



Terms of Reference:
ENVIRONMENTAL CAPACITY BUILDING SERVICES WITH TEXTILE MILLS IN
VIETNAM: MILL IMPROVEMENT
January 6th, 2020

This ToR is focused on experts in energy efficiency & GHG, water use efficiency, air emissions, wastewater effluent treatment and chemicals use within the textile industry, specifically in Vietnam with textile mills and laundries.

1. Introduction

IDH Sustainable Trade Initiative (“IDH”) accelerates and up-scales sustainable trade by building impact-oriented coalitions of front running companies, civil society, governments, knowledge institutions and other stakeholders in several commodity sectors. We convene the interests, strengths and knowledge of public and private partners in sustainability commodity programs that aim to mainstream international and domestic commodity markets. We jointly formulate strategic intervention plans with public and private partners, and we co-invest with partners in activities that generate public goods.

On basis of these Terms of Reference IDH aims to select a party to conduct environmental capacity building services with textile mills in Vietnam.

IDH reserves the right to update, change, extend, postpone, withdraw or suspend the Terms of Reference, this tender, or any decision with regard to the selection or contract award. IDH is not obliged in this tender procedure to make a contract award decision or to conclude a contract with a participant. IDH reserves the right to suspend or annul the Tender Procedure at any moment in time.

Participants cannot claim compensation from IDH, any affiliated persons or entities, in any way, in case any of the afore-mentioned situations occur.

By handing in a proposal, participants accept all terms and reservations made in these Terms of Reference, and subsequent information and documentation in this tender procedure.

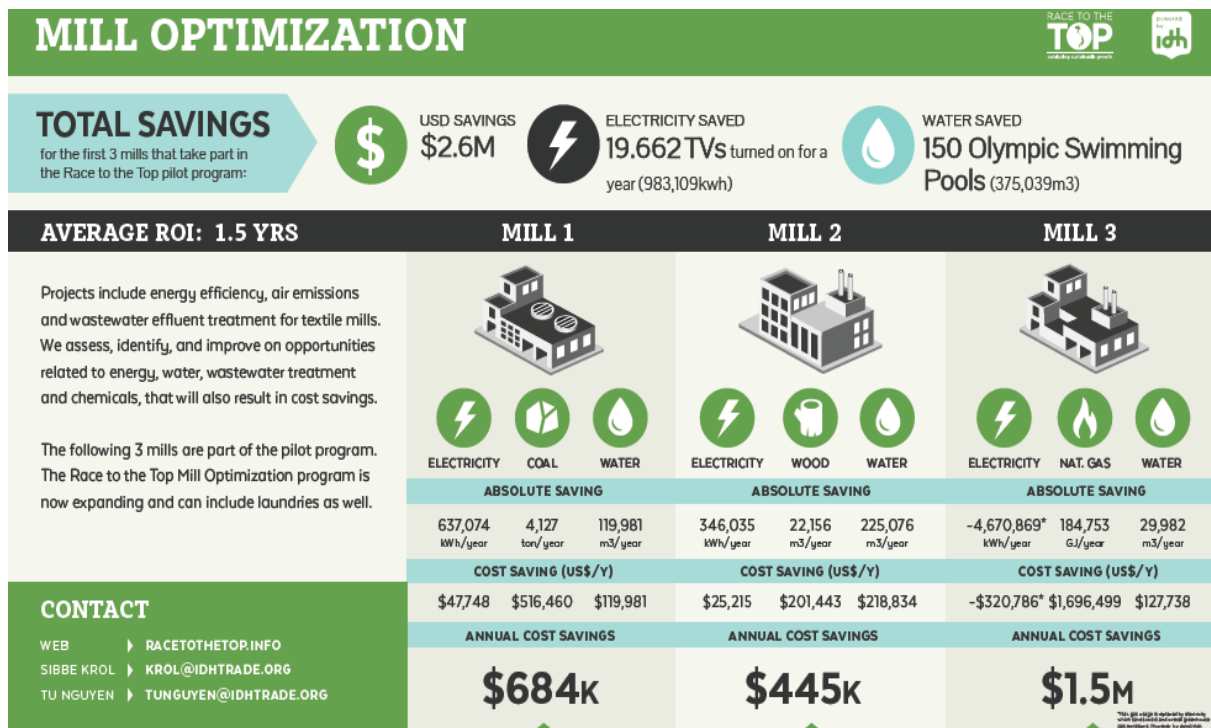
2. Objectives

IDH - The Sustainable Trade Initiative is soliciting competitive proposals from service providers for capacity building services for the Race to the Top Program in Vietnam. The Race to the Top Program strives to catalyse the growth and expansion of equitable and sustainable apparel and footwear industry in Vietnam and is soliciting experienced Service Providers to provide capacity building services for the Mill Improvement Project at factories (particularly mills, as well as other



facilities with wet processing) in Vietnam in the following areas - energy efficiency, water consumption, air emissions, chemical management and wastewater effluent treatment.

