



**To:** Offerors

**Date:** August 18, 2020

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

**Subject:** Request for Proposals (RFP) INVEST-057 Mobilizing Private Investment for Development: USAID/India WASH Opportunity Analysis

**Due:** **1:00PM EDT on September 15, 2020**

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 buy-in.

- I. RFP Process and deadlines:** This solicitation will result in the award of a Fixed Price Subcontract. We anticipate issuing a single subcontract award no greater than USD \$175,000-\$200,000 resulting from the implementation of this agreement.
- a. Submission of Questions – Questions must be submitted no later than **1:00 pm EDT on August 25, 2020** via email to [INVEST\\_Procurement@dai.com](mailto:INVEST_Procurement@dai.com).
  - b. Submission of Proposals – Proposals must be submitted no later than **1:00 pm EDT on September 15, 2020** via email to [INVEST\\_Procurement@dai.com](mailto:INVEST_Procurement@dai.com), copying [Katherine Tilahun@dai.com](mailto:Katherine_Tilahun@dai.com), [Matthew Mitchell@dai.com](mailto:Matthew_Mitchell@dai.com), and [Carly Gorelick@dai.com](mailto:Carly_Gorelick@dai.com). The subject line of the email should be your organization name, followed by “Submission under RFP INVEST-057: 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 Price Proposal should be prepared as separate files for independent evaluation, as follows below. Technical proposals should be submitted as a ten-slide presentation, with a minimum font size of 12 and graphics with a minimum font size of 10. 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. Offerors should demonstrate their

knowledge and experience with India's WASH regulatory environment, service delivery agent challenges and opportunities, and potential sources of financing.

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 India or similar contexts. Organizational presence of one or more firms in India is required.
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:

- One (1) to two (2) examples of past performance 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 now.

### **Part 2 – Price 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 sector 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 price 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 outline which entities, resources, and networks the offeror will access and use to complete the landscape review of private sector engagement opportunities in the WASH sector in India. The offeror should effectively communicate a strategic approach for gathering and analyzing potential SME WASH activities, identifying opportunities and challenges/constraints inherent in these activities, and gathering and assessing data on financing sources and vehicles that are most appropriate generally and specifically for water, sanitation and hygiene.
  - b. **Institutional Capacity (30 points)** – Points for this section will be based on information presented in the corresponding section and any submitted case studies. If a partnering arrangement is being proposed, please provide details about the experience, expertise, capacity, and local presence of partner firms as well. The offeror(s) should demonstrate their:
    - Institutional experience completing landscape assessments to identify private sector engagement opportunities in the WASH sector.
    - Institutional experience in designing investment activities or PSE financing vehicles for the WASH sector.
    - Institutional experience performing remote assessments.
    - Institutional experience in India is required.
    - Ability to maintain a consistent local presence in India given COVID-19 international travel restrictions and/or propose alternatives to validate findings.
  - 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 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. It is required that the offeror (or one of its partners) be based in India in order to ensure continuity of project operations during periods of travel restrictions due to COVID-19. Personnel proposed shall have demonstrated experience performing similar analyses in the WASH sector and other relevant areas in India.

2. **Price Proposal:** Price 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.
3. **Offeror's Agreement with Terms and Conditions:** Please visit the [INVEST Procurement Forecast](#) website for RFP 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](mailto:INVEST_Procurement@dai.com)

## **The INVEST Project: Mobilizing Private Investment for Development**

### **Statement of Objectives for Request for Proposal (RFP) INVEST-057 Mobilizing Private Investment for Development: USAID/India WASH Opportunity Analysis**

#### **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.

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.

#### **Background**

In India, approximately 163 million people do not have access to safe water, and 210 million people lack access to improved sanitation. At present, India scores 56.6 percent in terms of its Sustainable Development Goal (SDG) 6 achievement, and the UN Sustainable Development Solutions Network’s SDG Index Report 2019 observes that India needs to accelerate its pace of progress to reach the SDG 6 targets for 2030. Exacerbating this challenge is the fact that demand for water in India is projected to double between 2015 to 2025.

According to the National Institute for Transforming India (NITI) Aayog, 75 percent of households do not have access to drinking water on their premises. The NITI Aayog analysis also finds that the worst-performing Indian states in the SDG 6 indicators are not those that face water supply shortages, an indication that water management and governance rather than water availability are key factors in improving access to services. India is also struggling in its capacity to treat wastewater. About 38,254 million liters per day (mld) of wastewater are generated in urban centers and treatment capacity is just 31% of this amount. Together, these findings provide evidence of a water and wastewater system that requires significant investments in infrastructure and professionalization of service delivery.

It is estimated that USD \$291 billion in water and wastewater investments will be needed by 2030 to meet the demand in India. Traditionally, improvements in water and wastewater have focused on developing the infrastructure while less attention 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. While the Ministry of Housing and Urban Affairs (MoHUA) has adopted policies toward

sustainable and innovative financing, such as the Policy on Value Capture Finance, these policies are typically directed toward improving government revenue streams and/or capital financing.

USAID/India believes that an integrated approach that promotes and facilitates private sector engagement and sustainable financing (with procurement reform at its core) in the WASH sector can enhance the impact of USAID's commitment to improving access to services in India's Urban WASH sector.

### **Purpose of this assignment**

Under this assignment, the selected firm(s) will explore private sector engagement opportunities and financial instruments that support and lead to more efficient WASH goods and services delivery. The selected firm(s) will assess the private sector engagement (PSE) landscape, identify PSE opportunities, and prioritize and recommend PSE vehicles and financing instruments that achieve financial and commercial feasibility and development impact. Some of the interventions that will be examined may include upstream technical assistance and business advisory services, blended finance vehicles, transaction advisory services, corporate social responsibility linkages, and pay-for-success mechanisms.

