



**To:** Offerors

**Date:** September 1, 2020

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

**Subject:** Request for Proposals (RFP) INVEST-061: Haiti INVEST Support to Capital Providers Investing in Haitian SMEs

**Due:** **1:00PM EDT on September 24, 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 Haiti Mission.

- I. RFP Process and deadlines:** This solicitation will result in the award of one or multiple Fixed Price subcontracts. The **combined ceiling of all awarded subcontracts** is expected to be no more than \$400,000. Please note that because INVEST anticipates making **multiple awards within the stated ceiling**, Offerors are encouraged to price competitively. The resulting Fixed Priced subcontracts will employ a "pay for success" model and payments will only be made once the selected partners can demonstrate success in providing capital to Haitian SMEs, per the terms of the SOO.
- a. Submission of Questions – Questions must be submitted in English no later than **1:00 pm EDT on September 9, 2020** via email to [INVEST\\_Procurement@dai.com](mailto:INVEST_Procurement@dai.com).
  - b. Submission of Proposals – Proposals must be submitted in English no later than **1:00 pm EDT on September 24, 2020** via email to [INVEST\\_Procurement@dai.com](mailto:INVEST_Procurement@dai.com), copying [katherine\\_tilahun@dai.com](mailto:katherine_tilahun@dai.com) and [talib\\_baghdadlian@dai.com](mailto:talib_baghdadlian@dai.com). The subject line of the email should be your organization name, followed by "Submission under RFP INVEST-061: Haiti Support to Capital Providers" 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-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 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 offerors plan to identify and select Haitian SMEs (see definition in attached SOO), the obstacles to closing investments, and their ability and strategy to successfully deploy capital in these SMEs. The technical approach should also include a preliminary pipeline, identifying SMEs that the offerors propose to engage, and the total proposed number and value of investments over a span of up to twelve months that the offeror proposes to make, starting October 2020. The preliminary pipeline should include the following information: sector and activity of the SME, estimated annual revenues, number of employees, amount of capital to be invested, type of capital (equity, debt, mezzanine), purpose of investment, and barriers that have prevented investment. Offerors should also detail how the current pandemic might affect their ability to deploy capital, as well as any adaptation and/or mitigation strategies they envision employing in face of COVID-19.
2. **Institutional Capacity** – Offerors should provide details about the experience, expertise, or capacity of their firm to recommend the proposed approach and deploy capital as described. Offerors should provide clear information on the length of time their firms have been active in the investment arena, as well as the status of their firms’ registration in Haiti or other jurisdiction. In addition, offerors should also include, if possible, a track record with information about the SMEs invested, geography, size, and other relevant information.
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 in narrative form for the development, review, and submission of deliverables (i.e. Transaction Closeout Packets), including a milestone schedule that indicates their proposed timeline for identifying and selecting SMEs, and successfully deploying capital for all proposed transactions. Offerors are permitted to engage in partnering arrangements if it will aid in providing best value to USAID. Any organization, whether a member or not of the Partner Network, can submit a proposal either alone or in a partnership agreement. Membership in the Partner Network is not required for bidding. 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. Firms may consider partnering with other firms that bring in complementary skill sets and experience.

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 previous successful investment in a Haitian SME or other 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 – Cost Proposal**

The presumptive contract type will be Firm Fixed Price Subcontracts, awarded by DAI Global, LLC. Please include your total proposed fixed price along with details for specific deliverable pricing. Please include information regarding the amount of capital that will be catalyzed and deployed to Haitian SMEs based on your estimated leverage ratio and proposed pipeline. Additionally, please include a cost breakdown of the hourly rates for proposed personnel, if applicable, and any other direct costs, indirect costs, and fees, if applicable. All budgets must provide a build-up to their total proposed price. Offerors are expected to provide substantiating price reasonableness documentation/justification if awarded. Cost breakdowns included will be utilized to determine price reasonableness. Offerors may use the attached cost/budget template or can their own template; please limit file submissions to 10 megabytes or less.

) **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(s) 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 target sectors identified by USAID, as detailed in the SOO, and other evidence substantiating the bidder's ability to deliver, including 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 (40 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 based on the offeror's competencies. The technical approach should clearly demonstrate the offeror's ability to identify and engage SMEs operating in the priority sectors identified in the SOO, including businesses that have been affected by COVID-19, and its strategy to successfully deploy capital in SMEs in Haiti. Emphasis will also be placed on the offeror's preliminary pipeline, taking into account how the proposed SMEs align with USAID/Haiti priority sectors outlined in the SOO and how the deals demonstrate and justify the offeror's total target investment and proposed timeframe.
  - b. **Institutional Capacity (40 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 and/or consortia that have at least one year of experience investing in Haitian SMEs and past performance in timely and successful investment in SMEs in Haiti or other Caribbean / developing markets, particularly in the priority sectors outlined in the SOO. Emphasis will be placed on capital providers that have existing SME networks and/or investment deals within those sectors, and a successful track-record deploying capital in Haitian SMEs.
  - c. **Management Plan/Staffing Structure (20 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 proposed milestone schedule, which outlines a

timeline for engaging SMEs and making investments. 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.

