BACKGROUND
We are Elrha. A global charity that finds solutions to complex humanitarian problems through research and innovation. We are an established actor in the humanitarian community, working in partnership with humanitarian organisations, researchers, innovators, and the private sector to tackle some of the most difficult challenges facing people all over the world.

We equip humanitarian responders with knowledge of what works, so that people affected by crises get the right help when they need it most. We have supported more than 200 world-class research studies and innovation projects, championing new ideas and different approaches to evidence what works in humanitarian response.

Elrha has two successful humanitarian programmes: Research for Health in Humanitarian Crises (R2HC) and the Humanitarian Innovation Fund (HIF). The HIF programme improves outcomes for people affected by humanitarian crises by identifying, nurturing and sharing more effective, scalable solutions.
The HIF is a globally recognised programme leading on the development and testing of innovation in the humanitarian system. Established in 2011, it was the first of its kind: an independent, grant-making programme open to the entire humanitarian community. It now leads the way in funding, supporting, and managing innovation at every stage of the process.

The HIF’s portfolio of funded projects has informed a more detailed understanding of what successful innovation looks like, and what it can achieve for the humanitarian community. This work is leading the global conversation on innovation in humanitarian response.

In our 2018–20 HIF strategy we committed to working to enable innovation at scale.\(^1\) This means developing and sharing new tools, frameworks and lessons learned from our funding and support activities – and making a clear contribution to this ‘big question’ of how to scale within a humanitarian context. This study, focused on WASH product procurement systems, is the first of a planned series of scoping reports looking at different barriers to scale in the humanitarian sector.

Since its inception in 2011 the HIF has funded over 40 WASH innovations. Our WASH Innovation Catalogue features 31 of these innovations, of which 22 are “Product and Process” innovations.\(^2\) Many of those innovations, often supported from an early stage, are now reaching maturity and are increasingly ready to scale.

However, our Too Tough to Scale report found that – among other factors – scaling and uptake of innovation in the sector being stifled due to underlying incentive structures, a lack of markets that would exist in other contexts, and the lack of a fully functioning ecosystem for innovation.\(^3\)

This Call for Applicants is for a scoping study looking at WASH product procurement systems in international NGOs and UN agencies, seeking to understand what different processes exist and how decisions are made. We believe this work will be a vital step forward in advancing learning on how to scale WASH innovations.

This work is being funded by the Netherlands Ministry of Foreign Affairs (MFA) with support from the UK Department for International Development (DFID)

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\(^2\) Product and Process innovations can be products or new ways of delivering WASH but will often be a mix of the two—very few new products can be introduced into the humanitarian context without being embedded within a new process. See: Elrha. (2019) ‘WASH Innovations Catalogue’. Elrha: London. Available: [https://www.elrha.org/researchdatabase/wash-innovation-catalogue/](https://www.elrha.org/researchdatabase/wash-innovation-catalogue/)

RATIONALE AND PURPOSE

Due to structural challenges in the humanitarian sector, promising innovations often fail to gain the traction necessary for sustained use and wider uptake. This means that work and resources are wasted, and great ideas don’t reach their full potential. In a resource-constrained sector, there is a need to generate greater impact from successful investments in innovation.

In general, innovators face a range of barriers to scale, from lack of hands-on experience and knowledge, to inadequate funding and challenges meeting evidence needs. There are also systemic barriers that require a coordinated response from actors across the sector. Introducing new products and making changes to standard practice inevitably carries a degree of risk. The “Do no harm” imperative rightly drives organisations to prioritise risk aversion ahead of the possibility of greater impact. But this discourages early adoption, which in turn exacerbates the challenge of building a strong evidence base.

For product innovations the size of a market and the volume of orders has a significant impact on ability to scale. To achieve desired price points and efficient production processes, innovators need up-front bulk orders. But short budgetary horizons in the humanitarian sector and the unpredictable nature of many crises, as well as the fragmented nature of procurement systems, act to deter up-front bulk purchasing. The humanitarian market is also relatively small, meaning that manufacturers may need to look to wider markets beyond the large international agencies.

Many international humanitarian agencies have pre-positioned stock in warehouses and use Long-Term Agreements (LTAs) for “core relief items”, such as jerry cans or buckets, which can be shipped out in an emergency. But innovators often struggle to navigate complex procurement processes; getting a new product pre-positioned and accepted as a routine part of the response of any large international humanitarian organisation is extremely difficult and takes a long time.

Some agencies also have product catalogues which guide the purchasing decisions of both headquarters and country offices, some of which contain specific products and others which only contain technical specifications for standard products. Whether an innovator has an improved version of a standard product or is trying to introduce an entirely new category of product, advocating to the sector ‘gatekeepers’ for inclusion of particular items or new sets of technical specifications is vital for anyone developing new WASH products.

