

**NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY
RESEARCH AND DEVELOPMENT PROGRAM**

Terms of Reference (TOR) for Consultancy Services on

**THE CONDUCT OF SURVEY TO ESTIMATE A NATIONAL HAPPINESS INDEX
FOR THE PHILIPPINES**

A. Background/Rationale

Supplementary or complementary measures to the Gross Domestic Product (GDP) and/or Gross National Income (GNI) that more adequately capture welfare have increasingly become important. Bhutan is known for its extensive use of the Gross National Happiness index (GNHI), which is viewed as more important than the Gross National Product (GNP)¹. This is because the GNHI intends to measure the (1) promotion of equitable and sustainable socioeconomic development; (2) preservation and promotion of cultural values; (3) conservation of natural resources; and (4) establishment of good governance (The Centre of Bhutan Studies, 2006). Thailand also developed an equivalent measure commonly referred to as the Thai Personal Well-being Index or PWI². It was used by policy makers to understand better the subjective well-being of different sub-populations as Thailand undergoes political and economic transition (Yiengprugsawan et. al., 2009).

While the happiness index has yet to be institutionalized in the Philippine Statistical System, studies have explored how it could be designed and conducted. Notably, a study on the Philippine Happiness Index (PHI)³ used a conceptual framework that, unlike other initiatives on the subject, recognizes that different individuals have varying sources or domains of happiness. The framework allows individuals to identify their sources of happiness and to give value to the degree of importance of each of these sources. The well-regarded guiding principle in coming up with the PHI is the fact that economic progress and welfare are not synonymous. For instance, a recent global survey⁴ ranking countries in terms of positivity⁵ in 2014 placed the Philippines as among the happiest countries in the world. Latin American countries like Guatemala were also ranked as among the happiest, despite not being the wealthiest people in the world.

While the Philippine Development Plan (PDP) 2011-2016 Midterm Update remains steadfast in its goal of high economic growth, it is worth considering as well the dynamics of what makes Filipinos truly happy with their lives. Without ignoring GDP/GNP growth, the concept of development could be expanded by incorporating a component of national progress that considers differences in individual aspirations and desires¹. The insufficient capacity of conventional indices for economic growth to reflect what majority of the people experience on

¹Bhutan National Human Development Report 2000 by the Planning Commission Secretariat of the Royal Government of Bhutan

²Measuring the Happiness of the Faculty of University of the Philippines Los Baños using a Statistical Index by Zita C. Villa Juan-Albacea

³Virola, R., et al, *Measuring Progress of Philippine Society: Gross National Product or Gross National Happiness?*, 11th National Convention on Statistics, October 2011.

⁴Happiest citizens: Pinoys rank 5th by the Philippine Star: <https://ph.news.yahoo.com/happiest-citizens-pinoys-rank-5th-000000302.html>

⁵In particular, respondents were asked if they had experienced positive feelings of respect, laughter and enlightenment. Did they feel well rested? Were they treated with respect? Did they smile or laugh a lot? Did they learn something interesting? 1,000 adults aged 15 and older in each country were asked to reflect on their overall state the day before the survey. It was conducted by the researchers of performance-management consulting firm Gallup.

the ground prompted the National Economic and Development Authority (NEDA) to pursue a study on how the development of individuals in terms of happiness can be measured.

B. Objectives

The study aims to determine how the development of individual can be measured in terms of happiness by providing common understanding of the inherent gaps in the Philippine National Accounts with particular focus on how a Happiness Index could also enhance informed policymaking in the government.

Also, the proposed study shall consider the different methodologies used to generate the Happiness Index that leads to identifying which fits best the country setting. Consequently, the project aims to deduce if a Happiness Index is indeed a better tool or could be a supplemental or a complementary measure to GNI and GDP to capture societal progress and well-being.

