

**To:** Offerors

**Date:** December 14, 2020

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

**Subject:** Request for Proposals (RFP) INVEST-072: Indonesia Blended Finance Promotion Activity

**Due:** 1:00pm Eastern Standard Time (EST) on **January 18, 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 organizations to submit a proposal for work under USAID/Indonesia.

- I. **RFP Process and deadlines:** This solicitation will result in the award of an indefinite quantity subcontract (IQC) with firm fixed price task orders. We anticipate issuing a single-holder IQC with an IQC ceiling not to exceed \$1,000,000. We anticipate the value of Task Order 1 will be a maximum of \$150,000, but offerors are encouraged to propose competitive pricing based on their technical approach.
  - a. **Submission of Questions** – Questions must be submitted no later than **1:00pm EST on December 21, 2020** via email to [INVEST\\_Procurement@dai.com](mailto:INVEST_Procurement@dai.com). DAI will respond to these questions in approximately one to two (1-2) business days.
  - b. **Submission of Proposal** – Proposal must be submitted no later than **1:00pm EST on January 18, 2021** via email to [INVEST\\_Procurement@dai.com](mailto:INVEST_Procurement@dai.com), copying [Katherine\\_Tilahun@dai.com](mailto:Katherine_Tilahun@dai.com) and [Matthew\\_Mitchell@dai.com](mailto:Matthew_Mitchell@dai.com). The subject line of the email should be your organization name, followed by “Submission under RFP INVEST-072: Indonesia Blended Finance Promotion Activity.” 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. Proposals must be submitted in English.
  
- II. **Composition of Proposal:** The 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 provided may be excluded from consideration. Submissions in PowerPoint or PDF are acceptable, although PDF is preferred along with an accompanying PowerPoint document. Please provide a copy of your cost proposal in Excel format; offerors should use the attached cost/budget template.

## **Part 1 – Technical Proposal**

The technical proposal is composed of the following three (3) sections:

1. **Technical Approach** – Offerors should detail the technical approach for each task order:
  - a. **For Task Order One** – Offerors should detail the approach that clearly indicates how the proposed activities will result in the successful completion of all deliverables and activities, including the prioritization of blended finance transactions and pipeline development in Indonesia. Offerors should also detail how the current pandemic might affect their approach to carrying out the work.
  - b. **For Task Order Two** – Offerors should detail the approach to fulfill the accompanying Statement of Objectives (SOO). The approach should clearly indicate how the proposed activities will result in the successful completion of all deliverables and activities, including preliminary scoping of technical assistance, transaction advisory services, and other catalytic interventions to facilitate deal closures and provision of these services to mobilize private capital.
  
2. **Institutional Capacity** – Offerors should provide details about the experience, networks, expertise, and capacity of their firm (or firms if partners are proposed) to implement the proposed approach and complete the work as described. This should also include past performance information for activities in similar contexts. The offeror should also highlight experience in sourcing, supporting, and closing transactions, noting Indonesia-specific experience. Organizational presence of one or more firms in Indonesia is a high priority and highly preferred. Selected offeror should be able to maintain a presence in Indonesia throughout the activity.
  
3. **Management Plan/Staffing Structure** – Offerors should include details of personnel who will be assigned to activities as proposed 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 to engage in partnering arrangements if it will aid in providing best value to USAID. If a partnering arrangement is being proposed, please describe the nature of the arrangement, the specific technical value being contributed by each organization, and the appropriate management controls to ensure successful delivery. Firms may consider partnership with other firms that bring in complementary skill sets and experience, and we value partnerships where appropriate.

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

- Two (2) examples of past performance relevant to this activity (limited to two (2) pages per example). Examples should be within the past five years indicating the following:
  - o How deal was sourced and vetted
  - o Type of support provided
  - o Transaction Lead (personnel)
  - o Deal Size

- CV(s) of any individuals proposed in the staffing structure to conduct this activity (limited to two (2) pages per individual).

A cover page will be considered a non-counting page, should offerors choose to include one with the list of all firms participating in the bid. No additional annexes or documentation are requested nor should be submitted.