In response to these challenges we have recently started having conversations with several large humanitarian agencies to learn more about how they approach market research, assessment and purchasing of WASH products. It is our current understanding that procurement systems and processes vary significantly between different agencies and there are not always clear structures in place and ways for manufacturers to engage with procurement teams.

There appears to be little proactive market research into innovative new products by international agencies. Instead, agencies are more likely to find out about new products through tendering processes or from direct approaches by manufacturers – although the number of direct approaches can be difficult to manage without formal channels through which to guide them. Product assessment practices also vary, and there is little coordination on this across WASH actors in the humanitarian system.

To add greater complexity, for most products, local procurement is nearly always preferred to procurement through agency headquarters. At some of the largest humanitarian agencies, at least
70% of procurement is local, and in line with humanitarian localisation objectives this is expected to increase. However, a key challenge with local procurement is maintaining consistent quality. As such, the ideal product manufacturer needs to have extensive local manufacturing and retail capabilities in locations around the world, maintaining consistent production standards – a high bar for market entry.

Procurement teams will always pick the cheapest most technically compliant product, and country offices will often use the specifications included in product catalogues to guide decisions on local procurement. Although procurement teams at headquarter-level may be exposed to a greater variety of new products from around the world, they do not play an active role in creating demand for or pushing new products. Rather, there is a strong desire among many international agencies to ensure that demand is driven from the local offices.

OBJECTIVES

We are looking to build on our initial conversations to learn more about how key humanitarian agencies manage product procurement processes at both headquarter- and country office-level. We want this consultancy to help us understand decision-making in WASH product procurement: what systems and processes exist, how decisions are made for including new products in product catalogues, and how product specifications are developed and applied by different actors within the system.

There are three primary overarching components to be considered:

1. Understanding procurement systems and decision-making processes for warehoused WASH products at headquarter-level in international humanitarian agencies.
2. Understanding local WASH product procurement systems and decision-making processes for country offices of international humanitarian agencies.
3. Understanding the ways in which headquarter- and country office-level WASH product procurement systems and decision-making processes overlap and inform each other, across different agencies and country contexts.

We also want the study to consider the following:

- How agencies handle both standard product categories, which might require innovators to improve on a given set of specifications, and entirely new product categories, which might not fit into existing systems.
- What sources of information procurement teams in country offices use for decision-making, and therefore how we can raise awareness and increase demand for new product innovations – and where this responsibility might sit.
- Whether there may be opportunities for greater collaboration and information sharing across agencies in market research and assessment of new products, and in standardisation of specifications.
- How technical specifications might be used to incentivise innovation and the uptake of innovative new products.
We consider that there are two audiences for this research:

- **Innovators/product developers** — we want this research to help inform innovators, including HIF grantees, about how procurement systems work (in general, and with specific case studies), as well as the different channels, approaches and strategies they might make use of to access these systems.

- **Humanitarian WASH agencies, procurement specialists and policymakers** — we want this research to help inform a general understanding of the similarities and differences between procurement systems in large humanitarian agencies, and the opportunities for greater collaboration, information sharing, and joint-incentivising of innovation.

**KEY ACTIVITIES**

The successful individual/team will be expected to:

1. Carry out an initial scoping exercise in order to appropriately frame the research in terms of breadth (eg, how many agencies to include) and depth (eg, how to balance focus between headquarters and country offices and identifying potential case studies), including:
   a. Interviews with Elrha staff
   b. Interviews with select key informants

2. Undertake desk research on WASH product procurement in humanitarian contexts, including:
   a. Identifying and analysing key product catalogues, guides, manuals, and other relevant resources
   b. Interviewing a wide range of WASH specialists and procurement specialists at both headquarter- and country office-level to understand systems and drivers
   c. Carrying out in-depth research into at least one priority context to develop a detailed case study

3. Analyse findings and convene key stakeholders for initial feedback, including:
   a. Developing a set of key recommendations for innovators/product developers as appropriate
   b. Developing a set of key recommendations for WASH agencies, procurement specialists and policymakers as appropriate
   c. Clearly identifying limitations of research and gaps to be address through further work
   d. In collaboration with Elrha, developing an agenda and facilitating a meeting with a small group of key stakeholders

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4 Elrha will help to identify and provide these contacts.

5 Elrha can help to identify and provide some of these contacts, but we expect the consultant to know the WASH sector and have a good understanding of which actors to speak to.
FINAL DELIVERABLE

This project is expected to deliver a WASH Product Procurement Study, written in accessible plain English and ready for publication, supplied in Word document format. The study will include the following sections:

a. Executive summary
b. Summary of methodology and approach
c. Overview of findings
d. At least one detailed cased study
e. Key recommendations for audiences identified
f. Gaps and future opportunities

The Provider will assign to Elrha all Intellectual Property rights in the Arising Intellectual Property for the Full term of those rights (including any copyright and database rights arising in the future), to the intent that those rights will immediately upon their creation vest in Elrha.

