



To: Offerors

Date: December 10, 2019

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

Subject: Request for Proposals (RFP) INVEST-034: USAID Haiti Invest Platform Buy-in: Asset Management

Due: **1:00PM EST on January 10, 2019**

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 buy-in activity.

- I. RFP Process and deadlines:** This solicitation is anticipated to result in the award of one Fixed Price subcontract or an Indefinite Quantity Award subcontract. We anticipate issuing a subcontract award(s) in the range of \$350,000-\$450,000 resulting from the implementation of this agreement.
- a. Submission of Questions – Questions must be submitted no later than **1:00 pm EST on December 17, 2019** via email to INVEST_Procurement@dai.com.
 - b. Submission of Proposals – Proposals must be submitted no later than **1:00 pm EST on January 10, 2019** via email to INVEST_Procurement@dai.com, copying katherine_tilahun@dai.com, talin_baghdadlian@dai.com, and matthew_mitchell@dai.com. The subject line of the email should be your organization name, followed by “Submission under RFP INVEST-034: Haiti Asset Management” 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. Submissions in PowerPoint or in PDF are acceptable, although PDF is preferred along with an accompanying PowerPoint document. Please provide a copy of your price proposal in Excel format.

Part 1 – Technical Proposal

Please limit your technical proposal to no more than eight to ten (8-10) 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 including the formation of a fund and the closing of capital raises. 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.

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 similar contexts. If a partnering arrangement is being proposed, please provide details about the experience, expertise, or capacity of partner firms as well. Additionally, offerors should detail their experience (or their team's experience) in Haiti, with specific references to their experience in asset management.
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 all associated deliverables, including a milestone schedule. 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, as well as networks throughout the region covered by this RFP.

In addition to the above, please include the following. These inputs will not be counted as part of the 8-10 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 page will be considered a non-counting page, 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 Subcontract(s), awarded by DAI Global, LLC. Please include your total proposed fixed price along with details for specific deliverable pricing. 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. Offerors should include all travel costs associated with the proposed technical approach as part of the budget. Cost breakdowns included will be utilized to determine price reasonableness. Offerors are expected to use their own cost/budget 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 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 investment professionals with ties to the Haitian community, who can display an intimate knowledge of the investment landscape and showcase recent work with Haitian businesses. Additional preference will be given to firms that can showcase a network of Haitian-American professionals who can act as potential future investors. DAI recognizes to adequately demonstrate the networks and expertise may require partnership between firms.

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. Points will be awarded to firms describing their thoughtful approach to addressing the statement of objectives. The offeror will be scored based on its presentation of a clear approach which reflects the requirements of this specific activity but also incorporates the offeror's competencies. The technical approach should clearly demonstrate the offeror's approach and ability to setup an investment vehicle, outline a strategy for raising capital from the Haitian diaspora including the expected amount of capital, develop a strategy to source investees and approach to due diligence and investment in Haiti, determine target return for investors, types of risk mitigation tools that would be most helpful in attracting investors, and close on capital commitments that will be allocated to investments in Haitian SMEs. Offerors are asked to explicitly state the staging and the timing of each piece of the work.
 - b. **Institutional Capacity (40 points)** – Points for this section will be based on information presented in the corresponding section. Preference will be given to firms and/or consortia that have past performance in timely and successful delivery of similar services as well as experience in Haiti. Successful offerors will also demonstrate their investment experience, philosophy, and networks, which may be done through the following:
 - i. Experience in asset management, including number of years in operation and information on assets currently under management;
 - ii. The offeror's investment strategy, as well as investment philosophy;
 - iii. The regulatory bodies, if any, with which currently registered;
 - iv. Information on the board of directors, their experience and how they are well-positioned to market a vehicle to the Haitian diaspora;
 - v. The geographies and sectors where investments are made;
 - vi. Experience in Haiti, including actual investments and those currently under review;
 - vii. Ability to source deals in Haiti, with information on team members based in Haiti; and
 - viii. Ability to perform due diligence on Haitian companies.
 - 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 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.

- 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, budget with cost breakdowns, and any relevant supporting cost information, as well as its alignment with the proposed technical approach.
- 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

The INVEST Project: Mobilizing Private Investment for Development Statement of Objectives for Haiti Invest Platform Buy-in, USAID/Haiti

Introduction

USAID seeks to unlock the potential of private capital to drive inclusive growth. Increasingly, private investors and businesses are looking to emerging markets for better returns and new market opportunities. Encouraging investment in high-impact areas important to USAID such as agriculture, financial services, housing, infrastructure, energy, clean water, health, and education, requires new forms of collaboration between USAID and the investment community. Specifically, USAID can leverage its resources – grants, technical assistance, guarantees, and convening power – to help raise awareness of investment opportunities, lower transaction costs, and mitigate the risk of investments that generate positive social, economic, and environmental impact.

In support of its efforts to promote private capital mobilization 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.