### **Part 2 – Price Proposal**

The contract type for the presumptive work will be an Indefinite Quantify Subcontract with two Fixed Price Task Orders, awarded by DAI Global, LLC. Please include your total proposed fixed price for Task Order 1 along with details for specific deliverable pricing.

For Task Order 2, please provide the illustrative cost of providing catalytic interventions to mobilize capital and close deals, including but not limited to technical assistance, transaction advisory services, etc. Please provide narrative explanation of assumptions related to Task Order Two pricing in terms of variations of assistance and advisory services provided, deal size, and level of complexity. The proposed illustrative pricing for Task Order 2 will serve as an indication of how the Offeror will structure and price its work under subsequent Task Orders; INVEST will compare subsequent Task Order pricing during IQC implementation against pricing proposed during this competitive phase.

Offerors must also include a cost breakdown of the hourly rates for proposed personnel, any other direct costs, indirect costs, and fees if applicable, with a build-up to their total proposed price or include substantiating price reasonableness documentation/justification. Cost breakdowns included will be utilized to determine price reasonableness. Offerors should 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. DAI reserves the right to check the past performance, references, and other pertinent offeror information in making award decisions. Proposals will be evaluated against a stated number of factors including: the overall proposed approach, past performance, specific qualifications in the identified approach and 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 established presence in Indonesia and experience working with investors.

Additionally, firms that demonstrate adequate resource allocation for closing transactions, including at least one dedicated professional responsible for sourcing businesses and/or blended finance opportunities and working with investors in Indonesia will be considered favorably.

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. The Technical Proposal will be evaluated against the following criteria:
  - a. **Technical Approach (40 Points):** Points for this section will be awarded based on the information presented in the technical approach. 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. Points will be given for the following technical areas:
    - i. **Task Order 1:** Points will be awarded to firms clearly describing the offeror's process and competencies to build a pipeline of blended finance transactions and prioritize and recommend those transactions with the highest potential for attracting private sector investment and supporting USAID Indonesia development objectives. The technical approach should clearly demonstrate the offeror's ability to identify and engage the investment and blended finance ecosystem in Indonesia, including the Government of Indonesia (GoI) and its regulations, other development partners, local businesses, and local and international investors and financiers.
    - ii. **Task Order 2:** Points will be awarded to firms describing their thoughtful approach to the SOO, highlighting the various types of support required to facilitate transaction close. The offeror will be scored based on its presentation of a clear approach for Task Order 2 that reflects the requirements of the specific activity and incorporates the offeror's competencies. Offerors should also describe how they will implement this work if travel restrictions due to Covid-19 persist.
  - b. **Institutional Capacity (30 Points):** Points for this section will be based on information presented in the corresponding section. The offeror should demonstrate its:
    - i. Access to and familiarity with strong and relevant networks and connections with the investment environment from the perspective of local companies and local/international investors and financiers in Indonesia
    - ii. Knowledge and experience with blended finance opportunities in Indonesia
    - iii. Knowledge and experience in identifying, evaluating and supporting transactions that have a social / development impact
    - iv. Experience building a pipeline of actionable deals that have resulted in closed transactions
    - v. Knowledge and experience identifying, evaluating, and supporting transactions in various sectors, including agriculture, health, education, democracy and governance, environment, economic growth, energy, tourism, and WASH, among others.

- 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. This section should address the offerors ability to establish or maintain its presence in Indonesia. If the offeror is submitting a proposal 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. The offeror should clearly demonstrate that their proposed staff have:
- i. Knowledge of the blended finance space from both the investor and investee perspective
  - ii. Familiarity with a wide variety of investors
  - iii. Knowledge of the landscape of viable investment and blended finance deals in Indonesia
  - iv. Experience in providing transaction support / investment advisory services in similar contexts for a wide range of transaction types
  - v. Deep local knowledge and field experience in Indonesia and/or Southeast Asia
  - vi. Availability for local presence during implementation with fluency in English and Bahasa Indonesia.
  - vii. Experience in investment identification and transaction facilitation;
  - viii. Demonstrated innovation and flexibility in sourcing and catalyzing blended finance transactions

2. **Price Proposal:** Price and associated cost build-up 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.