C. Scope of Work

Specifically the study will entail the following activities, among others:

1. Conduct of a comprehensive review of literature on:
 - concepts and definitions of a National Happiness Index (NHI) for the Philippines;
 - approaches and mechanisms to measure happiness;
 - different methodologies used in calculating Happiness Index; and
 - economic and non-economic determinants/variables of happiness.
2. Develop a methodology for estimating a national happiness index for the Philippines, which identifies economic and non-economic determinants/variables of happiness;
3. In consultation with NEDA, develop and design the questionnaire that will be used to estimate a national happiness index for the Philippines covering critical areas such as:
 - 1.a. Population: (i) elements; (ii) sampling units;
 - 1.b. Sampling frame from which the sample will be selected
 - 1.c. Sample size; and
 - 1.d. Probability sampling procedure.
4. Pre-test, review, and refine the questionnaire as necessary;
5. Conduct of a nationally representative survey to estimate the NHI using the developed methodology and questionnaire approved by NEDA with at least 3,000 respondents;
6. Compile, process, tabulate, and analyze data to prepare a detailed report design which may include among others a manual or comprehensive technical notes that contains the basics of the NHI methodology, description of each indicator used, survey content and process/framework of the survey;
7. Prepare the inception, interim, and final reports including manual/handbook for the proposed methodology.

8. Conduct presentations, as appropriate, and facilitate a workshop/forum to briefly discuss the proposed NHI methodology and the result of the survey conducted (to include among others sustainability, identified risks, limitations and challenges, with proposed measures to address them); and

D. Deliverables/Timelines/Payment Schedule

Implementation Period. The study shall be completed within 20 calendar weeks, commencing from the date of receipt by the consultant of the Notice to Proceed (NTP). The main output will be a draft manual for the proposed methodology in estimating the PGNHI. Billing for non-reimbursable item, which includes fees for remuneration shall be in accordance with the delivery schedule below and subject to the usual government accounting and auditing requirements.

Deliverables	Timeline	Payment Schedule of Consultant Fee
Inception Report (3 hard copies with electronic copy), which includes, among others, review of literature, the work plan that identifies in detail the possible set of indicators (including description), approaches, survey content: set of questionnaire and preferred method (if appropriate), and methodologies to be utilized in estimating the NHI	Within four (4) weeks upon receipt of the Notice to Proceed	15% upon acceptance of report by NEDA- National Policy and Planning Staff (NPPS)
Interim Report (3 hard copies with electronic copy), contains the progress report of the project.	Within twelve (12) weeks upon receipt of the Notice to Proceed	25% upon acceptance of report by NEDA- NPPS
Presentation of the Results to NEDA officials and NEDA-NPPS for technical evaluation and validation.	Within sixteen (16) weeks upon receipt of the Notice to Proceed	-----
Draft Final Report (3 hard copies with electronic copy), which includes review of literature, a manual or comprehensive technical notes or module that contains the basics of the PNHI methodology and estimation (including detailed description of each indicator, survey content, process/framework of the survey/estimation) and identified risks, limitations and possible challenges (i.e. in conducting the survey, using the proposed methodology, sustainability of conducting the survey, survey costs, etc) along with the proposed measures or recommendations to address them.		20% upon acceptance of Draft Final Report by NEDA- NPPS
Public Forum for information and discussion.	Within eighteen (18) weeks upon receipt of the Notice to Proceed	20% upon accomplishment

Revised Final Report (3 hard copies with electronic copy), incorporating comments/suggestions during the forum as well as from NDO for Policy and Planning and other NEDA officials, and the submission of the final dataset,	Within twenty (20) weeks upon receipt of the Notice to Proceed	20% upon acceptance of Revised Final Report by NEDA- NPPS
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The Consultant is expected to provide orientation/briefing on each of the output reports mentioned above to the concerned personnel of the NEDA, as needed.

Moreover, the Consultant, through the NEDA-NPPS, shall provide copies of the reports to the Financial Planning and Management Staff (FPMS) of NEDA for payment purposes.

Billing for reimbursable items, which include expenses incurred for production of reports, meeting and consultations, as well as expenses for the conduct of public/stakeholders' forum, among others, may be requested not more than once a month based on the actual expenses incurred and supported by official receipts/documents. In the absence of official receipts/documents when claiming for reimbursable costs, the Consultant may also be allowed to submit a certification of actual disbursements made under oath.

