



To: Offerors

Date: Wednesday, December 5, 2018

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

Subject: Request for Proposals (RFP) INVEST-012 Energy and Extractives Transaction Advisory Support

DUE: 1:00PM EDT on **Thursday, December 13, 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 as part of the USAID Afghanistan buy-in.

- I. RFP Process and deadlines:** This solicitation will result in the award of Fixed Price subcontract. We anticipate issuing a single subcontract award resulting from the implementation of this agreement.
- a. Submission of Questions – Questions must be submitted no later than **5:00 pm EST on December 10, 2018** via email at INVEST_Procurement@dai.com.
 - b. Submission of Proposals – Proposals must be submitted no later than **1:00 pm EDT on Thursday, December 13, 2018** via email at INVEST_Procurement@dai.com, copying matthew_farrell@dai.com and talin_baghdadlian@dai.com. The subject line of the email should be your organization name, followed by “Submission under RFP INVEST-012: Energy and Extractives Transaction Advisory Support” 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 five-slide presentation. 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 five (5) slides. The technical proposal is composed of the following three (3) sections:

1. **Institutional Capacity** – Offerors should provide details about the experience, expertise, or capacity of their firm to recommend the proposed approach and complete the work described. Offerors should detail existing relationships and

demonstrate their experience and expertise in advising, structuring, and executing investment deals in energy and extractives with the public sector. Additionally, offerors should detail their experience working in Afghanistan and/or the energy and extractives industries, with specific references to their existing networks in country and understanding of financing needs of potential investees.

2. **Staffing Plan** - Offerors should include details of personnel who would be assigned to the activities described in the technical approach. Offerors are permitted 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. 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.
3. **Management/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.

In addition to the above, please include the following. These inputs will not be counted as part of the 5-slide limit and the format may be PDF or Word:

- 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)

A cover slide will be considered a non-counting slide, should offerors choose to include one. No additional annexes or documentation are requested now.

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. 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 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 niche experience in the technical aspect(s) required to complete this work, including experience in energy and

extractives investment deals and in Afghanistan, as well as deep, pre-existing relationships for advising, structuring deals, partnerships and/or strategies.

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. **Institutional Capacity (50 points)** - Points for this section will be based on information presented in the corresponding section and any submitted case studies. Preference will be given to firms that have past performance in timely and successful delivery of similar services and/or relevant experience in transaction advisory services and closing investment deals in energy and extractives, as well as experience in Afghanistan. The offeror will also be scored based on evidence of existing relationships with the public sector, investors, and other relevant entities that are at the forefront of this work. The offeror must demonstrate their network in Afghanistan and a proven ability to conduct the assessment referenced in the SOO in an efficient and effective manner.
 - b. **Staffing Structure (30 points)** – Points for this section will be based on the qualifications of proposed staff and clear delineation of the roles and responsibilities of each proposed staff and each proposed firm (if firms are partnering).
 - c. **Management/Technical Approach (20 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 and the demonstrated efficacy and clarity of the management plan. 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 competencies.
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.

- 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.

Thank you,

DAI INVEST Procurement and Partnerships Team

INVEST_Procurement@dai.com

The INVEST Project: Mobilizing Private Investment for Development
Statement of Objectives for RFP INVEST-012
Energy and Extractives Transaction Advisory Support, USAID/Afghanistan Buy-In Activity
December 5, 2018

Introduction

USAID/Afghanistan 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 such as agriculture, mining, carpets, textiles, leather and apparel, hing, pine nuts, gemstones and jewelry, marble, transport and automotives, 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 mobilize private investment within the Agency, the USAID Office of Private Capital and Microenterprise (USAID/PCM) awarded the INVEST contract to Development Alternatives Incorporated (DAI) in September of 2017. 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.

Although the Afghan economy has grown almost tenfold since 2001, it has stagnated in recent years due to the military drawdown and decreased donor funding. The private investment needed to stimulate Afghanistan’s economy is deterred by a poor business climate, including political instability, insecurity, weak institutions, weak rule of law, corruption, low levels of human capacity, lack of reliable access to electricity and other basic services, and an underdeveloped financial sector. Despite these challenges, the current Afghan government remains committed to developing a market-based economy through effective reforms and pro-business policies and has made notable progress in the last two years.

Implementation Objectives

This activity will aim to accelerate private sector-driven economic growth supporting Afghanistan’s journey to self-reliance. The Mission seeks to engage advisory services through the INVEST mechanism, as part of the overall buy-in activity, to rapidly close investment deals advancing Afghan energy and extractives sectors and leverage foreign investments. The objective of this activity is to demonstrate an agreement between both parties (international investor and Afghan recipient) and advance the process of closing and executing investment deals in the energy or extractives sectors.

This project will be managed by INVEST in close collaboration with the USAID/Afghanistan mission.

INVEST is looking for a firm, or combination of firms, that has experience identifying investors interested in energy and extractives in Afghanistan, identifying investment-ready deals in Afghanistan, and building on previously worked on deals to structure and rapidly close transactions to advance foreign investment in Afghanistan.

INVEST anticipates this activity to last approximately six (6) months. However, INVEST expects offerors to propose a timeframe that is representative of their proposed technical approach and management plan. The place of performance is not required to be Afghanistan, but offerors should anticipate the need for in-country visits. The transaction teams will report to the INVEST Afghanistan team based in Washington, DC. Flexibility in staffing as the project evolves is important.

Activity Structure

Phase 1: Landscaping and opportunity assessment

The successful offeror will

- Landscape and prioritize existing energy and extractives investment-ready deals in Afghanistan with a focus on two (2) investment deals to be structured in this performance period.
- Liaise with international investors, including American investors, interested in investment in the energy and extractives sector in Afghanistan. The offeror will submit a roster of qualified investors as part of this deliverable.
- Propose potential challenges in structuring and closing transactions and deals in the current political and regulatory climate and recommend specific models/structures to address these challenges, including risk mitigation, incentives, etc. This recommendation will include efficient and timely ways of working around these identified challenges.

Deliverable #1: Submit vetted and verified potential opportunities in energy and extractives with a focus on the two (2) investment opportunities the firm will pursue in Phase 2. Deliverable 1 should be submitted and approved within the first 2 weeks of performance period.

Phase 2: Consultations and Transaction Closing

The successful offeror will

- Develop financial model, legal contracts for the GoIRA and business case/pitch deck for interested investors of investment-ready deals, connecting them with Afghan public sector and government officials.
- Determine and deliver the levels of support and technical assistance the potential deals will require (i.e., provide technical, financial, and legal investment advisory services to address operational, managerial, governance and/or financial issues identified, to include, as appropriate, investment vehicles and operational models).
- Identify providers of capital in and out of country, if and as needed, and dependent on deal structuring. Once identified, successful offeror will work with financing provider(s) to structure and secure financing for deal completion.
- Structure potential deals and obtain written and formal approval from Afghan party

Deliverable #2: Documentation of proposed follow on and complimentary investment opportunities and a final report that will outline next steps for deal execution, emphasizing responsibilities and challenges facing the two signatories of the deals. The report will also include any potential follow on deals that might be natural and complementary to the closed deals.

General Implementation Structure

Onboarding and Work-Planning

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

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. weekly and monthly) check-ins/reporting
- Ongoing Evaluation: DAI and the partner will define indicators as part of the workplanning process 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
Onboarding & Work planning	1-2 weeks
Implementation and Evaluation	6 months

Contract Type and Budget Ceiling

DAI anticipates awarding a fixed price contract type.