



To: Offerors

Date: May 12, 2020

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

Subject: Request for Proposals (RFP) INVEST-044: Italy Economic Support Fund (ESF) for COVID-19 Response Part 1 – Catalytic Contribution

DUE: 1:00PM EDT (19:00 CEST) on **June 3, 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 Bureau for Economic Growth, Education, and Environment (E3) buy-in to the INVEST project.

IMPORTANT: *This RFP INVEST-044 (Part 1: Catalytic Contribution) is one of two companion RFPs designed to catalyze production and distribution of personal protective equipment and medical supplies for COVID-19 response in Italy. Offerors may apply to either or both RFPs. Should a firm (or consortium) wish to apply to both RFPs, separate proposals **must be submitted** for each, responding to the specific evaluation criteria outlined in each RFP. However, submissions made to both RFPs from the same firm or consortium should concisely reference how the proposals are complementary.*

- I. RFP Process and deadlines:** This solicitation will result in the award of one or more Fixed Price subcontract(s). We anticipate issuing one or more subcontract awards resulting from the implementation of this agreement, each with an award value of \$500,000-\$2,000,000.
- a. Submission of Questions – Questions must be submitted no later than **1:00PM EDT (19:00 CEST) on May 18, 2020** via email to INVEST_Procurement@dai.com. Please note that all questions **must be submitted in English**.
 - b. Bidders Teleconference – DAI anticipates holding a Bidders' Teleconference at **9:00AM EDT (15:00 CEST) on May 21, 2020**. The teleconference, conducted in English, will address the submitted questions and provide the opportunity for follow-up questions to ensure clarity around the proposal requirements. Details will follow closer to the date.
 - c. Submission of Proposal – Proposal must be submitted no later than **1:00 pm EDT (19:00 CEST) on June 3, 2020** via email to INVEST_Procurement@dai.com, copying Katherine.Tilahun@dai.com, Matthew.Mitchell@dai.com, and Talin.Baghdadlian@dai.com. The subject line of the email should be your organization name, followed by "Submission under

RFP INVEST-044: Part 1”. **The submission must be in English.** 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 for the technical and price proposals combined. If the total submission size is greater than 10 megabytes, please submit in multiple emails and label each email as “1 of X, 2 of X,” etc.

- 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 maximum ten (10) slide/page presentation, using a minimum 12-point standard font with one-inch margins. Graphics may be included, so long as text is clearly legible. If text or graphics are of poor resolution, the information provided may not be considered. 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 any budget notes.

Part 1 – Technical Proposal

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.
2. **Institutional Capacity** - Please provide details about the experience, expertise, or capacity of your firm to implement the proposed approach and complete the work as described. This should also include past performance information for similar activities.
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 for the development, review, and submission of all associated deliverables, including a milestone schedule. Offerors are permitted to engage in partnering/consortium 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 member of the team, and the appropriate management controls to ensure successful delivery.

In addition to the above, please include the following:

- One (1) to two (2) case study examples of past performance relevant to this activity (limited to two (2) pages per case study).
- CV(s) of any individuals proposed in the staffing plan to conduct this activity (limited to two (2) pages per individual)

Note: These inputs (past performance examples and CVs) will not be counted as part of the 10 slide/page limit and the format may be PDF or Word. A cover page will be considered a non-counting page. Offerors should include a cover page and list on it the names of all firms participating in the bid. No additional annexes or documentation are requested.

Part 2 – Price Proposal

The contract type for the presumptive awards will be Firm Fixed Price (FFP) subcontracts issued by DAI Global, LLC. Please include your total proposed fixed price along with details for specific deliverable pricing. If applicable, include information on the amount of commercial and/or private equity or debt that will be catalyzed by this award, and an estimated leverage ratio. Additionally, please include a cost breakdown of proposed activities including the hourly rates for proposed personnel with a build-up to their total proposed price, or include substantiating price reasonableness documentation/justification. Please see the template attached with the solicitation materials for guidance. However, offerors are not required to use the template as long as the price proposal captures the necessary elements (i.e., deliverables table with breakdown of how the deliverable totals were calculated).

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(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.