The current Mill Improvement activities of the Race to the Top program have been running for the past three years and business case examples can be seen when looking at a number of the first textile mills going through the program. Although the implementation is still not finished yet, the resulting savings are encouraging: an estimated of 983,109kwh of electricity, 375039m³ of water and about USD 2.6M were saved due to the program activities.



The Race to the Top program is now looking to a new iteration, where we would like to scale up the program activities for a broader impact.

1. Background

- a) **The Apparel & Footwear Industry in Vietnam** is the world's number 3 exporter of apparel and footwear products. Employing 2.5 million workers, of which 80% are women, the industry is a key source of industrial employment for the country. In addition, it is the second biggest export industry. Policy initiatives such as the Trans-Pacific Partnership (TPP), the signing of the EU Vietnam Free Trade Agreement, and increases in manufacturing costs in China could cause Vietnam's already rapid growth in apparel and footwear production to dramatically increase with tariff benefits applied to the fabric. On the ground, this means an expansion in the number of factories and mills operating in Vietnam. There is a significant opportunity to provide incentives for sustainable



investment. This coincides with the Vietnamese Government's plans for continuous improvement of the apparel sector for 2020 and beyond.

- b) **'Race to the Top Vietnam' (RTTT)** was initiated in 2015 by a group of multi-stakeholder initiatives, funders, development experts, international organizations, and apparel and footwear companies to explore and coordinate efforts around creating a sustainable system of apparel in one country, Vietnam, to demonstrate the industry can become a positive catalyst for sustainable development. For more information on Race to the Top, please refer to Annex 1.

2. Scope of Terms of Reference

IDH is soliciting experienced Service Providers (experts/consultants) who can provide environmental capacity building services to textile mills in Vietnam. The Race to the Top Program, together with the expertise of our Service Providers, will deliver the following:

- a) Create and implement an offering for textile mills from February 2020 through December 2020 (with a possible extension) that drives measurable improvements in the following key environmental areas: energy efficiency & GHG, air emissions, wastewater treatment and chemicals use. The offering will focus on improvements that also result in cost savings for the mill/laundry/facility.
- b) The offering will reference and align known and proven best practices in these areas, including the Apparel Impact Institute principles (Annex 2), Clean by Design 10 Best Practices for Mills, ZDHC Chemicals Guidance Documents, Higg FEM as a baseline and others;
- c) The Service Provider will baseline facility performance, assess opportunities for improvement, help develop an improvement plan on the basis of these aforementioned activities, monitor, guide, and track performance improvements per agreed upon KPI's and will present a final report to IDH.
- d) Participate in the dissemination of the solution/curriculum throughout the textile industry in Vietnam via train-the-training programs, in-person classes, workshops, conferences or other mechanisms.

3. Budget

Compensation will be based on market prices and will depend on the level of expertise of the Service Provider and the amount of work necessary for the completion of the scope of services.

4. Specifications for the Proposal

Proposals should be presented and completed as follows:

- a) Use the ToR Submission Template to submit your proposal (Annex 3)
- b) In the proposal, please provide the following:
 - A succinct, well-documented approach
 - Inclusion of a budget with a break-down of man days/rate per consultant



- Clear description of the project team, relevant experience of team members and time allocation per team member
- Statement of experience (only experience from the suggested team members is relevant)
- Description of contractors

c) The deadline ToR submission is January 24, 2020.

- d) Once completed, please email the Terms of Reference Submission Template to Mrs Marine Assahira, IDH's Program Officer, in at assahira@idhtrade.org

5. Profile of the Service Provider(s)

5.1. For this assignment we are looking for Service Providers with the following profile:

- Advanced degree in a technical field, preferably in Mechanical, Electrical or Industrial Engineering.
- Demonstrated experience in cleaner production, specifically deep experience in the following: energy efficiency & GHG, air emissions, wastewater treatment and chemicals used within the Apparel & Footwear industry.
- Experience with Higg and/or ZDHC modules and methodologies.
- Strong quantitative, analytical and statistical skills.
- Demonstrated experience in training and consultancy of providing sustainability performance improvement solutions to the upstream suppliers of the textile and footwear industry. Vietnam experience and presence preferred
- Excellent presentation and reporting skills; ability to write and communicate technical analyses clearly.
- Able to work independently;
- Fluent in English and in Vietnamese (preferred).

6. Selection and award criteria

6.1. Grounds for exclusion

Tenderers shall be excluded from participation in a procurement procedure if:

- a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) they or persons having powers of representation, decision-making or control over them have been convicted of an offence concerning their professional conduct by a judgment which has the force of res judicata;
- c) they have been guilty of grave professional misconduct proven by any means which the IDH can justify;
- d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established, or with those of the Netherlands or those of the country where the contract is to be performed;
- e) they or persons having powers of representation, decision making or control over them have been the subject of a judgment which has the force of res judicata for fraud, corruption,



involvement in a criminal organization, money laundering or any other illegal activity, where such illegal activity is detrimental to the MFA’s financial interests.

