



To: Offerors

Date: March 26, 2020

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

Subject: Request for Proposals (RFP) INVEST-042 USAID Vietnam Municipal Clean Energy Development Facility

Due: **1:00PM EDT on April 17, 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/Vietnam Mission.

- I. RFP Process and deadlines:** This solicitation will result in the award of a firm fixed price subcontract. We anticipate issuing a single subcontract award in the range of \$250,000-\$300,000 resulting from the implementation of this agreement.
 - a. Submission of Questions – Questions must be submitted no later than **1:00 pm EDT on April 2, 2020** via email to INVEST_Procurement@dai.com.
 - b. Submission of Proposals – Proposals must be submitted no later than **1:00 pm EDT on April 17, 2020** via email to INVEST_Procurement@dai.com, copying Talin_Baghdadian@dai.com, Matthew_Mitchell@dai.com, and Katherine_Tilahun@dai.com. The subject line of the email should be your organization name, followed by “Submission under RFP INVEST-042: USAID/Vietnam MCEDF”. 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, using 12-point 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 in PDF are acceptable, although PDF is preferred along with an accompanying PowerPoint document. Cost proposals should be submitted in Excel format, and include within the spreadsheet all budget notes, if applicable.

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 clearly how they will perform the work to achieve the stated objectives.

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 Vietnam or similar contexts performing services similar to those requested under this RFP. Offerors should demonstrate their experience conducting assessments to determine the capacity of municipal, regional, and/or national level governments to perform competitive and transparent procurement processes for infrastructure projects, ideally related to clean energy projects. Offeror should have experience with successfully navigating local procurement rules and regulations and advising local governments at different levels (municipal, provincial, and national), particularly in Asia and ideally in Vietnam, with an understanding of how national legislation impacts local application. Offerors should have experience in assessing the feasibility of proposed infrastructure projects and demonstrate a methodology for determining their likelihood for success. Additionally, offerors should demonstrate their ability to maintain a consistent local presence in Vietnam given COVID-19 international travel restrictions and/or propose alternatives to validate the findings of the feasibility study (see Evaluation Criteria below and SOO attachment for additional details).
3. **Management Plan/Staffing Structure** – Offerors should include information on personnel who might be assigned to the activities described in the technical approach, where they are based (e.g., in Hanoi, Danang, in the Southeast Asian region, U.S., etc.) as well as a clear management plan in narrative form that outlines how expected deliverables and milestones will be developed and reviewed. The management plan should also include a timeline of key activities, milestones, and deliverables.

Offerors are permitted to engage in partnering/consortium arrangements that will provide the best value and capability to achieve the objectives of this RFP. If a partnering arrangement is being proposed, please describe the nature of the arrangement, the specific technical value being contributed by each consortium member, and the appropriate management controls to ensure successful project delivery.

In addition to the above, please include the following documents, in PDF or Word. These inputs will not be counted as part of the 10-slide limit:

- 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).

Offerors must include a non-counting cover slide that includes the name of the offeror and any proposed partners. No additional annexes or documentation are requested now.

Part 2 – Cost Proposal

The contract type will be a firm fixed price subcontract issued by DAI Global, LLC. The cost proposal should be in the range of \$250,000-\$300,000. 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 but are not required as long as the cost criteria is met; please limit file submissions to 10 megabytes or less.

- III. Evaluation of Proposal:** DAI will use best value determination for the award of this Request for Proposals. A best value determination means that, in DAI's estimation, the selected offer will provide the greatest overall benefit to USAID in response to the requirements stated in this RFP. DAI may also exclude an offer from consideration if it determines that an Offeror is "not responsible", i.e., that it does not have the management and financial capabilities required to perform the work required. Proposals will be evaluated against a stated number of factors, including the overall proposed approach, past performance, specific qualifications in the identified sectors and other evidence substantiating the bidder's ability to deliver, including budget and time frame considerations. Preference will be given to firms with experience conducting similar assessments. An organization's past performance and the managerial and technical ability of the person or team of people engaged in the endeavor are always considerations in assessing proposals. INVEST reserves the right to check the past performance, references, and other pertinent offeror information in making award decisions. Previous experience with USAID is not required.