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. Investment concept and business case to expanding PPE or medical supply manufacturing and distribution for COVID-19 response in Italy, with linkages to healthcare service delivery as applicable.
 - ii. Fund structure and leverage: demonstrated blended finance structure, including how USAID funds will be used to catalyze commercial capital, private debt or equity, or DFI funding for COVID-19 response, and the estimated leverage amount and/or ratio.
 - iii. Feasibility of proposed approach, whether to capitalize a fund and invest in a portfolio or start-up new operations.
 - iv. Timeline and strategy for implementation, including rapid start-up and achievement of milestones.

- b. **Institutional Capacity (35 Points):** Points for this section will be based on information presented in the corresponding section and any submitted past performance case studies. The offeror should demonstrate the following, as appropriate (or relevant) to their technical approach:
- i. Experience in capital raising, fund management and deal sourcing.
 - ii. Experience in the use and management of concessional financing, and how it can be used to generate social and financial returns.
 - iii. Experience in identifying investment opportunities and carrying out due diligence, including demonstrated networks to a potential pipeline of firms.
 - iv. Understanding of PPE and/or medical supply manufacturing and distribution relevant for COVID-19 response in Italy.
 - v. Experience in capturing and analyzing data for reporting for investors and/or donors.
- c. **Management Plan / Staffing Structure (25 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 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 include:
- i. Management plan for proposed activities, including clearly defined technical roles for each partner (if applicable).
 - ii. Timeline and deliverables that will result in objectives of SOO being met.
 - iii. Experience of staff in fund structuring, raising capital, and building a pipeline of investable firms as appropriate to the technical approach proposed. Please include all relevant CVs for proposed staff (maximum 2 pages per staff person).

2. **Price Proposal:** Price will be evaluated separately from the technical approach, with due consideration for realism, 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 alignment with the proposed technical approach. Budgets will be analyzed for cost reasonableness of the deliverable price as well as the cost build-up.

IV. Offeror's Agreement with Terms and Conditions: Please visit the [INVEST Procurement Forecast](#) website for RFP Terms and Conditions.

The completion of all RFP requirements in accordance with the instructions in this RFP and submission to DAI of the technical and price proposals will constitute an offer and

indicate the Offeror's agreement to the terms and conditions in this RFP and any attachments hereto. DAI is not required to accept and/or evaluate proposals that do not conform to the instructions of the RFP, and additionally, DAI may reject all proposals and not award a subcontract for this RFP. DAI reserves the right to award a subcontract without discussion and/or negotiation; however, DAI also reserves the right to conduct discussions and/or negotiations, which among other things may require an Offeror(s) to revise its proposal (technical and/or price). By submitting an offer, Offerors agree to comply with the general terms and conditions for an award, including Representations and Certifications compliance. Offerors must provide full, accurate, and complete information in response to this solicitation. By submitting an offer, Offerors certify that they have not/will not attempt to bribe or make any payment to DAI employees in return for preference. Issuance of this RFP in no way obligates DAI to award a subcontract, nor does it commit DAI to pay any costs incurred by the Offeror in preparing and submitting the proposal. DAI reserves the right to award a subcontract to one organization or to issue multiple awards to different organizations based on the results of our evaluation.

Thank you,
DAI INVEST Procurement and Partnerships Team
INVEST_Procurement@dai.com

**Statement of Objectives under RFP INVEST-044:
USAID INVEST: Mobilizing Private Investment for Development
Italy Economic Support Fund (ESF) for COVID-19 Response**

Part 1: Catalytic Contribution

IMPORTANT: This RFP INVEST-044 (Part 1: Catalytic Contribution) is one of two companion RFPs designed to catalyze production and distribution of personal protective equipment and medical supplies for COVID-19 response in Italy. ***Offerors may apply to either or both RFPs. Should a firm (or consortium) wish to apply to both RFPs, separate proposals must be submitted for each, responding to the specific evaluation criteria outlined in each RFP. However, submissions made to both RFPs from the same firm or consortium should concisely reference how the proposals are complementary.***

Introduction

The United States Agency for International Development (USAID) seeks to unlock the potential of the private sector to drive inclusive growth in countries around the world. Increasingly, private investors and businesses are looking to emerging markets for better returns and new market opportunities. However, encouraging private investment and activity in high-impact areas important to USAID such as health, agriculture, financial services, infrastructure, energy, clean water, and education requires new forms of collaboration between USAID and the private sector. This means proactive engagement and collaboration to catalyze more market-based approaches for sustainable outcomes.

