



## REQUEST FOR PROPOSAL (RFP) (For Low-Valued Services)

NAME & ADDRESS OF FIRM	DATE: September 22, 2022
	REFERENCE: <b>Piloting social insurance for the informal sector in South Africa with special focus on women</b>

Dear Sir / Madam:

We kindly request you to submit your Proposal for the: **Piloting social insurance for the informal sector in South Africa with special focus on women.**

Please be guided by the form attached hereto as Annex 2, in preparing your Proposal.

Technical and Financial Proposals may be submitted to [bid.pretoria@undp.org](mailto:bid.pretoria@undp.org) no later than 12h00 midday **Friday, October 07, 2022** South African time

Your Proposal must be expressed in the **ENGLISH**, and valid for a minimum period of **90 days**

In the course of preparing your Proposal, it shall remain your responsibility to ensure that it reaches the address above on or before the deadline. Proposals that are received by UNDP after the deadline indicated above, for whatever reason, shall not be considered for evaluation. If you are submitting your Proposal by email, kindly ensure that they are signed and in the .pdf format, and free from any virus or corrupted files.

Services proposed shall be reviewed and evaluated based on completeness and compliance of the Proposal and responsiveness with the requirements of the RFP and all other annexes providing details of UNDP requirements.

The Proposal that complies with all of the requirements, meets all the evaluation criteria and offers the best value for money shall be selected and awarded the contract. Any offer that does not meet the requirements shall be rejected.

Any discrepancy between the unit price and the total price shall be re-computed by UNDP, and the unit price shall prevail and the total price shall be corrected. If the Service Provider does not accept the final price based on UNDP's re-computation and correction of errors, its Proposal will be rejected.

No price variation due to escalation, inflation, fluctuation in exchange rates, or any other market factors shall be accepted by UNDP after it has received the Proposal. At the time of Award of Contract or Purchase Order, UNDP reserves the right to vary (increase or decrease) the quantity of services and/or goods, by up to a maximum twenty five per cent (25%) of the total offer, without any change in the unit price or other terms and conditions.

Any Contract or Purchase Order that will be issued as a result of this RFP shall be subject to the General Terms and Conditions attached hereto. The mere act of submission of a Proposal implies that the Service Provider accepts without question the General Terms and Conditions of UNDP, herein attached as Annex 3.

Please be advised that UNDP is not bound to accept any Proposal, nor award a contract or Purchase Order, nor be responsible for any costs associated with a Service Providers preparation and submission of a Proposal, regardless of the outcome or the manner of conducting the selection process.

UNDP's vendor protest procedure is intended to afford an opportunity to appeal for persons or firms not awarded a Purchase Order or Contract in a competitive procurement process. In the event that you believe you have not been fairly treated, you can find detailed information about vendor protest procedures in the following link:

<http://www.undp.org/content/undp/en/home/operations/procurement/protestandsanctions/>

UNDP encourages every prospective Service Provider to prevent and avoid conflicts of interest, by disclosing to UNDP if you, or any of your affiliates or personnel, were involved in the preparation of the requirements, design, cost estimates, and other information used in this RFP.

UNDP implements a zero tolerance on fraud and other proscribed practices, and is committed to preventing, identifying and addressing all such acts and practices against UNDP, as well as third parties involved in UNDP activities. UNDP expects its Service Providers to adhere to the UN Supplier Code of Conduct found in this link : [http://www.un.org/depts/ptd/pdf/conduct\\_english.pdf](http://www.un.org/depts/ptd/pdf/conduct_english.pdf)

Thank you and we look forward to receiving your Proposal.

