

Invitation to tender for research services on the costs of safety remediation in Pakistan

Tender No: 2024-03

Tender Issue Date: 1 March 2024

Tender Closing Date: 15 March 2024

Evaluation Period: 16 to 22 March 2024

Notification to Successful Bidder: 25 March 2024

Contract Start Date: 26 March 2024

1. Background

1.1 International Accord

The International Accord for Health and Safety in the Textile and Garment Industry¹ is a legally binding agreement between global trade unions and garment brands / retailers to make textile and garment factories that supply Accord signatory brands safe. The agreement promotes workplace safety through independent inspections, remediation, training programs and a complaints mechanism and seeks to protect the rights of workers to organise for the purposes of safety and health, refuse unsafe work, and raise health and safety concerns. The Accord agreement was first implemented in Bangladesh.

1.2 Pakistan Accord

In December 2022, an Accord country-specific safety program (CSSP) was agreed for Pakistan – the Pakistan Accord for Health and Safety in the Textile and Garment Industry². As of January 2024, over 100 garment brands / retailers have signed the Pakistan Accord. The Pakistan Accord covers all Cut-Make-Trim (“CMT”) facilities, including all suppliers of Ready-Made Garments (“RMGs”), home textiles, fabrics and knit accessories suppliers that produce products for Accord signatory companies. Fabric mills within the supply chains of signatories are also covered. The Accord covers approximately 500 factories and fabric mills located in the provinces of Sindh (Karachi) and Punjab (Lahore, Faisalabad) with an estimated 500,000 workers.

1.3 Remediation and Remedy Project

¹ The International Accord: <https://internationalaccord.org/wp-content/uploads/2023/11/International-Accord-for-Health-and-Safety-in-the-Textile-and-Garment-Industry-1-November-2023_Public-Version.pdf>.

² The Pakistan Accord: <https://internationalaccord.org/wp-content/uploads/2023/02/Pakistan-Accord-on-Health-and-Safety-in-the-Textile-and-Garment-Industry-2023_public-version.pdf>.

The International Accord is implementing a project named “Remediation and Remedy: Supporting Safety and Sustainability in Pakistan’s Textile and Garment Sector”, which covers five workstreams and aims to make garment and textile factories in Pakistan safer for workers. The five workstreams are:

1. Set up and further develop the Workers Complaints Mechanism;
2. Develop and carry out a Safety Committee and Safety Training Program;
3. Build the capacity of local government inspectorates;
4. Develop and implement a training program for factory management;
5. Develop models for financing remediation.

2. Developing models for financing remediation

Following an inspection under the Pakistan Accord, covered factories receive a corrective action plan, which includes a list of findings identified by the Chief Safety Officer (CSO) as necessary to bring a factory into compliance with occupational health and safety standards. An Accord covered factory is required to implement these corrective actions according to a defined schedule that is mandatory and time-bound, with sufficient time allotted for all major renovations. Similarly, where a safety complaint is raised with the Accord’s Chief Complaints Officer, this complaint may require the implementation of a corrective action to ensure that occupational health and safety is secured at the factory.

Article 31 of the International Accord agreement establishes that “signatory companies shall negotiate commercial terms with their suppliers, which ensure that it is financially feasible for the factories to maintain safe workplaces and comply with upgrade and remediation requirements instituted by the chief safety officer.”³

Article 26 of the Pakistan Accord further stipulates that “the Secretariat shall be informed and monitor compliance in the event that a signatory’s supplier indicates that completion of the remediation is not financially feasible. The Secretariat shall refer any cases of unmet finance requests to the Steering Committee (SC) in accordance with a Financing Remediation Protocol (“FRP”) to be adopted by the SC, which will take into account the principle of proportionality as reflected in the United Nations Guiding Principles on Business and Human Rights (“UNGPs”).”⁴

The Corrective Action Plans (CAPs) are developed by factories and brands following the initial inspection conducted in accordance with the Pakistan Accord Building Standard. These CAPs need to be technically and financially approved by the Pakistan Accord’s Chief Safety Officer. Factories are requested to confirm in

³ The International Accord: <https://internationalaccord.org/wp-content/uploads/2023/11/International-Accord-for-Health-and-Safety-in-the-Textile-and-Garment-Industry-1-November-2023_Public-Version.pdf>.

⁴ The Pakistan Accord: <https://internationalaccord.org/wp-content/uploads/2023/02/Pakistan-Accord-on-Health-and-Safety-in-the-Textile-and-Garment-Industry-2023_public-version.pdf>.

writing that a finance plan has been agreed to cover the cost of remediation, and how (e.g., through self-financing, third-party financing or a form of brand support).

The Accord has been facilitating discussions between factories that need financial assistance to cover remediation costs. Since the start of the Accord, brands have supported factories with various means of financial assistance such as committing to higher order volumes, longer-term order commitments and advance payments to future orders.

