

To: Offerors

Date: Thursday, August 26, 2021

From: Procurement and Partnerships Team, INVEST Project; Implemented by DAI Global LLC

Subject: Request for Proposals (RFP) INVEST-095 Mobilizing Private Investment for Development: USAID/India WASH

Due: **1:00PM EST on September 23, 2021**

Dear Offerors:

Enclosed is a Request for Proposals (RFP) to support the implementation of DAI's INVEST project funded by the United States Agency for International Development (USAID). DAI invites firms to submit a proposal for work as part of the USAID India Mission.

- I. RFP Process and deadlines:** This solicitation will result in the award of a Fixed Price Subcontract. We anticipate issuing a multi-subcontract award no greater than USD \$400,000-425,000 resulting from the implementation of this agreement.
- a. Submission of Questions – Questions must be submitted no later than **1:00 pm EDT on September 2, 2021** via email to INVEST_Procurement@dai.com.
 - b. Submission of Proposals – Proposals must be submitted no later than **1:00 pm EDT on September 23, 2021** via email to INVEST_Procurement@dai.com, copying Leah_Day@dai.com and Matthew_Mitchell@dai.com. The subject line of the email should be your organization name, followed by “Submission under RFP INVEST-095: USAID India WASH Opportunity Analysis”. Please certify in your submission email a validity period of 60 days for the price(s) provided and include your organization’s DUNS number. Please limit file submissions to 10 megabytes or less.
- II. Composition of Proposal:** Your organization’s proposal should comprise the following submission documents. The Technical Proposal and Cost Proposal should be prepared as separate files for independent evaluation, as follows below. Technical proposals should be submitted as a ten (10) slide presentation, using 12-point standard font size. Graphics may be included, so long as text is clearly legible. If text or graphics are of poor resolution, the information presented may be excluded from consideration. A cover page will be considered a non-counting page, should offerors choose to include one. No additional annexes or documentation are requested nor should be submitted. Submissions in PowerPoint or in PDF are acceptable, although PDF is preferred along with an accompanying PowerPoint document. Please provide a copy of your cost proposal in Excel format.

Part 1 – Technical Proposal

Please limit your technical proposal to no more than ten (10) slides. The technical proposal is composed of the following three (3) sections:

1. **Technical Approach** – Offerors will detail their approach to fulfilling the accompanying Statement of Objectives (SOO). The approach will clearly indicate how the proposed activities will result in the successful completion of all deliverables and milestones within the stated timeframe.
2. **Institutional Capacity** - Offerors should provide details about the experience, networks, expertise, or capacity of their firm (or firms if a partnering arrangement is proposed) to carry out the proposed approach to design, structure, and implement a PSE vehicle(s) that complies with Indian regulations, attracts and leverages private and philanthropic capital, and provides a sustainable and scalable solution. This should also include past performance information for similar contexts.
3. **Management Plan/Staffing Structure** – Offerors should include details of personnel who will be assigned to the activities described in the technical approach, as well as a clear management plan in narrative form for the development, review, and submission of all associated deliverables, including a milestone schedule. Offerors are permitted and encouraged to engage in partnering arrangements if it will aid in providing best value to USAID, regardless of whether organizations belong to the USAID INVEST network. Firms may consider partnering with other firms that bring complementary skill sets and experience given the broad relevant experience and expertise needed to cover the breadth and possible support. If a partnering arrangement is being proposed, please describe the nature of the arrangement, the specific technical value being contributed by each member of the team, and the appropriate management controls to ensure successful delivery.

In addition to the above, please include the following. These inputs will not be counted as part of the 10-slide limit and the format may be PDF or Word:

- Two (2) examples of past performance (i.e., case studies) relevant to this activity (limited to two (2) pages per example)
- CV(s) of any individuals proposed in the staffing plan to conduct this activity (limited to two (2) pages per individual)

A cover slide will be considered a non-counting slide, should offerors choose to include one. No additional annexes or documentation are requested nor should be submitted.