In support of its efforts to mobilize private investment within the agency, the USAID Private Sector Engagement Hub set up the INVEST mechanism in September of 2017 with a contract awarded to DAI for the overall management of a global portfolio of activities. Through INVEST's flexible and rapid procurements, USAID Missions and Operating Units can access an unprecedented network of firms and individuals that have the range of technical expertise needed to identify opportunities and effectively mobilize private capital in support of US Government foreign assistance goals. Using a streamlined approach tailored to high potential opportunities, relevant parts of the global partner network will come together to design and implement specific solutions that align private capital with international development needs.

Background

The COVID-19 crisis has had an unprecedented global impact. According to the World Health Organization, as of May 7, 2020, over 3.5 million cases have been reported, with over 250,000 deaths worldwide¹. COVID-19 projection models estimate deaths worldwide may range from 1

¹https://www.who.int/docs/default-source/coronaviruse/situation-reports/20200507covid-19-sitrep-108.pdf?sfvrsn=44cc8ed8_2

million to 40 million, with actual numbers highly dependent on whether countries take extreme mitigation measures or none at all. As some mitigation efforts begin to relax, it is imperative that COVID-19 response efforts remain in place, and that countries continue to prepare for a potential second wave of increased cases and longer-term effects of the initial outbreak.

Italy was among the earliest and hardest hit countries. While the number of new cases is flattening and the country begins a phased approach to opening back up, Italy remains vigilant in ensuring sufficient supply and distribution of personal protective equipment (PPE), medical supplies, and appropriate linkages to healthcare service delivery, both to continue its trajectory of decreasing cases as well as to prepare for a possible second wave of the pandemic. And, with infections increasing in other countries, Italy's ability to access medical supplies in the global market has diminished, as many countries restrict export of medical supplies to serve their own populations or direct them to regions with urgent outbreak needs. In order to meet the ongoing and future projected demand for medical equipment and supplies, the Italian healthcare system must work with the private sector to stimulate local production. This local capacity is critical now and will remain so if the anticipated future waves of the virus come to fruition.

In response to this global crisis, and with a strong focus to support Italy, USAID is establishing an Economic Support Fund (ESF) for urgent assistance to businesses engaged in the research, development, manufacture, and/or distribution of PPE, medical equipment and medical supplies, including the adaptation of Italian factories and supply chains to meet the needs of the Italian healthcare system, personnel, and patients. Through the ESF, USAID seeks to complement the work of the Italian government, non-governmental organizations, international organizations, and faith-based groups responding to the pandemic in Italy. Additionally, the U.S. Government, through this Activity, aims to contribute to the growth of Italy's health sector through increasing private investment.

This Statement of Objectives (SOO) and RFP, in conjunction with RFP-INVEST-045, are a two-part, concurrent approach to catalyze more effective and rapid adaptation, scaling, and/or retooling of operations, strategies, and business practices to meet the need for short- and long-term COVID-19 response.

Offeror(s) may submit a proposal(s):

1. Solely to this Part 1 RFP-INVEST-044 for Catalytic Capital;
2. To Part 2 RFP-INVEST-045 for Technical Assistance provision **only**; OR
3. To both Part 1 and Part 2, as separate proposals.

Objectives and Activities

USAID is looking for effective ways to use strategic amounts of U.S. foreign assistance to leverage larger amounts of private sector capital for greater social and economic impact. This

RFP specifically seeks approaches that utilize catalytic capital² to help reduce risk for private investors and stimulate investment to ramp up manufacturing of personal protective equipment (PPE) and medical supplies required to address short- and long-term COVID-19 demands.

Based on a recent request for information (RFI) conducted by INVEST, companies in Italy identified several bottlenecks that impact their ability to ramp up production and distribution of PPE and other COVID-19 products and services. These included: access to finance; sourcing raw materials; human capital, both for production lines and for specialized technical expertise; and legal support to understand and navigate regulatory and certification processes, existing and emergent.