Given the current health and travel restrictions related to the current COVID-19 pandemic and uncertainty as to when these restrictions will be lifted, offerors should suggest creative, phased approaches or other alternatives that may take into account a combination of remote desk research, virtual interviews, and subsequent field visits/direct meetings when the time allows. Offerors are encouraged to propose creative solutions that take the COVID-19 situation into account to best achieve the objectives stated in the SOO based on their experience and knowledge of Vietnam and the Danang municipality, in particular. If relevant, offerors should provide examples of their institutional capacity and experience in conducting similar work using both remote and in-person approaches.

- 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 (30 points)** - Points for this section will be awarded based on the information presented in the technical approach that address the statement of objectives. The successful offeror shall demonstrate how they will distill the parameters of the draft Public Private Partnership (PPP) law and use this

information to develop a roadmap for the Danang municipal government to implement clean energy infrastructure projects. Offerors are expected to demonstrate the key elements for consideration and how they will analyze readiness of the Danang municipal level government and their project pipelines.

- b. **Institutional Capacity (35 points)** – Points for this section will be based on information presented in the corresponding section and any submitted case studies. Offerors should demonstrate their experience conducting assessments to determine the capacity of municipal, regional, and/or national level governments to perform competitive and transparent procurement processes for infrastructure projects, ideally related to clean energy projects. Offeror should have experience with successfully navigating local procurement rules and regulations and advising local governments at different levels (municipal, provincial, and national), particularly in Asia and ideally in Vietnam, with an understanding of how national legislation impacts local application. Offerors should demonstrate experience in analyzing the feasibility of proposed projects and communicate a methodology for determining their likelihood for success. Relevant experience working with the municipality of Danang will be taken into consideration. Additionally, given the current COVID-19 situation, offerors should provide examples of their institutional capacity and experience in combining remote and in-person approaches to conducting similar assignments.
- c. **Management Plan/Staffing Structure (35 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), where staff are located geographically (and if in Vietnam, which city), and the demonstrated efficacy, reasonability, and clarity of the management plan. Proposals should provide a clear management plan that outlines how expected deliverables and milestones will be developed and reviewed. The management plan should also include a timeline of key activities, milestones, and deliverables. If the offeror is submitting a consortium-based proposal, the proposal should describe the nature of the arrangement (i.e. added technical value of each partner), the division of labor among the partners, and the appropriate management controls to ensure successful delivery. Experience in Vietnam is required.

2. **Cost Proposal:** Cost will be evaluated separately from the technical approach, with due consideration for realism, price reasonableness, and allowability consistent with U.S. 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:** 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; 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

Statement of Objectives (SOO)

USAID/Vietnam Municipal Clean Energy Development Facility

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 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.

I. Vietnam INVEST Activity

USAID/Vietnam launched the INVEST Buy-in Activity in August 2019 to explore and facilitate private investments in the energy, healthcare, education, and infrastructure sectors in the economy. In November 2019, INVEST conducted a rapid scoping mission to the country to help USAID prioritize activities based on a pre-defined set of transaction opportunities provided by the Mission. The scoping mission identified and reported out on several key needs and opportunities, particularly in the energy and the health sectors. These included (a) that the country has an unprecedented challenge in doubling energy supply in the next ten years to keep up with GDP growth over the same timeframe; (b) the consistent identification of the energy sector as an area where USAID has a role to play in Vietnam; (c) potential synergies with existing USAID/Vietnam projects and investments (e.g. Vietnam Urban Energy Security/VUES project; and the Learning Evaluation Analysis/LEAP III project); (d) the need for additional debt and equity capital to close investments in the energy sector, (e) the need for promoting private sector investment in energy that can operate within a framework of a centralized government.

Sectoral challenges were found to be manifold as well: (a) the transmission system and the lack of smart grid capabilities are major bottlenecks in the energy security of the country; (b) private sector investments opportunities appear to be well ahead of the government master plan; (c) investments are not getting inserted on a timely basis into the Master Plan, precluding fundraising prospects for these investments; (d) the country needs to gain momentum to transition from coal to LNG as the energy source to power base load needs, while at the same time continue advancing the use of renewable energy sources; (e) local and Southeast Asian investors are competing to deploy capital, while international investors from outside the region are holding back due to certain investment risks; (f) land ownership issues often hold up project implementation.

The scoping mission identified four opportunities in the energy sector, of which three were selected by USAID: (a) Transmission Bond to be issued by EVN/National Power Transmission Corporation ("NPT"), (b) Clean Energy Transaction Assistance/Catalytic Fund, and (c) Municipal Clean Energy Development Facility (MCEDF). This Statement of Objectives (SOO) focuses on the MCEDF.