Part 2 – Cost Proposal

The contract type for the presumptive task order(s) will be Fixed Price, awarded as a subcontract by DAI Global, LLC. Please include your total proposed fixed price along with details for specific deliverable pricing. Offerors should also include a cost breakdown of the hourly rates for proposed personnel, if applicable, with a build-up to their total proposed price or include substantiating price reasonableness documentation/justification. Offerors can use the attached cost/budget template; please limit file submissions to 10 megabytes or less.

- III. Evaluation of Proposal:** DAI will use best value determination for the award of this Request for Proposals. A best value determination means that, in DAI’s estimation, the selected offer will provide the greatest overall benefit to USAID in response to the

requirements stated in this RFP. DAI may also exclude an offer from consideration if it determines that an Offeror is "not responsible", i.e., that it does not have the management and financial capabilities required to perform the work required. Proposals will be evaluated against a stated number of factors, including the overall proposed approach, past performance, specific qualifications in the identified sectors, and other evidence substantiating the bidder's ability to deliver, including budget and time frame considerations. Specific preference will be shown for firms with experience conducting similar assessments.

1. **Technical Proposal:** The Technical Proposal will be scored and evaluated separately from the cost proposal. Technical panel reviewers will evaluate offerors on the following factors, consistent with the offerors' technical proposal.
 - a. **Technical Approach (40 points)** - Points for this section will be awarded based on the information presented in the technical approach that address the statement of objectives. The technical approach should be tailored to one or more of the four target states and clearly explain how the offeror will consider and integrate blended finance elements and stakeholders to attract PSE that are both non-financial and financial. The offeror should present a clear catalytic role for USAID India that is aligned with USAID India's development objectives and quantifies the leverage value of USAID funds. The technical approach should clearly note how the proposed project is sustainable and scalable and highlight the anticipated sources and amounts of capital that will be leveraged. The offeror should outline how they plan to identify and onboard actors that are key to promoting PSE.
 - b. **Institutional Capacity (30 points)** – Points for this section will be based on information presented in the corresponding section and any submitted case studies. The offeror should demonstrate, where applicable, their institutional experience with the following:
 - Work with key stakeholders in the WASH sector and private sector engagement activities
 - Design, structuring, and implementation of PSE vehicles that comply with national and state regulations, and attract and leverage private sector resources, networks and capital
 - Sustainable and scalable solutions that address development objectives
 - Development of blended finance approaches that combine philanthropic capital, credit enhancements and debt or equity capital
 - Relevant experience and initiatives in environments similar to India
 - Previous work experience in India
 - c. **Management Plan/Staffing Structure (30 points)** - Points for this section will be based on the qualifications of proposed staff, clear delineation of the roles and responsibilities of each proposed staff and each proposed firm (if firms are partnering), and the demonstrated efficacy and clarity of the management plan. Proposals should indicate the location of each member of staff and each firm, and the proposed approach for collaboration and coordination across locations if applicable. Proposals should provide a clear management plan in narrative form for the development, review, and submission of all associated deliverables, including a proposed milestone schedule. If the offeror is submitting a proposal along with partners, the proposal should describe the nature of the arrangement

(i.e. added technical value), the division of labor among the partners, and the appropriate management controls to ensure successful delivery. Offerors should clearly demonstrate that they can work in India physically and have an established physical presence in India or have at least one partner of their consortium with a physical presence in India (if partnering), and clearly indicate the proposed staff who are located in India.