E. Mode of Procurement and Approved Budget for the Contract (ABC)

1. The mode of procurement for the consulting services shall be undertaken through a competitive public bidding in accordance with RA 9184 and its Revised IRR.
2. The ABC for the proposed undertaking is FOUR MILLION NINE HUNDRED FORTY FIVE THOUSAND PESOS (PhP4,945,000.00), of which PhP4,482,500.00 is for non-reimbursable/remuneration and PhP462,500.00 is reimbursable (breakdown shown below). The ABC is also inclusive of applicable government taxes and changes, professional fees, land transportation costs, and other administrative support, meeting/workshop forum budget, survey costs and expenses, office supplies and other expenses deemed necessary for the study as certified/approved by NEDA). The breakdown of the ABC is as follows:

Estimation of a Philippine National Happiness Index (PNHI)	
Particulars	Total Contract Price
	Amount in (PhP)
1.Non-reimbursable Expenses (Consultancy and corresponding survey for 3,000 respondents)	4,482,500.00
2.Reimbursable Expenses (for consultation meetings, forum, supplies, production of reports)	462,500.00
GRAND TOTAL	4,945,000.00

Total may not tally due to rounding off

3. Note that this consulting contract shall be a fixed price contract. Any extension of contract time shall not involve any additional cost to the government.
4. All, survey data, reports, materials, references, manuals etc. acquired for the Project shall be turned over to NEDA at the conclusion of the Project.

F. Implementation Arrangement

F.1 Consultancy Services and Responsibilities of Consultant/s

The consultant shall be responsible for the following:

1. Render services equivalent to twenty (20) calendar weeks ;
2. Submit a comprehensive plan approach and research techniques for the NEDA PNHI Study;
3. Develop and complete, but not limited to, the following:
 - i. Inception and Interim Reports which are to be prepared in consultation with the National Policy and Planning Staff (NPPS) and the National Development Office for Policy and Planning of NEDA;
 - ii. Draft Comprehensive Final Report (DCFR);
 - iii. Revised Comprehensive Final Report
 - iv. Printable version of the final report including final edit and lay-out
4. Submit revised final report to the NEDA management/officials for final review, comments and/or approval;
5. Be physically available for consultations at the NEDA Central Office (CO) at least once (1) a month during the duration of the research study and serve as a resource person when necessary;
6. Conduct a Forum within Metro Manila for at least 40 NEDA personnel including, but not limited to, the provision of venue (inclusive of food and accommodation), preparation of workshop materials/kits, acquisition of supplies, subject to approval of NEDA;
7. Submit to NEDA monthly billing statements, including official receipts/documents (reimbursable items) under oath of actual disbursements for payment of reimbursable items; and
8. The Consultant shall be responsible for securing an appropriate and conducive venue, subject to approval of NEDA, for public consultation/forum.

F.2 Responsibilities of NEDA

The NEDA, through the National Policy and Planning Staff, shall facilitate the study process by providing the following:

1. Assist the consultant in terms of comments and input related to the study;

2. Provide technical and secretariat support to the study by coordinating meetings between the individual consultant and appropriate units in NEDA as well as in consolidating and processing of comments/recommendations/inputs;
3. Assign NEDA technical staff/s counterpart who will work closely with the consultant;
4. Provide working space for the consultant within the NEDA premises;
5. Assist the consultant as necessary in coordinating various activities; and
6. Facilitate the payment of the consultant in accordance with the schedule provided in this TOR.

NEDA shall be the executing agency for the consultancy service. It shall define the acceptability of the deliverables and shall be the approving authority for all operations-related activities, including payment of consultant's remuneration and reimbursable costs under the contract.

G. Qualifications and Criteria for Selection

1. **Qualification Requirements.** The survey research shall be undertaken by a reputable Consultancy and/or Social Survey Firm. The Firm shall mobilize key personnel, i.e., a principal/lead consultant and at least two (2) experts. The Consulting Firm, as well as the principal/lead consultant and experts, should have the following qualifications:

	Qualifications
Consulting Firm	<ul style="list-style-type: none"> ▪ Knowledgeable in survey design and survey field operations. ▪ Involvement in similar and/or relevant consulting or professional services of complexity and technical specialty comparable to the job under consideration. ▪ Recognized for competence in statistics ▪ Well-versed in the management of data collection ▪ Preferably five (5) years of experience in survey research, particularly in survey design and field operations that can implement a nationally representative survey project covering at least 2,000 respondents. ▪ Must have been engaged in managing/administering similar and/or relevant consulting services with sample related work (at least one completed report and at least two presentations conducted).
Qualification of Officers, Key organic personnel/experts who may be assigned to the study.	
Education	<ul style="list-style-type: none"> • Preferably, the principal/lead consultant should have an MA/MS degree in economics, statistics, applied mathematics, or related fields in social science including his/her BA/BS(PhD is an advantage). • For Key personnel that will be involved, the educational qualification is at least college graduate, preferably with a BA/BS in economics, statistics, applied mathematics, and/or related fields in social science (relevant MA is an advantage) <p><i>(NOTE: Related fields in the social sciences refer to courses that</i></p>