This request for proposals is to conduct a PSE Landscape Review and Opportunity Analysis in the Indian WASH sector. Subsequent to this assignment, a second phase is anticipated where the recommendations from this work will be implemented, subject to availability of funding and based on the findings of phase 1 and strategic direction decisions by USAID/India.

### **PSE Landscape Review and Opportunity Analysis, WASH Sector**

The PSE Landscape Review and Opportunity Analysis of the WASH sector in India will include a combination of desk review and primary research to gather and assess PSE factors at the national and state levels and better define where USAID can engage and support the private sector to help India achieve its development goals in the sector. As the intention is to provide support to SMEs in urban and peri-urban areas throughout India, this analysis will also help the Mission better understand the regulatory environment, demand and supply factors, financing sources and uses, opportunities and constraints, etc. nationally and in specific states.<sup>1</sup> The analysis will be based on the following inputs, among others:

- National and state level policy and regulatory oversight framework, including tariff setting and oversight. This will also include a review of the current PSE engagements under the USAID-sponsored Program Management Unit initiative with the Government of India.
- National and state government, and development partner initiatives/programs related to PSE and SME financing that are relevant to the WASH sector.
- Water composite index scores and other state performance metrics.
- WASH supply and demand data and projections by state, particularly in urban and peri-urban areas.
- USAID development objectives aligned with this activity and existing USAID projects that provide a basis for more rapid and sustained interventions.
- Review, extraction, and validation of relevant WASH and PSE findings and recommendations from USAID India's previous work with INVEST from June – September 2018 on a market and legal assessment of the Tuberculosis, WASH and Environment/Energy/Health sectors to design a catalytic multi-funder blended finance entity.

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<sup>1</sup> USAID India will provide guidance to the selected firm on the geographic focus of the assignment.

- Primary WASH service delivery agent activities and permits/licensing requirements for private sector agents. Constraints/barriers to PSE/SME entry. Examples and/or case studies of PSE.
- SME financing environment parameters
  - Amounts and terms of WASH financing required by SMEs.
  - Sources and terms of financing available and credit enhancement mechanisms available to SMEs.
  - Constraints to SME access to financing, including the identification of technical assistance, business advisory and transaction advisory services that are desired by SMEs to assist them in accessing finance.

This work will be undertaken through direct engagement with the USAID India WASH and Center for Innovation and Partnership staff, USAID project implementers, government officials, development partners, WASH SMEs and financial institutions. This foundational analysis will help define USAID's overall approach to PSE in the WASH sector and USAID's added role and distinctive value, while also supporting the practical identification of financial instruments and services that can best support the mobilization of capital and further USAID's development objectives.

The successful offeror shall incorporate existing studies and assessments into this review, including the following:

- FICCI study on Private Sector engagement- <http://ficci.in/spdocument/20736/CSR-in-WASH.pdf>
- Opportunities for private sector participation in faecal sludge and septage management <https://www.cprindia.org/research/reports/%E2%80%98bridging-gap%E2%80%99-opportunities-private-sector-participation-faecal-sludge-and-septage>
- Private sector engagement platform for faecal sludge and septage management in India – Intellectap <https://www.intellecap.com/catalyzing-private-sector-participation-in-fssm-in-india/>
- Private sector engagement in wastewater and faecal sludge & septage management: A national consultation: NIUA, Sanitation Capacity building platform <https://scbp.niua.org/download.php?fn=Report%20on%20Private%20sector%20engagement-Waste%20water%20and%20FSSM.pdf>
- CPR - Private sector engagement revision 4.05 - <https://wedocs.unep.org/bitstream/handle/20.500.11822/25384/Report%20to%20the%20CPR%20on%20Private%20Sector%20Engagement%20Revision%202004.05.pdf?sequence=42&isAllowed=y>
- Samhita on Catalytic finance market study- <http://www.samhita.org/new-frontiers-csr/>
- Teri study on private sector engagement- <https://www.teriin.org/sites/default/files/2020-01/aligning-Indias-sanitation-policy-with-the-SDGs.pdf>
- The Sanitation economy in India TBC - [https://www.toiletboard.org/media/38-The\\_Sanitation\\_Economy\\_in\\_India.pdf](https://www.toiletboard.org/media/38-The_Sanitation_Economy_in_India.pdf)
- <https://www.intellecap.com/catalyzing-private-sector-participation-in-fssm-in-india><sup>2</sup>

Using the findings and recommendations, the successful offeror will present an opportunity analysis to USAID/India, which assesses the feasibility and impact of PSE in WASH and the use of various financial instruments and non-financial services to mobilize capital to support the efficient delivery of services.

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<sup>2</sup> Please note that although many of these resources noted here are focused on septage management, the focus of the assessment should include the WASH sector as a whole.

The analysis will recommend financing vehicles and support services that are financially viable, market responsive and achievable within USAID's timeframe and budget, and according to the Mission's development objectives. This activity will result in a clear work plan and scripted series of implementation actions. The resulting review and opportunity analysis will be made a public document so as not to preclude the successful offeror from consideration for the follow-on activity.

### **Illustrative Deliverables**

- Inception report
- Key informant interview list and questions for stakeholders by type/sector focus
- Draft and final Private Sector Engagement Landscape Review
- Draft and final Opportunity Analysis

### **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, 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 on or around October 2020 and be completed by March 2021. Work will take place primarily in India and remotely.