II. Municipal Clean Energy Development Facility (MCEDF)

The MCEDF will build the capacity of the Danang municipal government to engage the private sector in clean energy projects under the GVN's new Public Private Partnership (PPP) law. USAID has long been in the vanguard of donors recognizing the important role of PPPs, and since 2001 has initiated an estimated 1,600 PPPs.¹ Under the right circumstances, PPPs can mobilize additional sources of funding and financing for infrastructure, enhance project selection, and align the incentives of the private sector with the interests of the contracting authority to support development objectives.

According to the World Bank, Vietnam needs approximately \$25 billion per year in investment to meet its sustainable infrastructure needs. Given GVN's current budget constraints and a self-imposed public debt cap, securing private capital through Public-Private Partnerships (PPPs) is critical for creating fiscal space to adequately address Vietnam's public infrastructure needs.

Private participation in infrastructure is active in Vietnam. In the first half of 2018, investments totaled US\$43.5 billion in 164 projects in areas such as energy, transport, information and communication (ICT), and water infrastructure. In the energy sector, there were a total of 84 electricity generation projects, with renewable energy accounting for 78 projects. Renewable energy alone accounted for 64 percent of the total investment in electricity generation and capacity.² Despite these promising efforts, however, the majority of PPPs have struggled due to an inefficient legal framework and a lack of capacity among state agencies to prepare, procure and manage PPP projects.

To address PPP governance challenges and facilitate investments, the GVN Ministry of Planning and Investment developed and published a new draft PPP law in October 2019. The draft is being discussed in the National Assembly and will be considered for approval in May 2020. USAID/Vietnam, under the LEAP III project, is providing ongoing support to the National Assembly on the draft PPP law through an interactive questions-and-answers platform and regional consultative workshops.

Under the draft PPP law, the National Assembly is considering changes that will move the country towards international standards of economic governance by imposing discipline, transparency and accountability on regulators and market participants. Some of the measures include establishing eligible project types and minimum investment size, stipulating investor equity and revenue sharing norms, eliminating sole-source procurement, and delegating thresholds and authorities for different types of projects, with the National Assembly, Prime Minister and other government entities having a role.

The MCEDF initiative will strengthen PPP understanding and implementation at the municipal level in Danang, build capacity to procure, manage and implement feasible PPP investments, and pilot this mechanism. The theory of change is that if municipal governments receive the legal and technical assistance needed to establish, structure, and implement PPPs through a transparent and rigorous process, then they can drive innovative, clean and renewable energy solutions to meet demand, attract more investments, and serve as an example to other municipalities. If successful, the program may then be rolled out to other municipalities, where it is anticipated that energy projects will have significant impact on underserved rural or non-urban areas. The INVEST support to the MCEDF will begin with a feasibility study to determine interest and likelihood of success in Danang, and to recommend a pilot activity for development.

¹ <https://www.brookings.edu/wp-content/uploads/2016/07/WP94PPPReport2016Web.pdf>

² <https://www.vietnam-briefing.com/news/vietnam-among-top-five-private-participation-infrastructure-projects.html/>

The GVN has been implementing PPPs for more than two decades, and the selected firm should draw on a wealth of experience and knowledge in the country to assess the regulatory, institutional and private sector impact of the new PPP law, and support USAID/Vietnam in achieving the maximum impact for its development dollars. The selected firm should also help the GVN navigate project prioritization which will have the greatest impact on those who are disproportionately impacted by inconsistent or no access to electricity.

III. RESPONSIBILITIES AND TASKS

The purpose of this procurement is to identify a firm to perform a **feasibility study and develop pilot project recommendations for the Danang municipal government.**

The selected firm will determine the feasibility of the MCEDF and recommend a pilot project to be completed with the Danang municipal government and governance model for future activities. The VUES project will provide capacity building support to the Danang government for solar energy projects and the INVEST project will be collaborating with their team to ensure that the support provided by both projects is comprehensive, does not overlap, and efficiently deploys US government funding. This includes collaborating with the VUES team through information sharing (sharing and using the completed Cities Assessment for example) and determining the best projects for which both projects should support. Key tasks include the following:

- In coordination with LEAP III, confirm and document the draft PPP law provisions and steps proposed under this regulation to implement an investment using a PPP. Any clauses in the draft law that are still in debate should be noted and the possible options clarified for their impact on the MCEDF.
- Based on the new PPP law, assess the feasibility of the MCEDF from a regulatory perspective in coordination with the VUES project, i.e. what are the specific opportunities, transition timelines for relevant agencies, constraints and risks under the new law at the national level, municipal level and investor level that would impact municipal-level investment in renewable and clean energy projects. With relevant agencies, identify the priorities for potential projects in terms of impact outcomes including any geographical presence, rural vs. urban, servicing vulnerable or marginalized groups, etc. The VUES project will and has collected some of the information above and through coordination with their team, the INVEST project will supplement where needed. Any additional data collection will also be reviewed by the VUES team to ensure that the INVEST project can also collect information needed from their teams.
- Meet with the relevant national and municipal government entities in Danang and HCMC (with the VUES project) and project agencies to gauge and document their experience and existing modes of initiating, managing and overseeing PPP arrangements, and note anticipated modifications to staff and processes under the new PPP law.
- Identify and meet with other development partners and key informants, including private sector companies, to gain insights from their experience and to document their perspectives on the new law, in particular as they relate to clean and renewable energy.
- Assess Danang municipal government preparedness. The selected firm should identify and interview the relevant municipal government representatives, documenting their experience, preparedness and/or interest in adopting/developing a PPP approach and Project Development Facility for clean energy. The analysis should note any municipal government-level policy changes that may be required to align with the national law. In preparation for these visits, the firm should develop a presentation on the MCEDF initiative, the new PPP law and implications at the

municipal government level, sample PPP project summaries³, and next steps. Potential municipal PPP projects and their status should be noted, as and where possible.

- Based on the stakeholder level information and analysis, assess and map the feasibility of the MCEDF from an institutional perspective, i.e. what are the institutional strengths, weaknesses, opportunities, threats and impact on the MCEDF. Risk factors and mitigants should be explicitly noted in this assessment. Stakeholder analysis should include consultation with community members and include representation that mirrors the communities which would be served in terms of gender, socioeconomic status, communities/neighborhoods represented, etc.
- Building on the stakeholder level information and analysis and taking into account the findings in the Vietnam Project Development Facility – Concept Note⁴, consider all options for, and then recommend, the most optimal governance model for the MCDEF.
- Present 2-3 project options for the future pilot work and provide a recommendation based on pre-determined selection criteria developed and validated by USAID/Vietnam. Prioritization will be given to projects which maximize the number of households and enterprises which are currently under served or unserved by reliable electricity. Further, given that VUES is also working with the Danang Municipal government, selected projects will be determined based on which works best for the objectives of each USAID project activity.

Given the current COVID-19 situation, offerors should consider and propose a combination of methods for conducting this assignment, such as desk research, remote meetings and interviews, webinars, and subsequent field validation/site visits once health and travel restrictions are lifted. Additionally, offerors should propose how a subsequent pilot implementation phase may be impacted by the current pandemic.

The findings from this activity will inform recommendations on how to structure the potential pilot and rollout follow-on activities. The resulting feasibility study and deliverables from this activity will be made public so as not to preclude the successful offeror from consideration for any potential follow-on activities.

Deliverables

1. *Municipal Government Presentation* – PowerPoint presentation and content on the MCEDF initiative, the new PPP law and implications at the municipal government level, sample PPP project summaries⁵, and next steps.
2. *Monthly Reports*: The selected firm representative will submit monthly written reports with brief qualitative updates and conduct periodic in-person meetings to review progress and discuss challenges and propose solutions.
3. *Draft Deliverable*: MCEDF feasibility assessment report summarizing the findings and conclusions from the above assessments/tasks and providing a “Go/No Go” recommendation. This draft will be reviewed by the INVEST project team and USAID/Vietnam.
4. *Final Deliverable*: MCEDF feasibility assessment report incorporating changes from the review of INVEST and USAID/Vietnam summarizing the findings and conclusions from the above assessments/tasks and providing a “Go/No Go” recommendation. Note that the firm may be expected to provide a presentation of the feasibility assessment report findings and recommendations. If the recommendation is “Go”, the report should include: a draft MCEDF

³ Please note that the LEAP III project has drafted several PPP case study examples.

⁴ This report was produced at the request of USAID. It was prepared independently by Integra LLC under the LEAP III.

design noting the stakeholders, responsibilities, process steps and anticipated timeline, and a detailed work plan for municipal government MCEDF capacity building, Facility development and PPP transaction(s).

Timeframe

Approximately May 2020 to September 2020.

Contract Type

Firm fixed price subcontract.

III. Role of INVEST

INVEST will work closely with USAID Vietnam 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 Vietnam 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.