Sincerely yours,

*UNDP Procurement Unit  
UNDP South Africa  
9/22/2022*

## Description of Requirements

Context of the Requirement	<p>A study conducted by the Department of Small Business Development (DSBD) and the United Nations Development Programme (UNDP) estimates that the informal sector contributes 8 per cent to GDP employs 27 per cent of the South African workforce,<sup>1</sup> yet the sector is characterized by low human capital, low productivity, limited access to basic services, limited financial inclusion, low earnings, and irregular, unpredictable income.</p> <p>Despite these vulnerabilities, informal sector workers are not covered by social protection despite South Africa having a well-developed poverty-targeted social assistance and safety net programme, focusing on children, people with disabilities, and the elderly. The social grants and benefits provided through the social protection system exclude informal sector workers and are referred to as the “missing middle” as they are not poor enough to be eligible for social safety net benefits, and not well-off enough to be part of social insurance programs mandated for the formal sector.<sup>2</sup></p> <p>In 2003, South Africa adjusted its policies with the aim to include workers without formal work contracts into an insurance scheme, the Unemployment Insurance Fund (UIF) making it compulsory for employers of domestic workers, who are largely informal, to pay a contribution.<sup>3</sup></p>
Objectives	<p>UNDP intends to pilot a social insurance scheme for the informal sector in South Africa that considers distinct characteristics of these workers, such as irregular and relatively low earnings and need for easy access to funds. Informal sector workers would benefit from such a social insurance scheme that allows for short-term savings that could be withdrawn during times of unemployment, as well as a long-term savings account for better old age pension. To the extent that informal sector workers would contribute to the scheme, they would be covered by a new form of social insurance. Such a social insurance scheme could be complemented by financial or behavioural incentives to encourage savings.</p> <p>The social insurance scheme would have the additional benefit of increasing financial inclusion among informal sector workers and instilling a culture of savings. Reflecting this need for broader coverage, some countries in Africa have launched such social insurance schemes: for example, Haba Haba and Mbao in Kenya, Ejo Heza LTSS (‘long-</p>

<sup>1</sup> Department of Small Business Development and United Nations Development Programme (UNDP) launch study on impact of COVID-19 on Micro and Informal Businesses in South Africa. (28 September 2021). [Media article]. South African Government Wwww.Gov.Za. <https://www.gov.za/speeches/small-business-development-and-united-nations-development-programme-launch-study-impact>

<sup>2</sup> Gulen, M., et al., (2020). “Social insurance for the informal sector can be a lifeline for millions in Africa,” Available at <https://blogs.worldbank.org/african/social-insurance-informal-sector-can-be-lifeline-millions-africa>

<sup>3</sup> Alfars L., Ismail G. and Valdivia, M. 2020. “Informal Workers and the Social Protection Response to COVID-19: Who got relief? How? And did it make a difference?” Available at [www.wiego.org/sites/default/files/publications/file/PI2English\\_0.pdf](http://www.wiego.org/sites/default/files/publications/file/PI2English_0.pdf)

	term saving scheme') in Rwanda, Micro Pension Plan in Nigeria, and Extension of Coverage for the Informal Sector (ECIS) Project in Zambia. <sup>4</sup>
Implementing Partner of UNDP	Department of Small Business Development (DSBD)
Brief Description of the Required Services	<p>The overall aim of the assignment is to pilot a social insurance scheme for the informal sector in South Africa based on best practices of the various social insurance schemes on the informal sector in other countries with specific focus women. The pilot social scheme will be designed so as cater for the diversity of the informal sector in South Africa. This pilot scheme will therefore be instrumental in providing a basis to inform and guide the Department of Social Development on plans towards development of innovations, capacities and systems for inclusive social security schemes for the uncovered population, including, stimulating discussions on options for increasing the fiscal space for the expansion of social security programmes.</p> <p>(For detailed information be found in terms of references)</p>
List and Description of Expected Outputs to be Delivered	<p>a) Inception report, including proposed methodology, expected timeline</p> <p>b) Draft report of the pilot of extending social insurance scheme to the informal sector</p> <p>c) Power point presentation of the preliminary findings and recommendations to key stakeholders and partners</p> <p>d) Undertake a stakeholders validation exercise</p> <p>e) Final report on the social insurance pilot</p> <p>f) Policy brief summarizing key elements of the social insurance scheme pilot</p> <p>(For detailed information be found in terms of references)</p>
Person to Supervise the Work/Performance of the Service Provider	UNDP Economics Advisor
Frequency of Reporting	<i>As agreed during the inception meeting</i>
Progress Reporting Requirements	During progress feedback, the company <b>may be</b> required to have progress meetings/presentations reports when needed.
Location of work	<input type="checkbox"/> <input checked="" type="checkbox"/> At Contractor's Location <input type="checkbox"/> other
Expected duration of work	60 working days
Target start date	Upon signing of the contract by both parties
Latest completion date	Last day of November 2022
Travels Expected	n/a

<sup>4</sup> 4 Gulen , M., *et al.*, (2020).” Social insurance for the informal sector can be a lifeline for millions in Africa, “ Available at <https://blogs.worldbank.org/african/social-insurance-informal-sector-can-be-lifeline-millions-africa>