- 2. Cost Proposal:** Cost will be evaluated separately from the technical approach, with due consideration for realism, price reasonableness, and allowability consistent with US government cost principles. Evaluation for this section will be dependent upon all information presented by the Offeror in their deliverable table and supporting cost information, as well as its alignment with the proposed technical approach. Budgets will be analyzed for cost reasonableness of the deliverable price as well as the cost build-up.
- IV. Offeror's Agreement with Terms and Conditions:** The completion of all RFP requirements in accordance with the instructions in this RFP and submission to DAI of the technical and price proposals will constitute an offer and indicate the Offeror's agreement to the terms and conditions in this RFP and any attachments hereto. DAI is not required to accept and/or evaluate proposals that do not conform to the instructions of the RFP, and additionally, DAI may reject all proposals and not award a subcontract for this RFP. DAI reserves the right to award a subcontract without discussion and/or negotiation; however, DAI also reserves the right to conduct discussions and/or negotiations, which among other things may require an Offeror(s) to revise its proposal (technical and/or price). By submitting an offer, Offerors agree to comply with the general terms and conditions for an award, including [Representations and Certifications](#) compliance. Offerors must provide full, accurate, and complete information in response to this solicitation. By submitting an offer, Offerors certify that they have not/will not attempt to bribe or make any payment to DAI employees in return for preference. Issuance of this RFP in no way obligates DAI to award a subcontract, nor does it commit DAI to pay any costs incurred by the Offeror in preparing and submitting the proposal. DAI reserves the right to award a subcontract to one organization or to issue multiple awards to different organizations based on the results of our evaluation.

V. Reference Documents

The PSE Landscape Review and Opportunity Analysis report from Part 1 of this work is referenced in the SOO. The complete report is available upon request. This document is proprietary in nature. Therefore, in order to receive it, each individual from the requesting organization must fill out and send to the INVEST_Procurement@dai.com mailbox a signed NDA (Non-Disclosure and Conflict of Interest) document attached to the solicitation email.

Thank you,

DAI INVEST Procurement and Partnerships Team
INVEST_Procurement@dai.com

Statement of Objectives under RFP INVEST-095 Mobilizing Private Investment for Development: USAID/India WASH

Introduction

USAID seeks to unlock the potential of private capital to drive inclusive growth. Increasingly, private investors and businesses are looking to emerging markets for better returns and new market opportunities. Specifically, USAID can leverage its resources – grants, technical assistance, guarantees, and convening power – to help raise awareness of investment opportunities, lower transaction costs, and mitigate the risk of investments that generate positive social, economic, and environmental impact.

Through INVEST’s flexible buy-in mechanism, USAID Missions and Operating Units can access an unprecedented network of firms and individuals that have the range of technical expertise needed to identify opportunities and effectively mobilize private capital toward development priorities. Using a lean approach tailored to high potential opportunities, relevant parts of the network will come together to research, develop, and build specific solutions that align private capital with development needs.

Background

In India, 163 million people do not have access to safe water and 210 million lack access to improved sanitation as of 2017¹. The UN Sustainable Development Solutions Network’s Sustainable Development Goals (SDG) Index Report 2019 observes that India needs to increase its pace to reach the SDG 6 targets for 2030. Currently, India is on track for a 50% shortfall in water supply by 2030, according to the World Economic Forum². However, India did improve in SDG 6, Clean water and Sanitation, over the past year. Improvement in this area resulted in an increase in India’s overall SDG ranking by 6 points, from 60% in 2019 to 66% in the 2020-2021 report³.

According to the National Institute for Transforming India (NITI) Aayog in 2019, 75 percent of households in India do not have access to drinking water on their premises⁴. The NITI Aayog analysis also finds that the worst-performing states in the SDG 6 indicators are not those that face water supply shortages – a clear indication that water management and governance are key contributors to increasing access and improving service delivery. Wastewater treatment is also a critical issue – about 72,368 million liters per day (mld) of wastewater is generated in urban centers, and treatment capacity is just 51% of this amount⁵.

¹ <https://www.orfonline.org/research/tracking-indias-progress-in-clean-water-and-sanitation-a-sub-national-analysis-67139/>

² <https://www.weforum.org/agenda/2021/05/4-ways-to-scale-up-finance-for-indias-water-sector/>

³ <https://pib.gov.in/PressReleasePage.aspx?PRID=1723952>

⁴ https://niti.gov.in/writereaddata/files/document_publication/2018-05-18-Water-index-Report_vS6B.pdf

⁵ <https://cpcb.nic.in/openpdffile.php?id=UmVwb3J0RmlsZXMvMTIyOF8xNjE1MTk2MzIyX21lZGlhcGhvdG85NTY0LnBkZg==>

In 2017, it was estimated that US\$291 billion in water and wastewater investments would be needed by 2030 to meet the demand in India⁶. Traditionally, improvements in water and wastewater have focused on developing the infrastructure while less importance has been given to service provision outcomes and financial/commercial sustainability. This has led to skewed contracting, performance shortfalls, and financial and commercial viability challenges. In addition, tariff controls, governance challenges, and the overall political economy of water and wastewater consistently impede policy reform and implementation.