TIMELINE

The intended start date is May 2020 and the period of implementation of the contract will be maximum 6 months from this date.

The final deliverables must be completed by the end of October 2020 with the deadlines for interim deliverables in the table below.

<table>
<thead>
<tr>
<th>Interim Deliverables</th>
<th>Deadline</th>
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<tbody>
<tr>
<td>Inception briefing (project plan)</td>
<td>End month 1</td>
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<tr>
<td>First draft</td>
<td>End month 4</td>
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<tr>
<td>Facilitating feedback meeting</td>
<td>End month 5</td>
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<tr>
<td>Second draft</td>
<td>Early month 6</td>
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<tr>
<td>Final report</td>
<td>End month 6</td>
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</tbody>
</table>

NB – these and additional deadlines for draft versions of reports where appropriate will be agreed with the successful candidate(s).

REPORTING LINES

The consultant will work closely with a HIF Innovation Manager who will have day-to-day oversight of the project. The selected candidate will be expected to work closely with the HIF programme team on the details of the methodology and to maximise the utility of the deliverables. Relevant documents produced by Elrha will be made available to the selected candidate and assistance given in providing contacts for key stakeholders as well as enabling and supporting contact with HIF-funded grantees where appropriate.
QUALIFICATIONS AND EXPERIENCE

We welcome applications from individuals or teams/collaborations with the relevant capabilities and expertise to undertake the consultancy. The following experience should be demonstrated in applications:

- Knowledge of the humanitarian innovation landscape
- Knowledge of procurement and logistics processes in the humanitarian system
- Knowledge of the humanitarian WASH sector
- Established connections within the humanitarian system and within WASH communities of practice or demonstrated ability to make the necessary connections
- Prior track record of conducting relevant research and consultation work particularly in mapping and understanding markets and procurement systems
- Ability to communicate complex material in a clear and concise manner
- Ability to deliver against the timeline
- Able to initiate work in May 2020

BUDGET

The available budget for this work is £20,800 excluding UK VAT but including any taxes that overseas suppliers may be liable for outside the UK.

The budget submitted to us should be broken down by activity and with any allocations for individual team members shown clearly. This should include any travel costs and other expenses. Please indicate if you/your Company is VAT registered and where.

Please note that payment is in arrears and linked to satisfactory completion of specific tasks (i.e. interim deliverables) by the deadlines specified in the timeline.

PROPOSAL SUBMISSION

The application deadline is 23:59 GMT on 17/04/20. We will not be able to consider incomplete applications or applications submitted after the deadline.

We would welcome applications from both individual consultants and small teams, where each member of the team has a clearly defined role related to their specific areas of expertise and there is a lead point of contact for Erha.

We are looking for proposals to demonstrate a concise and clear communication style. Proposals can be submitted as Word documents or PDFs, and should include:

- Summary of candidate(s) and demonstration of relevant experience, including CVs where appropriate
- Covering letter, setting out interest in and suitability for this project against the candidate requirements (maximum 2 pages)
- Examples of relevant research, consultation and publications work conducted previously (maximum 2 pages)
- Outline of proposed approach and methodology, time frame and plan to meet deliverables (maximum 4 pages)
• Proposed budget broken down by activity including day rate (if relevant) in £GBP, all costs, and any taxes.

Please submit applications to hif@elrha.org for the attention of Ian McClelland and with the headline ‘HIF WASH Product Procurement Study.’

EVALUATION

The quality of each technical offer will be evaluated in accordance with the award criteria and the weighting detailed in the evaluation grid below. The award criteria will be examined in accordance with the requirements indicated in these terms of reference.

Upon completion of the technical evaluation, the financial offers will be evaluated. Financial offers exceeding the maximum budget available for the contract are unacceptable and will be eliminated. The best price-quality ratio is established by weighing technical quality against price on a 60/40 basis.

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<thead>
<tr>
<th>Evaluation criteria</th>
<th>Maximum score</th>
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<tr>
<td>Qualifications, experience, knowledge and track record of key staff (including coherence with purpose, objective(s), key activities, and expected deliverables)</td>
<td>[40]</td>
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<tr>
<td>Proposed approach and methodology</td>
<td>[30]</td>
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<tr>
<td>Value for money</td>
<td>[30]</td>
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<tr>
<td>Overall total score</td>
<td>[100]</td>
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DUE DILIGENCE CHECKS AND CONTRACTING

We must ensure any potential supplier is evaluated for compliance to relevant statutory and quality requirements, and that appropriate due diligence checks are carried out, proportionate to the nature and value of the contract.

Due Diligence is our process of reviewing your organisation’s finances, governance structure and business activities (including vetting key team members and/or board members, as applicable). We carry out this process on all our suppliers before we can enter into an agreement.

We run our Contracting process in parallel to our Due Diligence. We have a standard agreement which all providers are expected to sign up to. You can request a copy to info@elrha.org. If you have any questions about this, please include them in your submission.

Thank you.