needs to undertake physical/face-to-face interviews and data collection and related activities, the consultant has to ensure compliance with existing and future policies, rules, and resolutions as may be issued by concerned government agencies pertaining to health and safety.

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

| Activities and Deliverables | Due Dates | Payment Tranches |
|--|--|------------------|
| INCEPTION STAGE <ul style="list-style-type: none"> Inputs to the Inception Report including the finalization of the data collection tools Attend the kick-off meeting with PIDS team where the work plan and data analysis strategies will be discussed | 2 weeks after signing of the Contract. | 15% |
| DATA COLLECTION <ul style="list-style-type: none"> Progress Report | 2 months from the conduct of inception meeting | 20% |
| DATA ANALYSIS AND REPORT WRITING <ul style="list-style-type: none"> Inputs to the Draft Report³ (including overall policy recommendations and data analysis from the secondary data) Presentation in an internal Research Workshop | 4 months from the conduct of inception meeting | 35% |
| TERMINAL REPORTING <ul style="list-style-type: none"> Final Report addressing comments to the Draft Report and comments from the Research Workshop⁴ Terminal Report Turnover of draft and materials used together with Certification indicating the turnover of as well as the deletion of such data and that it will allow PIDS to verify if the data is complete. | 5 months from the conduct of inception meeting | 30% |

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

5. Qualifications of the Consultant

Preferred qualification of the Consultant:

- Ph.D. in economics, labor and industrial relations, or public administration
- 6 to 10 years of relevant experience (i.e., exposure to policy and planning relating to the services sector, labor markets, and regional economic development)

³ For applicable outputs, the draft and final reports submitted by the consultants should be aligned with the following guidelines: PIDS' Guide in the Preparation of Manuscript for Publication and General Guidelines in Preparing and Formatting a PIDS Discussion Paper, Guidelines in the preparation of Policy Notes.

⁴ For research outputs that will be released as a PIDS Discussion Paper (DP), the consultant shall prioritize the publication outlets of PIDS, particularly the peer-reviewed Philippine Journal of Development (PJD) and Research Paper Series (RPS). If the DP is not selected by PIDS Management for publication either as a PJD article or an RPS issue, the consultant may identify other dissemination outlets outside of PIDS. Guidelines for Authorship in PIDS Research Projects shall apply.

Desirable Qualifications:

- Professional or research experience in the design and/or implementation of labor market interventions
- Advanced technical writing and verbal communication skills.
- Advanced research and project management skills.
- Able to manage queries and correspondence as needed.

6. Project Duration

The engagement will be effective for five (5) months after the signing of the contract. However, the engagement should not go beyond November 30, 2025. The Consultant's work must be completed within this period and no person-days will be chargeable after this date. The consultant's engagement will be on a part-time basis.

7. Approved Budget for the Contract

The approved budget for this consulting service is up to 476,000.00, depending on the qualifications. This amount includes the professional fees of the Consultant. It does not include the costs of data collection, which will be defrayed by PIDS. PIDS shall not cover hospitalization and other COVID-related health expenses of the consultant as no employer-employee relationship exists between the PIDS and the Consultant.

8. Evaluation Criteria

a. Evaluation Criteria:

Consultants will be evaluated based on the following criteria:

| | |
|--|------|
| <p>Consultant's Qualifications:</p> <ul style="list-style-type: none"> • Education Ph.D. related to economics, labor and industrial relations, or public administration. • Experience 6 to 10 years of relevant experience (i.e., exposure to policy and planning relating to the services sector, labor markets, and regional economic development) • Desirable Professional or research experience in the design and/or implementation of labor market interventions • Advanced technical writing skills and verbal communication. • Advanced research and project management skills. • Able to manage queries and correspondence as needed. | 60% |
| <p>Plan of approach and methodology:</p> <ol style="list-style-type: none"> Clarity, feasibility, innovativeness, and comprehensiveness of the approach Incisive interpretation of problems and reflection on suggested solutions | 40% |
| Total | 100% |

b. Detailed rating sheet (see attached file)

Prepared by:

[REDACTED]

RAMONETTE B. SERAFICA
Project Director

Reviewed and approved by:

[REDACTED]

Christine Ruth P. Salazar
OIC, Research Services Department