At the proposal stage, Offerors should include the total fixed price for Task Order 1 along with details for specific deliverable pricing in Task Order 1. The illustrative pricing for Task Order 2 will be evaluated as an indication of how the offeror will structure and price its work under the subsequent Task Order. This budget will be analyzed for cost reasonableness of the deliverable prices as well as cost build-up.

Once the IQC is issued, the budget for any subsequent Task Order, if issued, will be analyzed for price reasonableness at that stage. INVEST will compare subsequent Task Order pricing against the pricing proposed during this competitive phase. Any significant deviation from the pricing submitted at the IQC stage will need to be fully documented and justified at the Task Order level, and will be subject to approval by DAI.

- 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](mailto:INVEST_Procurement@dai.com)

**Statement of Objectives under RFP INVEST-072:  
USAID/Indonesia Blended Finance Promotion Activity**

**INTRODUCTION**

The United States Agency for International Development (USAID) recognizes that as the world's development challenges become more complex, many can only be solved through market-based solutions. USAID's Private Sector Engagement team is working to expand collaboration with private sector and pioneering approaches that catalyze investments into emerging markets. Increasingly, private investors and businesses are looking at emerging markets for new opportunities. However, investing in these markets is complex, and USAID has an important role to play in mobilizing investment into high-impact areas.

Encouraging these investments requires new forms of collaboration. In September 2017, through a contract awarded to DAI, USAID set up the INVEST mechanism to build and engage a network of partner organizations with valuable investment and finance expertise, including those that have not worked extensively with USAID in the past. INVEST enables USAID Missions, Bureaus, and Independent Offices to quickly access niche expertise from this diverse network of partner organizations. These partners work alongside USAID to deliver customized financing solutions that address investment constraints, mobilize additional private capital, and produce development results for a variety of sectors and geographies.

Through the INVEST mechanism, USAID/Indonesia seeks to unlock the potential of private capital to drive economic growth in Indonesia through engaging private sector finance while meeting its development goals. The U.S.-Indonesia development cooperation has evolved from traditional development assistance to the provision of technical assistance and innovative tools to address development challenges, including the use and promotion of blended finance to close the financing gap that will impede the Government of Indonesia (GOI) from reaching its development goals. As GOI redirects its funding and attention to the Covid-19 response, the financing gap is expected to widen, providing additional opportunities for investment through private sector engagement (PSE).

**PURPOSE & BACKGROUND**

The purpose of this activity is to mobilize PSE that will support USAID/Indonesia's development objectives and PSE strategy. By tapping into the INVEST mechanism experience and the USAID Finance and Investment Network, USAID/Indonesia will bring the expertise, networks, and resources of the private sector to source, facilitate, and execute deals in USAID priority sectors.

Prior to engaging INVEST, USAID/Indonesia assessed the investment landscape in Indonesia through consultations and interviews with USAID/Indonesia implementing partners, private sector, Government of Indonesia officials, philanthropic organizations, and other donors operating in the blended finance space in Indonesia. This assessment confirmed that USAID/Indonesia can play a catalyzing role in a variety of potential blended finance deals. These deals vary in size, potential structure, complexity, sectors, and geographical areas. Due to its limited funding and preference, USAID/Indonesia specifically inquired about small-size deals in its target technical and geographical areas, as described below; however also discovered many larger deals that have not been finalized for various reasons and which can add to the number of blended finance transactions for potential engagement.

USAID/Indonesia's target technical areas include environment/natural resource management, democracy and governance, health, inclusive economic growth, and education and will focus in eight geographic priority provinces: Banten, DKI Jakarta, East Java, East Nusa Tenggara, North Sumatra, Papua, South Sulawesi, and West Kalimantan.

## OBJECTIVES AND ACTIVITIES

Based on the investment landscape analysis done by USAID/Indonesia, INVEST will work with the Mission and private sector partner(s) to establish the criteria to prioritize and pursue transactions, including target sectors and geographies, types and values of blended finance transactions, development impacts, and deal size and timing considerations. During this process, the Mission and INVEST will also determine the path for closing deals by July 2022 when the INVEST buy-in concludes and identify an additional pipeline of transactions that may be pursued should additional Mission funding be available in the future.