Haiti INVEST's transaction-based market-led approach focuses on three pillars to achieve its objectives:

1. A transaction origination and support function performed primarily through a network of Haitian BAS providers, TAs and FIs intended to identify transactions and bring them to financial close. Capacity building will support strengthening of these institutions.
2. Engagement of a broad range of finance providers that offer a spectrum of financial instruments. Haiti Invest support includes capacity building for the Haitian finance community to assess and structure complex transactions and the deployment of innovative risk mitigation instruments to help buy-down risk and incentivize additional investment.
3. Ecosystem strengthening to identify and provide advocacy for reform of systemic constraints to access-to-finance and support investment broadly in Haiti and develop a legacy vehicle to provide a sustainable source of investment capital for Haitian SMEs and/or an entity which will sustain the necessary intermediation function.

In April 2019, Haiti INVEST issued an RFP to address the first objective. Four transaction advisors were selected as partners and currently are assisting SMEs in raising capital.

The Potential of Diaspora Investment

In September and October 2019, Haiti INVEST conducted Diaspora Engagement roadshows, targeting five cities in which it invited members of the Haitian diaspora to meet entrepreneurs representing various SMEs and discuss the investing environment in Haiti. The five cities targeted were Miami, Atlanta, New York, Boston, and Montreal, which all have sizeable Haitian diaspora populations. The purpose of these sessions was to present a clear picture of opportunities in Haiti and showcase how business owners address the challenges of the political and economic environment. A key message for interested investors was that there are benefits to partnering with, or investing in, existing Haitian

businesses that seek capital to increase their market share, buy more equipment, and expand their operations.

The diaspora engagement sessions were positive in getting members of the community to think about capital that can be used for investment, rather than immediate consumption. In 2018, it was estimated that over \$3 billion of remittances were sent to Haiti by the overseas diaspora. There are indications that additional capital is available in the Haitian diaspora and that harnessing it could result in dramatic changes that lead to more employment, greater competitiveness of local businesses, and strengthening the private sector.

A registered investment vehicle that would pool capital from U.S.-based members of the Haitian diaspora (whether retail or high-net-worth), would allow individuals to allocate money to a fund that would invest in various Haitian enterprises, creating a diverse portfolio of assets that are professionally managed by an experienced asset management firm.

Supporting Asset Managers

Haiti INVEST therefore now seeks support in the creation of such a vehicle that can be used to channel diaspora capital to Haitian businesses. It is important to note that Haiti INVEST will not act as an investor in a fund. Rather, the Program will support the asset management operations in two stages. In Phase I, it will support the set-up of the structure, including achievement of registration, legal requirements, and marketing. In Phase II, it will support risk mitigation instruments that can aid in securing investors, given the risks of investing in the Haitian market.

Haiti INVEST is open to evaluating a wide range of proposals. While a portion of the investments must be apportioned to Haitian SMEs, it is not necessary that the entire fund be only Haiti focused. Haiti INVEST will also consider funds that are pan-regional, with a target allocation for Haiti SMEs.

The partner selected to create the Haiti investment vehicle and attract diaspora investors will be expected to conduct the following work, in consultation with Haiti INVEST Platform team:

- In Phase I
 - Develop a comprehensive strategy and timeline for the creation, registration, and set-up of the investment vehicle, including assistance on legal work, fund administration, and compliance with relevant regulatory bodies;
 - Outline the strategy for marketing to and raising capital from diaspora investors, and engage with private bankers, distribution platforms, etc.;
 - Identify the amount of capital to be raised based on an assessment of the market opportunities and diaspora interest, and demonstrate how this target capital and its management fees can support a long-term team;
 - Identify the budget necessary for each of the major steps.
- In Phase II
 - Outline the Fund strategy for sourcing, screening, and performing due diligence on portfolio companies;
 - Determine target return for investors, taking into account risk mitigation tools that can be used to improve performance;
 - Perform road shows to market the Fund;
 - Close on capital commitments.

Deliverables

Through a set of predefined deliverables, the Program will support the formation, marketing and fundraising of this vehicle. Below is a list of illustrative deliverables considering a draft timeline of 18 months.

Phase I

- Formation of investment team and identification of the investment committee members
- Securing fund counsel and fund administrator
- Registration with regulatory body
- Writing of prospectus or placement memorandum, pitch decks and Identification of initial pipeline of investments

Phase II

- Closing of (at least) the first 25% of capital commitments target (bidders may propose to separate this into multiple payments)

Monitoring, Evaluation & Learning (ME&L)

DAI will work closely with the subcontractor to define appropriate indicators for the activity, based on applicable ME&L indicators as identified by INVEST and the USAID stakeholders. INVEST will work with the subcontractor to develop the ME&L plan at the kick off, and again as phase one is completed and the capital raise kicks off and will collect and review data from the subcontractor for requisite reporting to USAID throughout the life of the activity. The subcontractor will be required to reasonably maintain and report on relevant data as part of the periodic check-in process. DAI will conduct data quality assessments as necessary.

Place of Performance

The place of performance is North America and Haiti and offerors should anticipate the need for frequent in-country visits to Haiti, if not based in Haiti.

Budget

Haiti INVEST budget range for this activity is \$350,000-\$450,000. This capital is to be used to assist in vehicle set-up costs, marketing costs, and risk mitigation tools to attract investors. Bidders will be requested to provide a budget build up and allocation across deliverables in phases I and II.