- 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, budget with cost breakdowns, and any relevant supporting cost information, as well as its alignment with the proposed technical approach. In submitting their cost proposal, offerors should keep in mind that Haiti INVEST is targeting a competitive leverage ratio (payment to subcontractor vs. amount of capital mobilized to SMEs) that builds upon previous efforts. Based on its understanding of the market and other activities Haiti INVEST recommends a leverage ratio of around 1:20 – i.e.: if an offeror proposes investing \$1,000,000 in capital for SMEs, their cost proposal should average around \$50,000 in order to be considered competitive. When building their cost proposal, offerors should take into account, as outlined in the SOO, that they are expected to commit to deploying at least \$1 million in capital and that all payments should be tied to the successful close of the proposed transactions.
- III. 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](mailto:INVEST_Procurement@dai.com)

**The INVEST Project: Mobilizing Private Investment for Development**  
**Statement of Objectives for RFP INVEST-061:**  
**USAID/Haiti Support to Capital Providers Investing in Haitian SMEs**

**I. 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.

**II. Haiti INVEST Activity**

USAID/Haiti launched the Haiti INVEST Buy-in Activity at the end of FY18 to promote and facilitate private investment into Haitian small and medium sized enterprises (SMEs). To mobilize private capital in Haiti, both investors and businesses need a deep understanding of the Haitian business environment and underlying risks. They also require the flexibility and resourcefulness to construct alternative approaches to investment that mitigate reliance on collateral.

Haiti INVEST’s objective is to connect SMEs with the providers of capital (lenders and equity investors), by working with multiple actors, including transaction advisors, accounting firms, industry associations and capital providers. The activity aims to increase the number of Haitian SMEs that are investment-ready, facilitate interaction with lenders/investors, and ultimately improve access to capital.

To achieve the above objective, Haiti INVEST released a Request for Proposals in April 2019 to identify Transaction Advisors that are well poised to offer capital raising and other advisory services to SMEs in Haiti. INVEST selected four Transaction Advisors who were asked to identify SMEs in need of financing; prepare these SMEs so that they are more appealing to investors and/or lenders, identify and facilitate contact between the SMEs and the providers of capital; accompany the SMEs throughout the process of obtaining capital; and closing on investments between SMEs and investors and/or lenders. In August 2019 INVEST released an RFP for an asset manager to develop an investment vehicle to pool capital from the Haitian diaspora and other investors to be invested in Haitian SMEs.

In August 2020, INVEST issued another RFP to select Capital Fundraising Advisors that can offer support for additional Haitian SMEs. In order to further complement these efforts, Haiti INVEST is issuing the current solicitation, looking to work with capital providers to increase the number of promising SMEs that have access to capital.

### **III. Haiti INVEST Engagement**

Through a pay-for-performance mechanism Haiti INVEST will issue direct incentives (as described below) to capital providers that are interested in or currently in the process of making investments in Haitian SMEs, but have experienced difficulty finalizing investments. Haiti INVEST will engage capital providers that can or want to invest in Haitian SMEs who need growth capital, through incentives that are based on performance, as defined below. Capital providers will be compensated based on their ability to deploy capital to Haitian SMEs.

The funds provided by INVEST can be for a host of different purposes as best suits the capital providers and engaged SMEs as applicable, for example: conducting due diligence on potential borrowers or investees, structuring the transactions, providing SMEs pre or post-investment support, as a partial guarantee for a loan, de-risking mechanism for an equity investment, or leveraging their capital to make additional investments, among others. Each capital provider will have the liberty to decide how to employ the funding in accordance to their own needs and the needs of the engaged SMEs.

### **IV. Vendor Responsibilities and Tasks**

In order to select high-potential transactions and continue building the evidence base for mobilizing private capital to achieve USAID/Haiti development objectives, the selected subcontractor(s) will be expected to identify the amount of capital that it proposes to deploy and the target number of SMEs for investments in support of Haiti INVEST's goal. *Haiti INVEST defines Haitian SMEs as formally registered enterprises with financing and investment needs between \$100,000 and \$5 million.*

The beneficiary SMEs should be high-potential firms, with meaningful exposure in Haiti as measured by revenues and employees in Haiti and with the vision, track record, and ability to use the support to achieve business growth through enhanced capital, strategy and operations. USAID has identified the following sectors as those of priority importance: agriculture, manufacturing, healthcare, energy, and low-income housing. The subcontractor will therefore be expected to source and provide investments for businesses in the aforementioned sectors.

While free to propose their own targets, subcontractors should commit to deploying at least \$1 million in capital.

Successful offerors will be expected to complete the following illustrative tasks:

#### ***Task 1: Assessment and Identification***

*Orientation and Alignment:* The subcontractor will align with Haiti INVEST on the activity workplan, timeline, and reporting requirements, including a convened kickoff meeting with the Haiti INVEST platform, including USAID Haiti.