The sector regulations encourage private sector involvement in the delivery of water, sanitation and hygiene (WASH) services, but the WASH sector has proved difficult to attract private sector engagement and capital. USAID India believes that an integrated approach that promotes and facilitates private sector engagement (PSE) and sustainable financing in the WASH sector can enhance the impact of USAID's commitment to improving access to services in India's Urban WASH sector.

PSE Landscape Review and Opportunity Analysis

Between January and July 2021, USAID India and INVEST undertook a PSE Landscape Review and Opportunity Analysis of the water and sanitation sectors. After an initial review of these sectors and PSE factors in India, the report identified four states for deeper PSE analysis⁷. The report provided the following:

- Identified and evaluated companies with a strong presence and business models in the water and sanitation value chains.
- Determined the financing needs by business model within the value chain and the business case for each model.
- Identified financing solutions currently available (debt, equity, blended instruments, pay for results, etc.) and mapped these to the needs of companies.
- Recommended financing solutions and non-financing interventions based on discussions with SMEs, financiers, and other key stakeholders.
- Noted the catalytic role that USAID could play in engaging the private sector to improve development outcomes.

Some of the interventions that were examined included upstream technical assistance and business advisory services, transaction advisory services, blended finance vehicles with credit enhancements, and performance-based incentives, and creation of a targeted Fund. This report is not an exhaustive list of options and USAID welcomes variations on the models outlined in the report and other viable PSE interventions that are aligned with the objectives of this RFP.

To receive this report, please complete and sign the attached non-disclosure agreement (NDA) and send your NDA to the following email address: INVEST_Procurement@dai.com with the email subject line "NDA for RFP INVEST-095 India WASH." Please note that INVEST requires an

⁶ <http://www.fii-news.com/india-will-need-us291bn-water-demand-supply-gap-2030/>

⁷ The four states of focus in the Landscape Review and Opportunity Analysis report are Maharashtra, Karnataka, Andhra Pradesh, and Madhya Pradesh

NDA from each person/email that requires access to the report. INVEST will share access to the report with individuals that submit an NDA via a Google Drive.

Objectives and Activities

Under this activity, INVEST seeks to identify a firm or consortium of firms that can design, structure, and implement a PSE vehicle that complies with Indian regulations, attracts and leverages private and philanthropic capital, and provides a sustainable and scalable solution that improves development outcomes in the water and sanitation sectors. In developing the proposed solution and undertaking this work, INVEST expects that the firm(s) will:

- Align and confirm that the proposed solution is in compliance with the Indian regulatory and legal environment and can be implemented immediately.
- Take into account the report findings on investments in key value chain segments that meet the commercial and financial viability expectations of investors in terms of returns, cash flows, project sizes, growth drivers, and risk appetite.
- Consider and integrate blended finance elements and stakeholders to attract PSE that are both non-financial (e.g. technical assistance and business advisory services to SMEs) and financial (e.g. transaction advisory services, Corporate Social Responsibility (CSR) and philanthropic foundation funds, credit enhancements, and on-going programs by USAID India and other development finance partners).
- Engage with other USAID India projects (e.g. SUWASI) to ensure coordination, complementarity, and non-duplication of efforts.
- Present a clear catalytic role for USAID India that is aligned with USAID India's development objectives and quantify the leverage value of USAID funds.⁸
- Note clearly how the proposed project is sustainable and scalable and describe the anticipated sources and amounts of capital that will be leveraged.

