



To: Offerors

Date: Tuesday, February 20, 2018

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

Subject: Request for Proposals (RFP) INVEST-002 Mobilizing Private Investment for Development: Power Africa/USAID Kenya

DUE: 5pm EDT on March 12, 2018

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 to be funded by USAID under the Power Africa/USAID Kenya Buy-in Contract.

- I. RFP Process and deadlines:** This solicitation will result in the award of Fixed Price Purchase Order. We anticipate issuing a single subcontract award between \$350,000 - \$425,000 resulting from the implementation of this agreement.
- a. Submission of Questions – Questions must be submitted no later than 5:00 pm EST on February 22, 2018 via email at INVEST_Procurement@dai.com. DAI will respond to these questions in approximately three (3) business days.
 - b. Submission of Proposals – Proposals must be submitted no later than **5:00 pm EDT on March 12, 2018** via email at INVEST_Procurement@dai.com, copying matthew_farrell@dai.com and emily_foster@dai.com. The subject line of the email should be your organization name, followed by “Submission under RFP INVEST002: Power Africa/USAID Kenya.” Please certify in your submission email a validity period of 30 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:** The proposal comprises the following submission documents. Technical Proposal and Cost Proposal should be prepared as separate files for independent evaluation, as follows below. Submissions in Word or in PDF are acceptable, although PDF is preferred along with an accompanying Word document. Please provide a copy of your cost proposal in excel format as well.

Part 1 – Technical Proposal

Please limit your technical proposal to no more than five (5) pages. Appendices are considered non-counting pages.

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.

2. **Institutional Capacity** – Offerors should provide details about the experience, expertise or capacity of their firm to recommend the proposed approach and complete the work as described. This should also include past performance information for Kenya or similar contexts.
3. **Management Plan/Staffing Structure** – Offerors should include details of personnel who might be assigned to the activities described in the technical approach, as well as a clear management plan for the development, review, and submission of all associated deliverables, including a milestone schedule. Offerors are permitted to engage in partnering arrangements that will aid in providing best value to USAID, regardless of whether organizations belong to the USAID INVEST network. If a partnering arrangement is being proposed, please describe the nature of the arrangement and the appropriate management controls to ensure successful delivery.

Included as an annex, please include:

- One (1) to two (2) case study examples of past performance relevant to this activity (limited to two (2) pages per case study)
- CV(s) of any individuals proposed in the staffing plan to conduct this activity (limited to two (2) pages per individual)

Part 2 – Cost Proposal

The contract type for the presumptive task order 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 and a description of award/performance fees to incentivize a focus on proposed performance criteria. 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 are expected to use their own cost/budget template(s); 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 Power Africa and USAID Kenya in response to the requirements stated in this RFP. Proposals will be evaluated against a stated number of factors, including the overall proposed approach; past performance; specific qualifications providing investment advisory services, opportunities for blended finance solutions, country context in the desired regions and other evidence substantiating the bidder's ability to deliver; and budget and time frame considerations.

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 (50 points)** - Points for this section will be awarded based on the information presented in the technical approach. Points will be awarded to firms describing their thoughtful approach to addressing the statement of objectives. The offeror will be scored based on its presentation of a clear

approach which reflects the requirements of this specific activity but also incorporates the offeror's unique competencies.

- b. **Institutional Capacity (30 points)** - Points for this section will be based on information presented in the corresponding section. Preference will be given to firms that have past performance in timely and successful delivery of similar services in Kenya.
- c. **Management Plan/Staffing Structure (20 points)** – Points for this section will be based on the qualifications of proposed staff and the demonstrated efficacy of the management plan.

- 2. **Cost Proposal:** Cost will be evaluated separately from the technical approach, with due consideration for 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, inclusion of a performance fee structure, and supporting cost information, as well as its alignment with the proposed technical approach.

- 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). 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.

Thank you,

DAI INVEST Procurement and Partnerships Team

INVEST_Procurement@dai.com

The INVEST Project: Mobilizing Private Investment for Development Statement of Objectives for Power Africa USAID Kenya

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. Encouraging investment in high-impact areas important to USAID such as agriculture, financial services, infrastructure, energy, clean water, health, and education, requires new forms of collaboration between USAID and the investment community. 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.

In support of its efforts to promote blended finance within the agency, the USAID Office of Private Capital and Microenterprise (USAID/PCM) awarded the INVEST contract to DAI in September of 2017. Through INVEST's flexible buy-in mechanism, USAID Missions and Operating Units are able to 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.