Through this activity, the selected partner may provide technical assistance, transaction advisory services, links to de-risking mechanisms, and linkages to funding institutions like the US Development Finance Corporation (DFC), Millennium Challenge Corporation (MCC), and philanthropic institutions, etc. as described in Task Order Two. The activity will include relationship building with other development partners, the GOI, and local associations as well as ensuring that investments comply with Indonesian regulations and laws.

The INVEST project anticipates issuing this award as one indefinite quantity subcontract with up to two task orders. The first task order will be issued along with the IQC, and the second will follow the completion of the first task order.

### **Task Order #1 – Sourcing and Prioritization of transaction opportunities**

Under Task Order One, the subcontractor will source, review, and validate opportunities for blended finance to increase investment transactions according to the criteria established with the Mission and INVEST. The work under Task Order One will include three core activities as follows:

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

***Selection Criteria and Pipeline Development:*** The subcontractor will be responsible for developing and applying the investment selection criteria (in consultation with the INVEST and USAID/Indonesia team) to source and screen the highest potential blended finance transactions most appropriate for USAID/Indonesia engagement.

The subcontractor's pipeline development report will include the following metrics, among others, for each blended finance transaction and private sector enterprise:

- Target sector and geographic location
- Anticipated transaction size (USD) (equity or loan amount sought) and planned use for the funds
- Investment type (Debt, Convertible debt, Equity,)
- Financial position of the potential private sector enterprise and its relation to the type of investment sought (balance sheet, revenues, cash flows, debt capacity, valuation, etc.)
- Recommended transaction support services and timeframe required to bring the transaction to close (technical assistance, feasibility study, credit enhancements, marketing and investor pitch deck, etc.) and potential additional partners needed to catalyze the transaction, if known
- Potential challenges to transaction success and how these will be mitigated
- Description of subcontractors' existing relationship with the entity, if any, including whether subcontractor is the business's exclusive advisor
- Description of potential investors/sources of funds for transaction, if known



- Description of investors already engaged in transaction, if any
- USAID additionality and potential role in contributing to transaction success
- Expected development impact of transaction

**Identification and Consensus:** Using the metrics above and others, the subcontractor will prioritize and recommend blended finance transactions and private sector enterprises that are positioned for growth and align with USAID/Indonesia and INVEST to achieve the desired deal close target.

The findings from Task Order One will allow USAID/Indonesia and INVEST to establish a transaction target for Task Order Two and better define the technical assistance and transaction advisory services to be deployed, as well as guide the budget considerations for the geographic scope of the work and the success fee incentive for deal closure.

## **Task Order #2 – Technical Assistance, Transaction Advisory Services, and Deal Closure**

Under Task Order Two, the subcontractor will enter into formal engagements with the private sector enterprises to be supported with the most appropriate and effective catalytic interventions, such as technical assistance, transaction advisory services, credit enhancements, etc., and close deals. The subcontractor will provide targeted enterprise-level and investor assistance to reduce transaction costs and/or information asymmetries to mobilize capital for developmentally beneficial investments. The support provided will improve the ability of local companies to grow their operating capacity and raise critical growth capital; for investors, the transaction support acts as a neutral intermediary and directly addresses barriers such as information asymmetries and high transaction costs by improving investors' understanding of the market and decreasing the cost of due diligence. The transaction support is designed to provide appropriate support for the local context and constraints, including but not limited to the capital and technical assistance needed by target companies; risks and transaction costs faced by investors; and adaptations to the distinct characteristics of the local financial market.

The work under Task Order Two will include four core activities as follows:

**Consultations and Scoping:** The subcontractor will conduct consultations with the prioritized private sector enterprises to develop enterprise-level scopes of work and letters of engagement. Engagement with each private sector enterprise will vary in scope and timeline and work plans will be developed accordingly. Performance metrics with clear traceability for work performed will be defined for each engagement and workplan. These metrics will establish the engagement-level performance payment structure. Activity stakeholders (INVEST) will review and agree upon the scope, timeline, performance metrics, and fee structure for each engagement. The subcontractor will coordinate with financial institutions, development finance institutions, and other relevant institutions to facilitate deal closure.