The approach proposed by the firm(s) should be tailored to one or more of the four target states. A firm may submit more than one proposal if seeking support to address more than one approach. Each proposal will be evaluated on an individual basis.

Illustrative interventions that may be proposed include, but are not limited to:

- Specific PSE interventions in WASH based on gaps identified in consultation with state governments, key stakeholders, and partners.
 - Identification and onboarding of actors that are key to promoting PSE including CSR players, philanthropic foundations, Development Finance Institutions, risk investors, and service providers.

⁸ Please note that USAID INVEST funds are primarily intended to catalyze private sector investment through technical assistance, transaction advisory services, fund structuring, catalytic capital for guarantees or first loss funds, and success fees for deal closure. USAID funds may not be used for grants or for direct debt or equity investments.

- Structuring and implementing blended finance approaches that address key factors such as SME technical assistance and business advisory, transaction advisory, credit enhancements, and performance-based incentives, among others.
- Structuring and raising capital for a WASH focused Fund, including legal structuring, pipeline development, investor outreach, capital raise, and deployment.

Please note that Offerors should present clear and tangible deliverables and results to be achieved by September 30, 2022. Given that this time frame may not allow for the full implementation of some approaches, Offerors should present a clear plan for how the proposed PSE mechanism will be sustained after this date and include measurable and attainable goals that are expected to ultimately be achieved.

Illustrative deliverables

There are a number of PSE mechanisms and structures that may be implemented under this project. Below are a few illustrative examples of the deliverables that INVEST would expect under this contract.

- Inception report confirming work plan, detailed activities, blended finance components, and key assumptions around timing, milestones and targets.
- Monthly reports noting progress toward milestones, soft/hard commitments from other capital sources, challenges, and next steps, among others.
- Technical assistance and transaction advisory structure in place with investment criteria and opportunity pipeline, business advisory services, transaction advisory services, financier mapping, and deal closure targets.
- Engagement agreements for transaction advisory support and loan applications, and pitch decks for potential financiers.
- Investment Fund structure in place with purpose, legal registration, investor documents, investment criteria, pitch decks, and capital raise targets. Fund updates with investor outreach, capital raised, and sources of capital.
- Transaction detail reports with deal closure amount, supporting evidence, total capital mobilized, and anticipated development impact.

Offerors should note anticipated deliverables and a timetable as part of their proposal. As noted above, it is possible that some approaches may continue beyond September 30, 2022 and, in this case, the timetable should include any future work/outcomes that are expected to be ultimately achieved.

Role of INVEST Project

INVEST will work closely with USAID/India and the selected partner(s) during all stages of this work. DAI will subcontract the selected partner(s) directly and provide review and oversight throughout the life of the activity in accordance with INVEST's lean management approach. DAI will administer weekly check-ins (as needed), reporting, deliverable review prior to client presentation and approval, and manage an ongoing ME&L framework.

- **Partner Onboarding:** DAI will work closely with USAID India to provide the successful offeror(s) with all necessary context and information in order to avoid duplication of efforts.
- **Project Implementation:** The selected partner(s) will implement the work as prescribed by the work plan(s). DAI will provide management support and ensure regular check-ins/reporting
- **Ongoing Monitoring, Evaluation, and Learning:** DAI will define indicators in subcontract, and collect and review M&E data from subcontractors for requisite reporting to USAID. DAI will conduct data quality assessments as necessary.

Duration and Place of Performance

This engagement is expected to commence in October 2021 and be completed by September 30, 2022. Work for this activity is expected to take place primarily in India with remote work supplementing on-the-ground implementation, if necessary. Given the global Covid-19 pandemic and impacts on travel, offerors should propose at least one partner of their consortium with a physical presence in India and include proposed staff already located in India. The successful offeror will demonstrate that they can work in India physically and will demonstrate how any remote portions of work will supplement on-the-ground implementation.

Contract type and budget ceiling

DAI will award a fixed price subcontract. The budget should be between \$400,000 – \$425,000.