Recent innovations in solar system and mini-grid business models have led to rapid progress in off-grid electrification – with innovative products, strong investor and donor interest, and political support toward expanding energy access. Despite this success, off-grid energy systems are accessible to a small fraction of the market. Off-grid energy businesses have the potential to scale to rapidly deliver energy access to millions of households across sub-Saharan Africa for the first time. However, growth is at risk as businesses require support to address the increasingly complex financial and business operational realities that rapid growth entails.

Implementation Objectives

This activity will establish potential growth criteria to identify a select group of off-grid energy businesses and determine capital or other (technical and investment advisory services, capacity building, etc.) requirements for enterprise growth. This support will facilitate the ability of these companies to grow their operating capacity and attract and raise critical growth capital, as well as work to determine the appropriate type of capital providers in-country.

Advisory services will be specifically designed to help position selected solar system and mini-grid companies to receive external funding over a 12-24 month period for purposes including, but not limited to, investments that: improve products for target markets, expand operations in new or existing markets, and increase service delivery. The type and level of support to solar system and mini-grid companies will depend on the needs and stage of each firm. Support may include technical and investment advisory services that address operational, managerial, governance, and financial issues as well as investor and strategic partner (e.g. supplier, distributor, customer) matchmaking as required/requested by the companies, and subject to availability of funds to maximize number of companies supported. Critically, these advisory services could support the following: new customer identification and targeting, customer segmentation by product offering, sales force deployment, pay-as-you-go credit eligibility determination, financial risk management and planning for appropriate debt and equity mobilization, and development of term sheets. Offerors are encouraged to leverage innovative techniques to position the companies to receive external funding at scale.

As appropriate, advisory services could seek to develop financial products that would ultimately benefit a broader group of companies and increase competitiveness of the sector. However, the structuring of these vehicles/models will be dependent on the relevance to needs of target companies selected, in-country capital providers, country-specific regulations and financial market sophistication, and in concurrence with the Kenya Mission. It is expected that the structuring efforts may entail mobilization of local financial intermediaries as well as local or international providers of subordinated funding and/or risk sharing mechanisms.

In order to select and develop high-potential solar system and mini-grid companies to attract investment, increase competition within the sector, and build the evidence base for mobilizing private capital to achieve Power Africa development objectives, the selected partner(s) will be expected to engage in the following work phases:

- Work with the USAID Mission and their Power Africa consultants (including the Power Africa Transaction and Reforms Program (PATRP) project consultants in Kenya) to develop accurate criteria for identifying and/or verifying the highest potential enterprises (3-5) that will be the targets for this assistance, preferably tailored to solar system and mini-grid companies;
- Determine what support and technical assistance the companies require (provide technical and investment advisory services to address operational, managerial, governance and/or financial issues identified, to include, as appropriate, investment vehicles and operational models). The advisory services should support new customer identification and targeting, customer segmentation by product offering, sales force deployment, pay-as-you-go credit eligibility determination, financial risk management and planning for appropriate debt and equity mobilization;
- Identify providers of capital in-country and external (company profiles will inform the type of financial source(s) to focus on) and work with providers to develop financial product(s) based on the needs of the identified companies. It is expected that the structuring efforts will entail mobilization of local financial intermediaries as well as local or international providers of subordinated funding and/or risk sharing mechanisms.

Offerors are encouraged to submit creative ideas for this work, in describing an approach for identifying/categorizing and working with potential firms and capital providers, as well as recommending a contract mechanism that includes award/performance fees to incentivize a focus on proposed performance criteria such as advancements toward mobilizing investments or the number of firms assisted. Offerors should also include a recommended set of indicators that will be measured and reported on to indicate success, a description of their proposed approach to knowledge capture/lessons learned, and a framework to coordinating with all relevant Power Africa activities and with consultants working on related topics within the Missions.

Place of Performance

It is anticipated that time spent on the ground in Kenya will be an important aspect of the approach and resulting workplan. Offerors should prepare a recommendation of the amount of estimated time in-country as part of their response.

General Implementation Structure

Activity 1: Onboarding and Work-Planning

- Partner Onboarding: DAI will work closely with Mission staff to provide the selected partner(s) with all necessary context, and work with Mission staff and the selected partner(s) to develop work plan(s)

Activity 2: Implementation and Evaluation

- Project Implementation: The selected partner(s) will implement the work as prescribed by the work plan(s). DAI will provide management support and ensure periodic (e.g. monthly and quarterly) check-ins/reporting
- Ongoing Evaluation: 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.

General Implementation Timeframe

Activity	Timeframe
Activity 1: Onboarding & Workplanning	1-2 weeks
Activity 2: Implementation and Evaluation	12-24 months