Tenderers must confirm in writing that they are not in one of the situations as listed above.

Tenderers shall not make use of child labor or forced labor and/or practice discrimination and they shall respect the right to freedom of association and the right to organize and engage in collective bargaining, in accordance with the core conventions of the International Labor Organization (ILO).

7. The evaluation of proposals is made of the following steps:

- a) Minimum Eligibility and Qualification – In general terms, services providers that meet the criteria specified in section 6.1. may be considered qualified;
- b) If the profile and minimum eligibility are fulfilled, IDH shall review and evaluate the Technical and Financial proposals on the basis of their competence to comply with the scope of this proposal, as described in sections 5 and 6. We created an overview based on capacities and a scorecard
 - In the scorecard, companies are scored 1-5, the higher the better.
 - The most important categories: methodology and budget are weighed double

7.1 Selection Criteria

The proposals will be evaluated based on the following criteria and get scored from 1 – 5 per criteria. Each score will be multiplied by the mentioned weighing factor.

Component		Criteria	Weighting	Max. Points
Content	1	The proposal is clear in terms of objectives, methodology and expected results and it is appropriate to achieve the expected results	2x	5
	2	The appropriate tools for the assignment are proposed	1	5
	3	The proposed budget is clear, realistic and affordable	2x	5
	4	The proposal takes sufficient account of the expected challenges related to the environmental sustainability of the textile sector and its value chain.	1	5
Candidate (consultant or team of consultants)	5	The candidate is recognized for its experience and expertise in clean production methodologies in the textile sector, capacity building and training.	1	5
	6	The candidate has a proven knowledge and understanding of the conditions/implications and demands for clean production in the textile sector.	1	5
	7	The candidate is familiar with or has previously worked in North/South Vietnam and has excellent writing/speaking English (Vietnam is a preferred language)	1	5
	18	The candidate has already carried out a similar assignment over the last five years	1	5

The highest or lowest cost bidder may not necessarily be awarded this contract. Overall cost and best value for the budget will be strongly considered. IDH is under no obligation to make a contract award decision or to conclude a contract with a participant as a result of this terms of reference.

Evaluation scores will be awarded for each of the components. The evaluation committee will score each component unanimously.

The components will be scored 1 to 5, following the table below.

Grade	Description	Clarification
1	Poor	not all aspects are adequately detailed, and Participant provides little to no interpretation of the aspects under evaluation.
2	Weak	not all aspects are adequately detailed, and Participant provides a limited interpretation of the aspects under evaluation.
3	Fair	all aspects are adequately detailed, and Participant provides fair interpretation of the aspects under evaluation.
4	Good	all aspects are adequately detailed, and Participant provides a good interpretation of the aspects under evaluation.
5	Exceptional	all aspects are adequately detailed, and Participant provides a surprisingly good interpretation of the aspects under evaluation.

The weighing of the different components is indicated in the first table of this section.

7. Procedure

The procedure will be as follows:

- Inviting consultancy companies for presenting a full proposal based on the TOR
- Evaluation of the proposals by an evaluation committee. The evaluation committee will evaluate the proposals on the basis of the exclusion, selection and award criteria as published in these Terms of Reference.
- Decision on selection of consultancy
- Inception meeting with the selected consultancy company

Tender process	Timeline
Terms of Reference published	January 6 th 2020
Deadline for submission of proposals*	January 24 th , 2020
Interviews with selected proposals	Week of February 3 rd , 2020
Decision on selection of consultancy	February 10 th 2020
Kick off meeting	February 14 th 2020



* Proposals submitted after the deadline will be returned and will not be considered in the tender procedure.

IDH will reject offers if any illegal or corrupt practices have taken place in connection with the award or the tender procedure.

8. Confidentiality

The Tenderer will ensure that all its contacts with IDH, with regards to the Tender, during the tender procedure take place exclusively in writing by e-mail to Marine Assahira via assahira@idhtrade.org. The Tenderer is thus explicitly prohibited, to prevent discrimination of the other Tenderers and to ensure the diligence of the procedure, to have any contact whatsoever regarding the tender with any other persons of IDH than the person stated in the first sentence of this paragraph.

The documents provided by or on behalf of IDH will be handled with confidentiality. The Tenderer will also impose a duty of confidentiality on any parties that it engages. Any breach of the duty of confidentiality by the Tenderer or its engaged third parties will give IDH grounds for exclusion of the Tenderer, without requiring any prior written or verbal warning.

All information, documents and other requested or provided data submitted by the Tenderers will be handled with due care and confidentiality by IDH. The provided information will after evaluation by IDH be filed as confidential. The provided information will not be returned to the Tenderer.

9. Principal Point of Contact

Postal address:

IDH The Sustainable Trade Initiative

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10. Annexes

Annex 1: Race to the Top Brief (<http://racetothetop.info/>)

Annex 2: Apparel Impact Institute Principles (<https://apparelimpact.org/principles/>)

Annex 3: ToR Submission Template