Reference Documents

The PSE Landscape Review and Opportunity Analysis report from Part 1 of this work is referenced in the SOO. The complete report is available upon request. This document is proprietary in nature. Therefore, in order to receive it, each individual from the requesting organization must fill out and send to the INVEST_Procurement@dai.com mailbox a signed NDA (Non-Disclosure and Conflict of Interest) document attached to the solicitation email.

USAID INVEST Project

Non Disclosure/Conflict of Interest Form

The below company and representative intend to submit a proposal in response to Request for Proposals (RFP) INVEST-095 in support of USAID/India WASH (Mobilizing Private Investment for Development) and hereby requests access to the supplemental documentation:

- Company Name:
- Representative:
- Title:
- Email (to be used to access document folders on Google Drive):

I hereby agree to the following:

1. I will use the documents and all information therein other than information otherwise available without restriction, for proposal preparation purposes only. I will safeguard the documents and will not and have not disclosed them, or any information contained in them (other than information otherwise available without restriction), except as directed or approved by the INVEST Procurement Officer or his/her designee.
2. I will ensure that any authorized restrictive legends placed on the proposals by prospective contractors, will not be applied to any reproduction, or abstract of information, made by me.
3. Upon submitting a response to RFP INVEST-095, I will destroy and/or delete all documents received, and any abstracts thereof, initially furnished to me by the USAID INVEST project.
4. Unless authorized by the INVEST Procurement Officer in advance in writing I will not and have not, -- whether before, during, or after the concept/proposal preparation process -- contacted representatives from USAID/India concerning any aspect of the supplemental documentation or information found therein.
5. I have carefully reviewed my employment (past, present, and under consideration) and financial interests, as well as those of my household family members. Based on this review, I certify, to the best of my knowledge and belief as of the date indicated below, that I **have no actual or potential conflict of interest, personal or organizational, related to this procurement.** I understand that I will also be under a continuing obligation to disclose, and act as instructed concerning, such conflicts discovered at any time prior to the completion of the evaluation.

Name:

Signature:

Title:

Date:

**RFP INVEST-095 Mobilizing Private Investment for Development:
USAID/India WASH
Q&A**

- 1. The SOO mentions “tangible deliverable” under the “Objectives and Activities” section in the SOO. Could INVEST kindly clarify what is expected as tangible deliverable?**

Answer: The SOO notes that “Offerors should present clear and tangible deliverables and results to be achieved by September 30, 2022.” It is for the Offeror to state what these deliverables will be by that date and to define these deliverables in quantitative and qualitative terms, e.g. structures in place, investors engaged, sources and value of capital raised, etc.

- 2. On page 3 the RFP states, “The approach proposed by the firm(s) should be tailored to one or more of the four target states.” Are firms required to submit the approach for all four focus states or can they submit any one of the approaches for given state?**

Answer: Offerors should describe the approach they propose to use in one or more states. If the Offeror feels it is necessary to tailor the approach further to the specific states that they propose to work in, then the Offeror should note the state-specific approach in the proposal.

- 3. The SOO mentions that “the proposed approach by the firm(s) should be tailored to one or more of the four target states. A firm may submit more than one proposal if seeking support to address more than one approach.” Is this after completion of the given project or part of the deliverable of this project?**

Answer: This is part of the deliverable of this project. Firms should submit more than one proposal if they are proposing more than one approach to the overall work or in particular states.

- 4. On page 3 the RFP states, “A firm may submit more than one proposal if seeking support to address more than one approach.” Please clarify what is meant by approach, are these linked to the Final Opportunity Analysis report (slide 8 on business model/ slide 22 on financing instrument)? For e.g. If the firm will be planning to demonstrate PSE vehicles focus only on FSSM within water and sanitation. Would that be considered as an eligible approach under this RFP?**

Answer: Offerors may consider submitting more than one proposal if, for example, they are 1) presenting more than one technical approach to private sector engagement (e.g. financial instrument), 2) proposing a distinctly different approach in different states, or 3) presenting one approach for water sector financing and another approach for sanitation sector financing.