	<i>involve socioeconomic research applying statistics. This include, but not limited to, Sociology, Psychology, Political Science, Demography, & Development Studies.)</i>
Training⁶	<ul style="list-style-type: none"> • Knowledgeable in the conduct of survey research particularly survey design and survey field operations, and other similar and/or relevant trainings. • Capacity to do additional works, initiate innovation/improvement related to the project, other than proposed.
Professional Experience	<ul style="list-style-type: none"> • Recognized for competence in statistics, well-versed in the management of data collection with experience in survey research particularly survey design and survey field operations. • Has at least five (5) years of experience in survey research, particularly in survey design and field operations. Must have been a Team Leader/ Manager (for <i>Principal/Lead consultant</i>) in similar and/or relevant consulting services.** • Involvement in similar and/or related consulting or professional services of size, complexity and technical specialty comparable to the job under consideration. • Good presentation and training facilitation skills with proven command in the use of written and spoken English and excellent communication skills; • Outstanding analytical skills and numeracy, proficiency with statistical/data analysis spread sheets or software packages (e.g., MS Excel, Powerpoint, STATA, among others)
Overall work commitment	<ul style="list-style-type: none"> • To be determined by the Consulting firm's financial capacity to conduct studies of the same magnitude as the subject research under consideration.

****Note:**

- i. **Similar** contracts shall be defined as those contracts that involve the conduct of a nationally representative survey in the Philippines, costing at least 10% of the approved budget for the contract (ABC).
 - ii. **Relevant** contracts shall be defined as those contracts that involve the conduct of a survey that is not national in scope, costing at least 20% of ABC.
2. Selection of qualified survey firms are rated based on the attached Shortlisting Criteria in ANNEX A.
 3. Prospective individual consultants are required to submit the following eligibility requirements:
 - a. Valid Tax Clearance Certificate;
 - b. PhilGEPS Online Registration Number; and
 - c. Curriculum Vitae (CV) highlighting all completed and ongoing contracts regardless of relevance/similarity to the subject undertaking within the last twenty (20) years;
 - d. At least one (1) Certificate of Project Completion and Acceptance or equivalent Certification from their previous related studies/projects within the past twenty (20) years; and

⁶ To include trainings conducted (as resource person) by the assigned key officers and/or organic personnel that may be assigned to the project.

4. Prospective Consulting Firms are required to submit the following eligibility requirements:

a. Class “A” Documents

Legal Documents

- i. Registration certification from the Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI) for sole proprietorship, or Cooperative Development Authority (CDA) for cooperatives, or any proof of such registration;
- ii. Valid Mayor’s permit issued by the city or municipality where the principal place of business of the prospective bidder is located; and
- iii. Valid Tax Clearance Certificate per Executive Order (EO) No. 398, Series of 2005, reviewed and approved by the Bureau of Internal Revenue (BIR).

Technical Documents

- iv. Statement of the prospective bidder of all its ongoing and completed government and private contracts (properly labeled), including contracts awarded but not yet started, if any, whether similar, relevant or not similar/relevant in nature and complexity to the contract to be bid as defined in the EDS, within the relevant period.
- v. Statement of the consultant specifying its nationality and confirming that those who will actually perform the service are registered professionals authorized by the appropriate regulatory body to practice those professions and allied professions in accordance with Clause 1.2, including their respective updated curricula vitae (CVs) that show, at the very least, the consultant’s educational background, related training and relevant experience (in months and years with detailed description/discussion on the nature and scope of works/services rendered).
- vi. At least one (1) Certificate of Project Completion and Acceptance or equivalent Certification from their previous related studies/projects within the past twenty (20) years; and

Financial Document

The consultant’s audited financial statements, showing, among others, the consultant’s total and current assets and liabilities, stamped “received” by the BIR, or its duly accredited and authorized institutions, for the preceding calendar year which should not be earlier than two (2) years from the date of bid submission.

b. Class “B” Document

Valid JVA, in case a JV is already in existence. In the absence of a JVA, duly notarized statements from all the potential JV partners stating that they will enter into and abide by the provisions of the JVA in the instance that the bid is successful, shall be included in the bid. Failure to enter into a JV in the event of a contract award shall be ground for the forfeiture of the bid security. Each JV partner shall submit the legal eligibility documents. The submission of technical and financial documents by any of joint venture partners constitutes compliance.