In cases where a factory raises a concern over financial feasibility, either with the brands or with the Accord directly, the Accord initiates the “Finance Request” procedure. The factory management is requested to provide a detailed budget for the implementation of the Corrective Action Plan, including quotes from multiple services providers for remediation works such as installation of fire detection and protection systems and retrofitting works. The factory is also requested to provide details on their financial situation, such as annual turnover and their order book. The Accord brands sourcing from the factory will be requested to review what type of financial assistance can be provided. Common ways for brands to support factories include making advance payments on running or future orders, improving payment terms, or providing longer term or higher volume order commitments. There is no one-size-fits-all solution; brands apply (a combination of) different solutions taking into account the needs of the factory. The brands collectively and the factory have a shared responsibility to ensure that a finance plan is ultimately agreed to complete the remediation in accordance with the timelines of the CAP.

Factories often do not calculate the remediation costs at the start of CAP implementation. As a result, they tend to remediate the low-cost items (such as electrical hazards) first, only to be faced with financial constraints to cover higher remediation costs further down the journey of CAP implementation. This includes installation of fire doors, fire alarm systems, hydrant systems, sprinkler systems and structural retrofitting. Depending on the size of the factory, installation of fire doors, fire alarms, standpipe systems and sprinkler systems may require investments of more than US\$ 300,000 per factory.⁵

Costs of remediation and ensuing delays in remediation have been a main cause for concern amongst factory owners. In light of this, the Accord Secretariat is reviewing its procedures around confirmation of financial coverage of CAP implementation and has developed a new Financing Remediation Protocol.

As part of this process, the Accord is commissioning research on the costs of safety remediation in Pakistan. The consultant will play a crucial role in identifying and analysing the costs associated with safety measures in textile and garment factories in Pakistan as required by the Pakistan Accord Building Standard and based on common types of complaints raised through the Accord’s complaints mechanism. The analysis will also extend to understanding the depreciation and residual value of these safety measures. While it is

⁵ This figure is based on Accord’s experience in Bangladesh.

recognised that calculating the exact remediation costs will have to be done on a factory-by-factory basis, giving factories and brands some initial guidance on common remediation items and their costs will help provide a credible assessment of the costs (e.g., average costs per square meter for a sprinkler/fire alarm systems) and streamline the process of establishing factory finance plans under the Accord. This process will include analysis of various prices of materials, engineering consulting costs and installation costs. The Accord will use this data to further develop easy-to use tools to calculate remediation costs and how these could be covered through more favourable commercial terms. These tools can be offered to factories and brands when discussing financing remediation options.

3. Scope of work

Under workstream 5 of the project “Remediation and Remedy: Supporting Safety and Sustainability in Pakistan’s Textile and Garment Sector”, the International Accord Foundation invites tenders for the provision of research services to identify and analyse market costs of safety measures and items in textile and garment factories in Pakistan as required by the Pakistan Accord Building Standard and based on common types of complaints raised through the Accord’s complaints mechanism. The analysis should also look into the depreciation and residual value of items, for instance fire doors, alarm systems, and sprinkler systems. The consultant will be asked to do research on factories of different sizes (small, mid-range and large) to understand what investments are needed to ensure safe working conditions.

While it is recognised that calculating the exact remediation costs will have to be done on a factory-by-factory basis, providing factories and brands with initial standardized guidance on common remediation items and their costs will help provide a credible assessment of the costs (e.g., average costs per square meter for a sprinkler/fire alarm systems). This will include analysis of various prices of materials, engineering consulting costs, and installation costs. The Accord will use this data to further develop easy-to-use tools to calculate remediation costs and how these could be covered through more favourable commercial terms. The tools will be offered to factories and brands when discussing financing remediation options.

The consultant is expected to undertake the following activities:

1. Based on Pakistan Accord inspection reports and corresponding CAPs, the consultant shall create a comprehensive list of the common safety systems required for factory remediation to be reviewed by the Pakistan Accord Chief Safety Officer. An initial and non-exhaustive list of safety items and measures is available in Annex I.
2. Gather data on the installation costs, maintenance costs, and operational costs of safety measures identified in activity 1 above according to average market costs.
3. Analyse the depreciation rates and calculate the residual values of these safety installations over their expected lifespan.

4. Prepare a detailed report with the cost implications for factories of different sizes (textile and garment factories in Sindh and Punjab, encompassing small, mid-range, and large facilities) in adhering to safety standards. In the presentation of the safety systems costs, the consultant must detail how costs would be affected by the size of the factory and other factors, and where there is a difference in costs, the consultant shall provide those ranges of costs.
5. Offer recommendations on the practical application of the cost analysis in the context of the financing remediation of a factory's CAP.

4. Deliverables

These are the key deliverables:

- A comprehensive report detailing the findings of the cost analysis based on market values, including breakdowns for different factory sizes.
- A depreciation and residual value analysis for key safety installations.
- Offer recommendations on the practical application of the cost analysis in the context of the financing remediation of a factory's CAP.