Special Security Requirements	<input type="checkbox"/> Security Clearance from UN prior to travelling <input type="checkbox"/> Completion of UN's Basic and Advanced Security Training <input type="checkbox"/> Comprehensive Travel Insurance <input checked="" type="checkbox"/> Others (N/A)
Facilities to be Provided by UNDP (i.e., must be excluded from Price Proposal)	<input type="checkbox"/> Office space and facilities <input type="checkbox"/> Land Transportation <input checked="" type="checkbox"/> Others (None)
Implementation Schedule indicating breakdown and timing of activities/sub-activities	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required
Names and curriculum vitae of individuals who will be involved in completing the services	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required
Currency of Proposal	<input checked="" type="checkbox"/> United States Dollars OR <input type="checkbox"/> Euro <input checked="" type="checkbox"/> Local Currency (South African Rands)
Value Added Tax on Price Proposal	<input checked="" type="checkbox"/> must be inclusive of VAT and other applicable indirect taxes <input type="checkbox"/> must be exclusive of VAT and other applicable indirect taxes <b>If Vat registered, please include VAT Number or confirm if not VAT registered, kindly confirm.</b>
Validity Period of Proposals (Counting for the last day of submission of quotes)	<input type="checkbox"/> 60 days <input checked="" type="checkbox"/> 90 days <input type="checkbox"/> 120 days  In exceptional circumstances, UNDP may request the Proposer to extend the validity of the Proposal beyond what has been initially indicated in this RFP. The Proposal shall then confirm the extension in writing, without any modification whatsoever on the Proposal.
Partial Quotes	<input checked="" type="checkbox"/> Not permitted <input type="checkbox"/> Permitted
Payment Terms	UNDP terms and conditions shall apply to the payment of full fees of this assignment based on the consultant (s) background and experience. The payment schedule for the assignments will be as follows: - 20% of the consultancy fee to be paid upon receipt and approval by the UNDP of Product (a) - 50% upon receipt and approval by the UNDP of Products (b) and (d) - 30% upon receipt and approval by UNDP of Products (e) to (f)  All payment will be effected within 30 days of receipt of an invoice and upon approval by the respective authorities of UNDP.

Person(s) to review/inspect/ approve outputs/completed services and authorize the disbursement of payment	UNDP is responsible for making payments and administration associated with contract management
Type of Contract to be Signed	<input checked="" type="checkbox"/> Purchase Order <input checked="" type="checkbox"/> Institutional Contract <input type="checkbox"/> Contract for Professional Services <input type="checkbox"/> Long-Term Agreement <input type="checkbox"/> Other Type of Contract
Criteria for Contract Award	<input checked="" type="checkbox"/> Lowest Price Quote among technically responsive offers <input type="checkbox"/> Highest Combined Score (based on the 70% technical offer and 30% price weight distribution) <input checked="" type="checkbox"/> Full acceptance of the UNDP Contract General Terms and Conditions (GTC). This is a mandatory criterion and cannot be deleted regardless of the nature of services required. Non-acceptance of the GTC may be grounds for the rejection of the Proposal.
Criteria for the Assessment of Proposal	<p>Technical Proposal (70% of the overall proposal - 100 points) (minimum qualifying score – 70 points)</p> <ul style="list-style-type: none"> <li>- Educational Qualifications (15 marks)</li> <li>- Professional Qualifications and Certifications (15 marks)</li> <li>- Proven and experience/satisfactorily implementation of similar assignment in the past (70 marks)</li> </ul> <p>Financial Proposal (30%)</p>
UNDP will award the contract to:	<input checked="" type="checkbox"/> One and only one Service Provider <input type="checkbox"/> One or more Service Providers, depending on the following factors:
Annexes to this RFP	<input checked="" type="checkbox"/> Form for Submission of Proposal (Annex 2) <input checked="" type="checkbox"/> General Terms and Conditions / Special Conditions (Annex 3) <input checked="" type="checkbox"/> Detailed TOR <input type="checkbox"/> Others <i>[pls. specify]</i>
Contact Person for Inquiries (Written inquiries only)	<p><i>Procurement Unit</i>  <a href="mailto:procurement.enquiries.za@undp.org">procurement.enquiries.za@undp.org</a>          Any delay in UNDP's response shall be not used as a reason for extending the deadline for submission, unless UNDP determines that such an extension is necessary and communicates a new deadline to the Proposers.</p>
Other Information <i>[pls. specify]</i>	