To address the issue of access to finance, USAID seeks investors, financial providers, fund managers, or a consortium of firms to propose how catalytic capital from USAID can be most effectively used to create, structure, and/or leverage a financing mechanism that raises and deploys funds to companies working on COVID-19 response efforts. Activities proposed for this Part 1 Catalytic Capital RFP will be coordinated with those under the separate Part 2 Technical Assistance Facility RFP-045, which is designed to provide advisory support to firms in addressing the operational and production challenges cited by respondents to the RFI. Examples of catalytic capital activities under this RFP include, but are not limited to:

- Non-reimbursable, first-loss tranche capital to lower risk and leverage private investment into a fund that can be accessed by firms engaged in the production and distribution of essential healthcare products and services related to COVID-19.
- Leveraging USAID support for additional financing from commercial banks or development finance institutions to increase the impact and reach of proposed activities.
- Operational support and partnership with local investors, fund managers, and others to support project pipeline development and business advisory services to enterprises responding to COVID-19.
- Start-up capital for new, innovative or retooled manufacturing and distribution activities that can help expand production, bring new products to market and/or enhance COVID-19 responsiveness.

Offerors should provide a detailed proposal that outlines the specific needs being addressed; the business case and investment strategy; specific approach(es) to structuring and managing the proposed financing mechanism and how catalytic capital will yield rapid action and results; how much additional funding will be leveraged by USAID support; how enterprises will be selected for funding; and how this fund will contribute to the objectives for short- and long-term response to COVID-19 in Italy. Offeror(s) should also provide detailed information on their current capacity, experience and/or strategy to design and manage catalytic fund mechanisms.

² Catalytic capital is defined as debt, equity, guarantees, and other investments that accept disproportionate risk and/or concessionary returns relative to a conventional investment in order to generate positive impact and enable third-party investment that otherwise would not be possible.

<https://www.macfound.org/press/article/catalytic-capital-work/>

Additionally, offeror(s) should describe their experience working in Italy and knowledge of the national healthcare, manufacturing and financial sectors, as well as a description and nationality of any consortium partners and their qualifications.

Selected offeror(s) must be willing to share their experience and make data and other information available to INVEST and USAID throughout the activity. This may include working with the INVEST team to develop a case study, fact sheet, resource guides, or other materials that demonstrate the value of catalytic capital and targeted technical assistance as mechanisms to assist in the COVID-19 response. Offerors should include in their proposal the data they plan to capture as part of their standard data reporting to investors and due diligence procedures that will be shared with INVEST as part of this activity. INVEST and USAID are sensitive to the handling of propriety and/or confidential information, especially for investors, and will discuss these needs with the Awardee prior to contracting.

Timeline and Deliverables

The activities proposed by offerors will take place over a 12 to 18-month period beginning July 2020.

Upon selection and award, INVEST will work closely with the Awardee to determine the contract structure including final timelines, milestones, deliverables, and associated costs. While the payment will be made upon completion of deliverables, INVEST understands that a commitment of funds may be required to catalyze additional investment through first-loss capital. In the proposal, offerors should note the appropriate form of commitment they would need should they be the selected for award. Additionally, INVEST will work closely with the Awardee(s) on any communications products and reporting needed by USAID.

Technical Approach

In your response, please include the following information:

- Investment concept and business case for expanding PPE and/or medical supply manufacturing and distribution for COVID-19 response in Italy, with linkages to healthcare service delivery as applicable.
- Information regarding the blended finance nature of the financing mechanism, including how USAID funds will be used to catalyze commercial investment, private debt or equity, or DFI funding for COVID-19 response.
- The proposed ratio of concessional, catalytic capital from USAID to return-seeking capital.
- The timeline and strategy for the capital raise (if relevant) including information on ticket sizes, target investors, funds raised to date and goals set by the fund manager to fully capitalize the fund.
- Examples of an existing pipeline of firms that are currently seeking debt and/or equity to ramp up production of COVID-19 related goods and services.

- If applicable, portfolio structure, type of investments (e.g. fund of funds, direct into SMEs, financial intermediaries), ticket sizes, and investment stages of firms that would be engaged.
- Description of how start-up or operational support will be utilized (if relevant), including specific activities to be undertaken.
- The timeline and strategy for implementing activities to support start-up or operations (the ability to set up and operate rapidly is critical).
- Information on planned data collection as part of the standard reporting to investors.
- **If submitting proposals to Part 1 and Part 2**, please briefly explain how catalytic capital and technical assistance activities will complement each other.

Budget

INVEST may make multiple awards under this RFP. Proposed budgets should be in the range of USD \$500,000 to \$2,000,000.