



International
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Request for Quotations¹

RAF/21/14/SWE – 004/2024

Provision of Business Development Services Small Enterprises in the Zimbabwe Construction Sector (Phase I Pilot)

This call is targeted at registered organizations providing business development support.

Responses should be received by 23:59hrs (SAST) on 17 June 2024

May 2024

DISCLAIMER

By responding to this tender, you consent to the processing of your personal data, including any future update, by the ILO for purposes of this tender. The ILO applies a data protection policy in conformity with international standards. Should you require further information on your personal data, please contact pcrt@ilo.org indication “personal Data Protection-RFQ No. x/20xx in the subject.”

¹ The term ‘quotation’ refers to any offer, bid or proposal submitted to the ILO in response to this solicitation.



Terms of Reference

Provision of Business Development Services to Small Enterprises in the Zimbabwe Construction Sector (Phase I Pilot)

I. Background

The International Labour Organization (ILO) is implementing a sub-regional project on promoting labour rights in the construction sector in collaboration with the Southern African Development Community (SADC). The project will pilot interventions in Mozambique, Zimbabwe, and South Africa with a view towards sharing good practices, tools and approaches with the wider SADC community. Interventions will aim to improve working conditions for vulnerable workers, with a focus on women and youth, and to support and incentivise small enterprises in the sector to provide better working conditions, adopt better business processes, and ultimately increase their labour productivity.

While available data on the construction sector is limited, the construction sector in Zimbabwe is projected to grow over the next five years, with trends signalling intensifying competition in terms of the number of firms entering the market, as well as a growing demand generated through renovation projects, new building construction and other civil projects such as dams and other large infrastructure projects. Sector growth is being primarily financed through increasing public investments, as well as the presence of a large customer base and flows of foreign direct investments (FDIs). The government is by far the largest funder and employer in the sector – in 2022, an estimated 70 per cent of construction works were publicly funded .

Construction activity is concentrated in the Harare Metropolitan Province, which, according to respondents, accounted for an estimated 25 per cent% of investments in the sector in 2021.

While there are enterprises of all sizes operating in the construction sector, large-scale building and infrastructure works are dominated by a limited number of large-scale contractors, as most public sector awards are in higher grades. These large-scale contractors oversee the project and execute some parts of the contract but subcontract a large portion of the work to smaller enterprises that work as subcontractors. Micro, small and medium enterprises (MSMEs) make up the majority of contractors in Zimbabwe.

A significant challenge faced by local MSMEs in obtaining contracts with primary contractors and lenders is poor business management. Contractors and lenders have expressed concern about the lack of professionalism of small enterprises, particularly those operating as subcontractors. The most prominent issues mentioned are inadequate pricing practices, such as over-undercutting, inability to provide commercial and financial documents, and weak management processes, such as producing progress reports, issuing payment certificates, and filing claims. In addition, one of the main reasons for small enterprises to not provide decent working conditions is related to information and know-how. In other words, some enterprises don't know how or why to provide better working conditions to their workers.

The Project is implementing interventions by adopting a **Market Systems Development Approach**. This means that the Project aims to work with local actors to pilot new tools and approaches that are sustainable over time, replicable, and able to create large-scale, systemic change in the way the sector operates. Following this framework, the Project aims to support organizations providing business services to integrate decent work elements in their service offer to small businesses in the construction sector to address the specific constraints that small enterprises in this sector face.

In this context, the ILO seeking to contract up to two registered organizations providing business services to small enterprises in Zimbabwe to work with the project to pilot approaches and services to support small, construction-sector enterprises to provide better working conditions, adopt better business processes, and access markets.



II. Objective of the assignment

The objective of the assignment is for registered organization to:

Pilot the delivery of targeted, decent work ²focused, business development services to small enterprises and entrepreneurs in the construction sector that will equip them with skills and tools to improve working conditions, business processes and market access, and ultimately labour productivity.

**This assignment is the first part of two potential phase:*

- III. *this first part aims to pilot the delivery of decent-work focused business development services to registered small construction enterprises.*
- IV. *the second part will aim to support business development service providers in institutionalizing the successfully piloted services.*

V. Scope of the assignment

The business development service provider(s) will work with ILO designated experts to pilot a package of decent-work related business development services aimed at improving the operating efficiency of for enterprises in the construction sector. Proposed range of services will include (but not be limited to) decent work costing mechanisms, simplified guidance on labour laws and OSH, workplace cooperation and decent work-focused small-works and employment contracts. This assignment will be implemented in collaboration with either large-scale construction companies or government entities that procure construction services from small enterprises.