**Transaction Interventions:** Upon formalization, the subcontractor will transition to extensive direct engagement. The subcontractor will utilize multi-dimensional interventions to support private sector enterprises in achieving the objective of mobilizing capital in order to pursue specific transactions that align with USAID/Indonesia development goals. Interventions may include, for example, technical and investment advisory services to address operational, managerial, market, governance, legal and/or financial issues identified, as well as support in identifying and engaging with potential investors, preparing a financial valuation package, loan application and supporting documentation, business plan, market assessment, financial model, pitch decks, and assistance reviewing terms sheets and letters of intent as appropriate. Each engagement will contain capital raising support through the most appropriate blended finance structure.

**Monthly Reports:** The subcontractor will submit monthly written reports on key metrics and brief qualitative updates and success stories. The monthly report should also include newly identified Indonesian enterprises seeking capital or investors seeking investment opportunities, as well as investment trends and a summary of the existing investment ecosystem within Indonesia. The subcontractor will also be available for periodic meetings to review progress and discuss challenges and propose solutions.

**Transaction Closeout Report:** The subcontractor will submit a close-out report for each transaction closed summarizing the activity’s aims, underlying engagements and their scope, and a summary of investment terms, conditions, parties, metrics and indicators.

**Monitoring, Evaluation and Learning (ME&L)**

The offeror will be expected to gather data over the course of implementation in coordination with INVEST and USAID/Indonesia. INVEST will work closely with selected subcontractor to identify and define relevant performance indicators. While data collection and the reporting structure will be defined during onboarding, it is anticipated that data will be submitted on a semi-annual basis to the INVEST for review and validation before onward submission to USAID.

**ANTICIPATED DELIVERABLES**

Under Task Order #1, it is anticipated that the selected subcontractor will provide the following deliverables:

<b>Deliverable</b>	<b>Approximate due date</b>
<i>Work Plan</i> to validate the proposed approach, interventions, timelines, milestones, and MEL framework with selected indicators	10 business days from contract signature
<i>Investment Selection Criteria</i> to outline selection criteria for prioritization of investment opportunities	Week 3-4
<i>Pipeline Development Report</i> to include overview of prioritized transactions with a description and rationale for each transaction selected, including information on the private sector enterprise, investment readiness, development impact, and potential financing and credit enhancement options available, among others.	March 2021

Under Task Order #2, it is anticipated that the selected subcontractor will provide the following deliverables:

<b>Deliverable</b>	<b>Approximate due date</b>
<i>Letters of engagement</i> with each private sector enterprise	On a rolling basis
<i>Engagement deliverables</i> as outlined in the letters of engagement, could include investor pitch deck or loan application materials,	On a rolling basis
<i>Monthly Reports</i> to detail progress on key metrics with qualitative updates on ongoing transaction advisory support and deal closure	5 days following the end of each month.

<i>Transaction Close Out Reports</i> for each transaction closed summarizing the aims, underlying engagements and scope with a summary of the investment terms, conditions, parties, metrics, and indicators.	On a rolling basis
<i>Final Report</i> to summarize activities, results, challenges, lessons learned, and recommendations for USAID/Indonesia	April 2022

**ROLE OF INVEST**

INVEST will work closely with USAID/Indonesia and the selected partner during all stages of this work. DAI will subcontract the selected partner 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/Indonesia 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 with the selected subcontractor, collect and review M&E data from subcontractors for requisite reporting to USAID, and DAI will conduct data quality assessments as necessary.

**PERIOD AND PLACE OF PERFORMANCE**

The engagement is expected to commence in February 2021 and last between 12-16 months. Task Order #1 is expected to be completed over a period of eight weeks. Task Order #2 is anticipated to commence upon the completion of the first task order. Work will take place in Indonesia.