*Pipeline Development and Investment Prioritization:* The subcontractor will be responsible for identifying potential SMEs to support, and selecting the finalists for funding. The selection should be made based on INVEST's objective of supporting promising Haitian SMEs to access capital and enable growth.

The subcontractor's selection of SMEs should reference the following metrics, among other relevant metrics as agreed:

- Size (equity or loan amount needed)
- Sales volume of business
- Growth targets
- Sector
- Positioning in the sector
- Competition
- Barriers preventing investment

The subcontractor will identify SMEs well-positioned for growth and work with USAID Haiti and INVEST platform members to achieve consensus on a list of highest priority SMEs to meet the subcontractor’s investment target and move ahead with developing SME Engagements. Based on available data, a small number of ‘secondary priority’ enterprises may be identified as a contingency. The actual number will be agreed upon by all parties as part of the prioritization exercise. The investment pipeline will be reviewed and the subcontractor may propose transactions to add to the prioritization list, or engagements to suspend, in consultation and agreement with Haiti INVEST. The subcontractor should not engage with SMEs in which a personal or organizational conflict of interest exists<sup>1</sup>, to the extent possible, or otherwise must disclose this to Haiti INVEST. Additionally, to be considered eligible, SMEs should not fall in any of the following categories: 1) those engaged or controlled by persons engaged in questionable activities, 2) those owned or controlled by government persons, 3) those in which CFs or their immediate family have an interest, and 4) those in sectors not deemed additive to the overall economy by Haiti INVEST.

*COVID-19 Support:* The COVID-19 pandemic has adversely affected many businesses, throughout many sectors of the economy, following mandatory closures and social distancing restrictions. Many enterprises will require assistance to overcome the loss in revenues, which is further compounded by the fact that it comes after a year of additional socio-economic turmoil in country. Haiti INVEST is therefore particularly interested in providing capital for such businesses to counter the adverse effects brought on by COVID-19.

***Task 2: Closing Transactions***

*Transaction Closeout Report:* The subcontractor will submit a final report for each transaction closed summarizing investment dates, terms, conditions, parties, metrics and indicators. Successful offeror(s) will be expected to provide substantive proof that the investment and/or loan has been executed, such as legally binding contract documents, shareholder agreement, statements on bank letterhead demonstrating disbursement, letters of confirmation from both investor and investee, and other additional official documentation demonstrating the disbursal of funds.

**V. DELIVERABLES AND PERFORMANCE PAYMENTS**

The Subcontractor will provide the following deliverables:

- 1) Transaction Closeout Package for each transaction: Once a transaction is closed, the subcontractor will prepare a transaction closeout report and secure letters of confirmation from the SME and, as appropriate, investors, to document the requisite transaction terms, conditions, parties, and impacts. The Transaction Closeout Report should also include the following annexes:

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<sup>1</sup> Conflicts of interest include, but are not limited to, situations in which subcontractor’s personnel could financially gain from a potential investment, benefiting family members or business associates, etc.

- a. Fully executed NDA or appropriate documentation with the SME that includes the authorization to collect and share information with INVEST on M&E, communications and other requirements.
- b. Substantive proof that the investment and/or loan has been executed, such as legally binding contract documents, shareholder agreement, letters of confirmation from both investor and investee, statements on bank letterhead demonstrating disbursement and other additional official documentation demonstrating the disbursal of funds.
- c. The final transaction close out report should also include data on jobs strengthened, created or projected or other appropriate impacts.

INVEST expects to use a “pay for success” model, and as a result, **all payments** will be tied to the successful close of the proposed transactions.

## **VI. Role of INVEST Project**

Haiti INVEST will work closely with the selected subcontractor(s) during all stages of this work. DAI will subcontract the selected subcontractor(s) directly and provide review and oversight throughout the life of the activity in accordance with INVEST’s lean management approach. The Haiti INVEST team will administer periodic check-ins, reporting, deliverable review prior to client presentation and approval, and manage an ongoing monitoring, evaluation and learning framework.

- ) Subcontractor Onboarding: Haiti INVEST will provide the successful offeror(s) with all necessary context, and work with the successful offeror(s) to develop work plan(s)
- ) Project Implementation: The selected subcontractor(s) will implement the work as prescribed by the work plan(s). Haiti INVEST will provide management support and ensure periodic check-ins/reporting
- ) Ongoing Monitoring, Evaluation, and Learning: Haiti INVEST will define indicators in subcontract, collect and review M&E data from subcontractors for requisite reporting to USAID and will conduct data quality assessments as necessary.

### **Duration and Place of Performance**

This engagement is expected to commence in October 2020 and work will take place in Haiti. Offerors should clearly indicate the target volume of investments (minimum \$1,000,000), number of total investments, and range of investments that they would make. The investments should be made over a period of up to twelve months.