The assignment will be implemented in close collaboration project staff through joint planning sessions regular update and review meetings and who be based on adaptive management principles to ensure learnings are taken into account throughout the implementation phase.

The project will support the organization with a technical assistance package. The organization will be expected to provide inputs to the development of this technical assistance package, including on the modules that will be piloted, to allocate staff time to attend a training on the modules and on developing business models for their delivery, and to receive guidance and technical support throughout the implementation of the pilot from the project.

The scope of the work includes:

- **Conduct a needs assessment of small construction sector enterprises in collaboration with the Project** to identify relevant business development services in relation to decent work and construction-specific business processes, and market access requirements. This will subsequently inform the type of tools, approaches and trainings that will be introduced to the existing portfolio to better support small enterprises in the construction sector, with a focus on labour rights and productivity.
- **Integrate decent-work and market-access related business development services** to address the needs of small enterprises in the construction sector in terms of improving business processes, ability to provide decent work, and ultimately improve labour productivity. This activity will take place with the technical guidance of the project.
- **Work with the Project to build the capacity of staff** on how to deliver the new tools and approaches, integrating new tools, approaches, and trainings. As part of the technical assistance package, the project will work with organisation's staff to build their capacity to pilot the new modules and to pilot business models for their delivery.

² The ILO's Decent Work Agenda consists of four strategic pillars: Full and productive employment, rights at work, social protection and the promotion of social dialogue. Work that is decent covers ten substantive elements that correspond to these four strategic pillars. These include: (1) employment opportunities, (2) adequate earnings and productive work, (3) decent working time (4) combining work, family and personal life (5) work that should be abolished, (6) stability and security at work, (7) equal opportunity and treatment in employment, (8) safe work environment, (9) social security, (10) social dialogue, workers' and employers' representation.



- **Pilot provision of new business development services to registered micro or small construction sector enterprises (at least two batches of 25 micro/small enterprises)** aimed at improving compliance with labour laws and regulations and at improving labour productivity. The pilot of the new modules will include both training and post-training support (e.g. mentorship/coaching) and will be based on the technical assistance provided by the project.
- **Undertake monitoring and learning activities with the project throughout period of implementation** to track progress of enterprises and to better understand how the new services have contributed to changes in business operations, working conditions and labour productivity of small enterprises in the construction sector. The monitoring and learning activities will inform phase II.
- **Document lessons from pilot implementation** to contribute to joint learning and progress-tracking sessions with the ILO project team and experts.

VI. Expected Deliverables

The expected deliverables under this assignment include:

1. **Inception phase with detailed workplan and budget.** The inception phase report detailing how the scope of the work will be carried out and include the CVs and roles and responsibilities of the staff members that will be involved. The workplan and budget outlining all the activities and resources that will be included for the delivery of this assignment. The workplan and budget will include timelines, activities, and measures of success. It will be aligned with the technical assistance package and with the business models developed with the project's support.
2. **Detailed needs assessment of small construction-sector enterprises.** A needs assessment providing information on the gaps and weaknesses of enterprises' ability to provide decent work, improve productivity and access better markets. The needs assessment will also include information that will feed into the development and adaptation of training modules.
3. **Pilot programme for enterprise support.** A structured BDS pilot programme developed in collaboration with the Project on development support to the targeted enterprises with details on how the organization will deliver the newly developed and integrated, decent-work focused business development and market access services to small enterprises in the construction sector. This programme should include details on how enterprises' progress will be tracked and measured throughout the period of business development support.
4. **Pilot Business Development Support Training and Coaching/Mentoring Report.** This report should include monitoring information on the number of small enterprises supported, type of support provided, and learning data documenting progress on application of the concepts and approaches on working conditions, labour productivity and related business processes acquired through the support provided and the impacts of the measures applied. The report should include a focus on learnings and emerging good practice.
5. **Final Report.** A final report describing how the intervention was implemented, compiling good practice and key lessons learned, and describing the impact of the business development and market support provided. The final report should ideally integrate how the consulting organisation will fully integrate, sustain, and scale delivery of the newly developed service delivery to small enterprises in the construction sector and beyond.



VII. Assignment Duration and Remuneration

The assignment will commence on 15th July, 2024 and will conclude on 30st March, 2025 after which the contract will expire.