- 5. Given the varied needs of enterprises/ business models across both the water and sanitation sectors as well as urban and rural areas across the 4 selected states, multiple PSE vehicles may need to be designed and structured as mentioned in the SOO. Does USAID India have any priority business models that would need to be supported?**

Answer: Offerors should propose the models that they feel most capable of delivering and that take into consideration the funding (available under INVEST and other funds that the offeror expects to leverage) as well as the landscape assessment work and other relevant documents.

USAID India is looking for viable, sustainable and replicable models that can support development objectives in the WASH sector.

6. **On page 3 the RFP states, “INVEST seeks to identify a firm or consortium of firms that can design, structure, and implement a PSE vehicle that complies with Indian regulations, attracts and leverages private and philanthropic capital, and provides a sustainable and scalable solution that improves development outcomes in the water and sanitation sectors.” Can INVEST please clarify the minimum number of such PSE vehicle structuring that are expected under this RFP? Can INVEST indicate any specific priority sector to focus on.**

Answer: Offerors are expected to propose the type and number of PSE vehicles that they feel most capable of delivering and that take into consideration the landscape assessment work, previous implementation in India or similar environments, and other relevant documents as well as the timeframe and budget for implementation. There is not a minimum number of PSE vehicles expected under this RFP. USAID is looking for a strong value for money proposition and viable, sustainable and replicable models. The priority sectors for this work are Water, Sanitation and Hygiene.

7. **On page 3 the RFP states, “Identification and onboarding of actors that are key to promoting PSE including CSR players, philanthropic foundations, Development Finance Institutions, risk investors, and service providers.” Can INVEST please clarify the specific number(s) of actors to be identified and getting them onboard? Also, can INVEST indicate a specific target number of actors across each actor category as stated in the RFP?**

Answer: Offerors are expected to identify and present the actors necessary to the successful implementation of the proposed approach. The number and category of investors are for the Offeror to determine and present as part of their proposal.

8. **Apart from the INVEST engagement, does USAID intend to contribute catalytic capital to the PSE vehicle? If yes, please elaborate the nature and quantum of this support?**

Answer: USAID India does not intend to contribute catalytic capital to the PSE vehicle. Offerors should note the typical uses of INVEST funds as stated in the footnote on page 3 of the SOO.

9. **The RFP states – ‘*This solicitation will result in the award of a Fixed Price Subcontract. We anticipate issuing a multi-subcontract award no greater than USD \$400,000-425,000 resulting from the implementation of this agreement.*’ Does this imply that there will multiple awards each with a value not greater than USD \$400,000 - 425,000 (or) Does this imply that there will multiple awards with a total value not greater than greater than USD \$400,000 - 425,000?**

Answer: INVEST may decide to make one award for the full budget amount of \$400,000 – 425,000 or may decide to make more than one award if the proposals presented allow for this. Multiple awards may be considered advantageous if, for example, Offerors target distinct states or choose to focus on either water or sanitation. Offerors are free to submit a proposal for up to the total amount of \$400,000 – 425,000 if this is needed to implement the proposed work. Ultimately, the award decision will be based on technical quality and value for money to achieve viable, sustainable and replicable private sector engagement and development outcomes in WASH.

- 10. Given that you anticipate issuing a multi-subcontract award, is the budget \$400K – \$425K for each potential award, or is this cumulative across all awards? And do you have an estimate on how many subcontracts are expected to be awarded?**

Answer: See response to Q10 above.

- 11. In Section: I. RFP Process and deadlines: “This solicitation will result in the award of a Fixed Price Subcontract. We anticipate issuing a multi-subcontract award no greater than USD \$400,000-425,000 resulting from the implementation of this agreement.” Will you kindly clarify the meaning of “a multi-contract award” ? Will you plan to conclude several contracts for this RFP, or one contract for the amount ?**

Answer: See response to Q10 above.