5. Participating shortlisted Consultants shall be evaluated using the Quality-cost Based Selection procedure under Republic Act No. 9184, or the Government Procurement Reform

Act (GPRA), and its Revised Implementing Rules and Regulations (IRR), with the following weights:

- | | | |
|------------------------|---|-----|
| i. Technical Proposal | : | 80% |
| ii. Financial Proposal | : | 20% |

H. Retention Payment

1. A retention payment of ten (10) percent shall be withheld. It shall be based on the total amount due to the Consultant prior to any deduction and shall be retained from every progress payment until 50 percent of the value of the Project, as determined by NEDA, is completed. If, after 50 percent completion, the Project is satisfactorily done and on schedule, no additional retention shall be made; otherwise, the ten (10) percent retention shall be imposed.
2. The total "retention money" shall be due for release upon approval of the Completion Report. The Consultant may, however, request the substitution of the retention money for each progress billing with irrevocable standby letters of credit from a commercial bank, bank guarantees, or surety bonds callable on demand, of amounts equivalent to the retention money substituted for and acceptable to NEDA provided that the Project is on schedule and is satisfactorily undertaken. Otherwise, the ten (10) percent retention shall be made. Said irrevocable standby letters of credit, bank guarantees and/or surety bonds, to be posted in favour of NEDA shall be valid for the duration of the contract.

I. Liquidated Damages

1. Where the Consultant refuses or fails to satisfactorily complete the work within the specified contract time, plus any time extension duly granted and is hereby in default under contract, the Consultant shall pay NEDA for liquidated damages, and not by way of penalty, an amount, as provided in the conditions of contract, equal to one tenth (1/10) of one (1) percent of the cost of the unperformed portion for every day of delay.
2. The maximum deduction shall be ten percent (10%) of the amount of contract. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the contract, NEDA shall at its own discretion terminate the contract without prejudice to any further action it may take to recover whatever losses incurred due to non-performance of the Consultant.
3. To be entitled to such liquidated damages, NEDA does not have to prove that it has incurred actual damages. Such amount shall be deducted from any money due or which may become due the Consultant under the contract and/or collect such liquidated damages from the retention money or other securities posted by the Consultant whichever is convenient to NEDA.

J. Extension of Contract

1. Extension of contract duration may be granted by NEDA in case of any necessary contract variation or additional work that would render the completion of the project as originally scheduled impossible, provided that the consultant is not at fault with respect to the circumstances causing the need for such contract extension. Any contract extension shall be at no cost to NEDA.

2. Any request for extension of contract duration shall be made by the Consultant in writing including the full details of the circumstances underpinning the request as well as the justification/s for such extension. NEDA, upon receipt of the Consultant's request, shall make a determination on the validity thereof, and shall agree with the Consultant on the appropriate amount of extension of contract duration should it find said request justifiable and meritorious.
3. No extension of contract time shall be granted the consultant due to inexcusable failure or negligence to provide the requirement;
4. No extension of contract time shall be granted when the reason given to support the request for extension was already considered in the determination of the contract time during the conduct of detailed preparation of the contract documents as agreed upon by the parties before contract perfection.

**ANNEX A: CRITERIA FOR SHORTLISTING/SELECTION OF PROSPECTIVE
BIDDERS FOR THE PROCUREMENT OF CONSULTING SERVICES FOR THE
CONDUCT OF A SURVEY RESEARCH ON THE ESTIMATION OF A PHILIPPINE
NATIONAL HAPPINESS INDEX (PNHI)**

Criteria/Particulars	Points
I. Applicable experience of the Firm	30
<i>Prior involvement in reports or studies related to social survey that are similar and/or relevant.</i>	
II. Qualification of Officers, Key organic personnel/experts who may be assigned to the study	60
<i>Education (10 pts)</i>	
<i>Training (20 pts)</i>	
<i>Professional Experience (30 pts)</i>	
III. Overall Work Commitments	10
GRAND TOTAL	100
Hurdle Rate (70%)	70