5. Duration of the work

The work will be conducted between the period from 26 March 2024 to 24 May 2024.

6. Desired qualifications and experience

The International Accord is looking for qualified consultants or organisations that can help identify and analyse the costs associated with safety measures in textile and garment factories in Pakistan. In the selection process, the Accord will consider whether the consultant or organisation possesses the qualifications and experience below.

Qualifications

1. **Advanced degree in relevant field:** A Master's or higher in, Industrial Engineering, Finance, Quantity Surveying, or a related field.
2. **Certifications:** Relevant professional certifications in construction or construction management or financial analysis.
3. **Knowledge of international and local safety standards:** Familiarity with international safety standards and local building regulations in Pakistan.
4. **Financial analysis skills:** Proficiency in financial analysis, budgeting, and cost estimation, particularly in industrial settings.

5. **Research experience:** Proven experience in conducting industrial or market research, data analysis, and report writing.

Experience

1. **Safety remediation projects:** Extensive knowledge of the market and proficiency in financial analysis, budgeting, and cost estimation related to the fire, electrical, building and boiler safety systems in the industrial sector.
2. **Project management experience:** Experience in conducting research or consultancy projects, with the ability to identify the key players in the market including suppliers and manufacturers of safety equipment.
3. **Experience in Pakistan:** Previous work experience in Pakistan, with an understanding of the local context, culture, challenges, and opportunities.
4. **Publication and report writing:** Experience of publishing or sharing research findings, and proficiency in creating comprehensive, detailed reports.
5. **Language proficiency:** Fluency in English is essential, and knowledge of local languages (e.g., Urdu, Punjabi) would be advantageous.

7. Tender process

The Accord is seeking consultancy services to undertake the tasks and deliverables described above. We invite proposals from qualified individual consultants or organisations through a public tender process.

7.1. Submission content guidelines

The submission should contain the following documents:

- Technical Proposal: Candidates are invited to submit a **technical proposal (max. 3 pages)** detailing their approach towards fulfilling the outlined tasks and deliverables).
- Financial Proposal: The submission should include a **financial proposal** that provides a breakdown of all costs associated with the provision of services.
- Qualifications and Experience: The proposal should provide a track record of relevant experience in order to provide evidence of capability for carrying out the outlined tasks and deliverables.

7.2. Submission deadline and procedure

The complete proposal must be submitted no later than 15 March 2024 to the below email address:

- veronique.camerer@internationalaccord.org

Please ensure your proposal adheres to the submission content guidelines (see *Section 6.1*) and is submitted within the required timeline. Late submissions will not be considered.

7.3. Selection criteria

Proposals will be assessed on a best value for money basis and the following criteria with respective weighting to ensure a balance of technical expertise, cost-effectiveness, and proven experience:

- Technical proposal: 40%
- Financial proposal: 30%
- Qualifications and experience: 30%

The tender with the highest score as per the evaluation criteria will be awarded.

8. Tender timelines

The timeline for the tendering process is as follows:

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9. Contact information

For inquiries and further clarifications, candidates can contact:

Name: Ms. Véronique Camerer

Position: Deputy Director

Email: veronique.camerer@internationalaccord.org

Annex I – Non-exhaustive list of safety measures and items

1. Structural retrofitting

- Steel cross bracing
- Jacketing of columns
- Strengthening of concrete beams
- For concrete Removal of damaged concrete, corrosion treatment and repair same with new concrete
- Increasing foundation capacity
- development of a Detailed Engineering Assessment (DEA). Including as built drawings, modelling, and analysis of as constructed condition

2. Fire safety measures

- Fire doors (UL listed)
- Sprinkler systems to NFPA 13
- Emergency lighting system (including back up power supplies)
- Signage for evacuation routes,
- Fire extinguishers
- Fire alarm and detection system to NFPA 72 (including fire rated cabling, back up power supply and all devices)
- Fire doors (plus open mechanism and self-closing and hold open devices)

3. Electrical safety measures

- Creation of single line diagrams (SLD)
- Enlarging rooms (demolition of walls)
- Installation of MCB, MCCBs, and ACBs
- Installation of a complete earthing system.

4. Boiler safety measures

- Industrial boilers
- Installation of water treatment system
- Installation of pressure gauges and relief valves
- Repair or replacement of pumps
- Installation of controls and instrumentation
- Installation or repair of steam traps
- Installation of flue / discharge piping
- Repair of electrical wiring related to the boiler

5. Ventilation, air, and hazardous materials

- Ventilation systems and air quality control
- Dust and fume extraction systems
- Safe handling and storage of hazardous materials

6. Workplace environment

- Ergonomic workstations and seating
- Adequate lighting, and vibration noise control
- Adequate temperature systems, including cooling systems
- Safe storage facilities for chemicals and materials

7. Personal protective equipment (PPE)

- Gloves, safety glasses, and ear protection
- Fire-resistant and protective clothing
- Respiratory protective equipment