- 12. On page 5, “DAI will award a fixed price subcontract. The budget should be between \$400,000 – \$425,000.” Is the budget of USD 425,000-450,000 towards the advisory or includes implementation as well? Is the total budget inclusive of Taxes / OPE?**

Answer: The budget of \$400,000 - \$425,000 should cover all costs for implementation including labor, preparation costs, material costs, travel costs, taxes, VAT, and any other direct or indirect cost necessary to provide services and deliverables under this project. Please note, you mention two different budget figures in this question. The budget is \$400,000 - \$425,000, as addressed in the first part of your question and as listed on page 5 of the SOO.

- 13. Is prior experience executing a project in India a requirement to be considered for this RFP?**

Answer: Yes. This experience is preferably by the prime subcontractor, but this condition may also be met in a consortium proposal where one or more key implementers have a presence and experience executing projects in India.

- 14. Does INVEST have any preferences about the type of entity that should house/ manage the PSE vehicle?**

Answer: INVEST does not have a preference on the type of entity that should house/manage the PSE vehicle. The entity proposed will be reviewed and approved by USAID. The vehicle should be legally compliant, sustainable and replicable.

- 15. It is mentioned “INVEST seeks to identify a firm or consortium of firms that can design, structure, and implement a PSE vehicle that complies with Indian regulations, attracts and leverages private and philanthropic capital, and provides a sustainable and scalable solution that improves development outcomes in the water and sanitation sectors.” As per the scope of work, a solution is to be deployed, (fund of funds/ debt guarantee etc.) which will require a 3rd party who will host the fund (such as a bank). It is our understanding that the 3rd party will be identified jointly by bidder, DAI and USAID and contracted separately by DAI. Please confirm if our understanding is correct?**

Answer: If a 3rd party will host a Fund, this party will be proposed by the Offeror and approved by USAID India and INVEST. The sole contractual arrangement for all work on this project will

be between INVEST and the firm submitting the proposal. No other separate contracts will be entered into with other parties.

- 16. On page 3 “Align and confirm that the proposed solution is in compliance with the Indian regulatory and legal environment and can be implemented immediately”. As per Indian regulations consulting firms can neither provide legal services nor can they sub-contract/ formulate a consortium with a legal entity. As such, any legal services to be provided would be by way of a service agreement wherein the law firm/ legal consultant should be appointed on behalf of the client as a service provider and we would coordinate between the client and such law firm. This is because as per regulations in India we cannot advise on legal matters including carrying out any legal drafting work. Our inputs will only be from a technical/ operational/ regulatory perspective.**

Answer: Within the existing legal and regulatory frameworks, Offerors must ensure that the technical approach and vehicle that they propose are in compliance with India law.

- 17. Should the details of tax and legal experts to be involved in the process, included at this stage itself?**

Answer: Offerors should present in their proposal and include in their budget all firms and/or individuals involved in this work, including tax and legal experts, and clearly detail all firms’ or individuals’ scope of work.

- 18. On page 4, “Structuring and raising capital for a WASH focused Fund, including legal structuring, pipeline development, investor outreach, capital raise, and deployment.” What activities are expected to be conducted under investor outreach? Request clarity in respect to activities/ outcomes envisaged under capital raise, including the targeted quantum of the same.**

Answer: Offerors are expected to outline the activities to be undertaken for investor outreach and quantify the capital raise needs and milestones. Investor outreach and capital raises typically include vehicle structuring, investor mapping and targeting, pipeline development, transaction advisory services, negotiation of investments, exit strategy and deal closing, among others.

- 19. Can the hosting vehicle be based overseas or does it need to be necessarily in India?**

Answer: The vehicle must be in compliance with Indian laws related to registration, hosting, tax reporting, etc. Offerors should present a compliant vehicle that is best suited to the project implementation and proposed approach.

- 20. As this a complex proposal which would potentially involve multiple parties, therefore, we request at least a full 3 weeks (from the date of issue of clarifications) for submission of the proposal. Request to extend the same accordingly.**

Answer: As there are no substantial changes or additions to the Statement of Objectives as a result of this Q&A, no extension will be granted. Proposals should be submitted by 1:00pm EDT on September 23, 2021.