An all-inclusive fee should be paid to the organization as followed:

- 20% upon submission of Deliverable 1 (Inception Phase Report)
- 40% upon submission of Deliverables 2 (Needs Assessment of Small Construction Sector Enterprises) and 3 (Pilot Programme for Enterprise Support)
- 20% upon submission of Deliverables 4 (Training and Coaching Report)
- 20% upon submission of Deliverable 5 (Final Report)

VIII. Required Qualifications and Experience

The organization should meet the following requirements:

- **Technical Capacity:** The organization must have been in existence for at least 5 years and have experience in providing business support services to small enterprises, and ideally have experience with enterprises in the construction sector. It would be desirable for the organization to have links with larger construction contractors/clients, and to have experience in supporting women and youth-owned enterprises.
- **Human Resource Capacity:** The organization must provide proof of existing human resources and technical capacity to deliver services to large numbers of small enterprises.
- **Financial Capacity:** The organization must have the management capacity to manage development funds, as well as to be financially sustainable in order to cost-share the pilot implementation of the modules.
- **Ability and Willingness to integrated new services:** The organization must be willing to adapt tools and approaches and to integrate them into existing portfolio of services to ensure that enterprises in the sector can continue to access these services.
- **References:** The Organization must present references on previous and similar work undertaken.

IX. Management arrangements and ways of working

The organization will report directly to the Project Manager, and work closely with the Project's Market Systems Development Officer, Monitoring and Results Measurement Officer, and with the ILO Consultant responsible for coordination of Project interventions. As this is a pilot intervention, the organization will participate in agreed-upon joint learning sessions with the project team, experts, and organizations undertaking similar pilots across the project countries.

X. Submission of Your Offer

The ILO invites **interested organizations** to express their intentions to undertake the assignment by submitting a proposal. The submission should include a technical proposal detailing their understanding and proposed approach for undertaking the assignment, and a financial proposal with a detailed breakdown of fees and related expenses. The offer may be submitted via email to the following Email Address: dw4Construction@ilo.org

• Required Documentation

To be eligible for consideration, the submission must include:

(i) **Technical proposal:**

- Max. 10 pages, summarizing proposed approach and work plan.



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- Updated curriculum vitae(s), evidence of experience and similar work done, and at least three references.
- (ii) **Financial proposal:**
 - With detailed budget breakdown of fees and expenses.
- (iii) **Annex I: Certification** – Signed copy of Organization's registration details, background, and contact persons.
- (iv) **Annex II: Past Experience:** Signed copy of details of at least four (4) Contracts relevant to this request undertaken in the past two (2) years.

- **Clarifications**

Bidders requiring any clarifications on technical, commercial, or legal aspects of the RFQ documents may submit their queries to the email address: dw4Construction@ilo.org by **25 May 2024**

XI. Registration as an ILO Supplier

Please Note: - The ILO only contracts individuals or companies in its Suppliers Database. Interested individual bidders should submit at their earliest convenience a duly filled ILO Supplier forms. Click on this to access the supplier's forms.



ILO Supplier Record
Form.pdf

Once completed, filled in and signed suppliers' forms should be submitted to dw4Construction@ilo.org.

The proposals must reach the ILO no later than **23:59hrs midnight (SAST) on 17 June 2024** and should be sent to the email address: dw4Construction@ilo.org with the subject line: BDS Zimbabwe

XII. Terms and Conditions Applicable to ILO Contracts

Terms and conditions application to ILO Contracts are available at:

https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_mas/@inter/documents/legaldocument/wcms_768752.pdf



► Annex 1 - The intervention model

While the intervention model applied in each pilot country differs slightly in terms of the type of actors and details of the intervention, the diagram below demonstrates the general components of the project's approach to creating systemic change for improving the function of decent-work focused BDS.

In terms of the **supply of decent work focused BDS**, the project will provide technical assistance to business development service providers to diversify and strengthen the services offered. This technical assistance will aim to mainstream decent work into standard BDS and to better meet the needs of small construction-sector enterprises in terms of improving their business processes and access to markets. This will include integrating decent-work elements into existing services and approaches, and developing new tools, guides and trainings for small enterprises. The BDS providers supported by the project include private and public organizations. These BDS providers will deliver these services to small, construction-sector enterprises with the objective of supporting them to provide better working conditions, adopt better business processes, and access markets. Efforts will be made to develop sustainable business models to make these services accessible to MSMEs.

In terms of stimulating the **demand for decent work focused BDS**, the project will work on two key areas. On one hand, the project will collaborate with public and/or private clients or contractors to influence their procurement criteria so that they incentivize enterprises to improve their working conditions and business processes by accessing decent work focused BDS. On the other hand, the project will make the business case for small enterprises to access these services and make improvements to working conditions by identifying and communicating the links between improved working conditions and better labour productivity.

The **result** of working on the supply and demand side of decent work focused BDS will be a change in the way that small enterprises manage their business operations, ultimately leading to improved working conditions for workers, better market access and greater labour productivity.

