



To: Offerors

Date: May 26, 2020

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

Subject: Request for Proposals (RFP) INVEST-046: Tunisia INVEST Transaction Advisory Support to Tunisian SMEs

Due: **1:00PM EDT on Friday, June 19, 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 Tunisia Mission.

IMPORTANT: *This RFP INVEST-046 (Tunisia INVEST Transaction Advisory Support to Tunisian SMEs) is one of two companion RFPs designed to support private capital mobilization in Tunisia. 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. Offerors should strongly consider their institutional capabilities when deciding to bid on one or both RFPs.*

- I. RFP Process and deadlines:** This solicitation will result in the award of one or multiple Fixed Price subcontracts or Indefinite Quantity Subcontract with Fixed Price Task Orders. The ultimate combined IQC ceiling of all Task Orders across all IQC holders is expected to be between \$1,000,000 and \$1,200,000.
1. Submission of Questions – Questions must be submitted no later than **1:00 pm EDT on Monday, June 1, 2020** via email to INVEST_Procurement@dai.com.
 2. Submission of Proposals – Proposals must be submitted no later than **1:00 pm EDT on Friday, June 19, 2020** via email to INVEST_Procurement@dai.com, copying Talin_Baghdadlian@dai.com, Matthew_Mitchell@dai.com, and Carly_Gorelick@dai.com . The subject line of the email should be your organization name, followed by “Submission under RFP INVEST-046: Tunisia TA Support.” 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 of 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 slide deck of no more than ten (10) slides with a minimum font size of 12, and graphics with a minimum font size of 10. Submissions in PowerPoint or in PDF are acceptable, although PDF is preferred along with an accompanying PowerPoint document. Please provide a copy of your Cost Proposal in Excel format.

Part 1 – Technical Proposal

Please limit your technical proposal to no more than **ten (10) slides**. The technical proposal is composed of the following three (3) sections:

1. **Technical Approach** – Offers 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 proposed number and value of transactions over a span of two years starting July 2020.
2. **Institutional Capacity** – Offerors should provide details about the experience, networks, expertise, and capacity of their firm (or firms if a partnering arrangement is being proposed) to carry out the proposed approach and complete the work as described. This should also include past performance information for activities conducted in similar contexts. The offeror should highlight experience in pipeline identification and SME engagement and support, noting Tunisia and North Africa specific experience.
3. **Management Plan/Staffing Structure** – Offerors should include details of personnel who will 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.

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 Partner Network. If a partnering arrangement is being proposed, please describe the nature of the arrangement, the specific technical value being contributed by each member of the team, and the appropriate management controls to ensure successful delivery. Firms may consider partnering with other firms that bring in complementary skill sets and experience.

In addition to the above, please include the following:

- One (1) to two (2) examples of past performance relevant to this activity (limited to two (2) slides/pages per example). Examples should be within the past 5 years indicating the following:
 - How deal was sourced and vetted
 - Type of support provided
 - Transaction Lead (personnel)
 - Deal Size
- CV(s) of any individuals proposed in the staffing plan to conduct this activity (limited to two (2) slides/pages per individual)

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

Part 2 – Cost Proposal

The contract type for the presumptive task order(s) will be Fixed Price Subcontract or an Indefinite Quantity Subcontract with Fixed Price Task Orders issued by DAI Global, LLC. Please include your total proposed fixed price along with details for specific deliverable pricing. We encourage all offerors to price their work competitively based on their experience carrying out transaction advisory services.

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 in Excel format to 10 megabytes or less.

Part 3 – Evaluation of Proposal

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 offeror(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/or 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 at least one year of experience working with SMEs in various capacities, including creating business plans, offering strategic advisory support and raising capital. Additionally, firms that demonstrate adequate resource allocation for closing transactions, including at least one dedicated professional responsible for sourcing business from SMEs and working with investors as well as experience having secured financing from lenders and/or investors in Tunisia 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.
 - a. **Technical Approach (30 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 ability to identify and engage SMEs and investors and provide solutions that help Tunisian SMEs achieve full

potential, particularly for high-potential enterprises struggling to sustain themselves during the existing economic context.

b. **Institutional Capacity (50 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 their:

- Access to and familiarity with strong and relevant networks and connections with investors, entrepreneurs, businesses and other relevant partners in Tunisia and North Africa
- Access to and familiarity with relevant networks and knowledge of US investors and businesses working in Tunisia
- Knowledge and experience in identifying, evaluating and supporting transactions in at least one USAID-focus sector
- Knowledge and experience in identifying, evaluating and supporting transactions that have a social / development impact
- Experience building pipelines of actionable deals
- Ability to identify and provide support to a wide range of transactions

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 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 demonstrate their proposed staff's:

- Knowledge of the transaction space from both the enterprise and investor perspective,
- Familiarity with a wide variety of investors
- Knowledge of the landscape of viable enterprises in Tunisia
- Experience providing transaction support / investment advisory services in similar contexts for a wide range of transaction types
- Deep local knowledge and experience in Tunisia and/or North Africa
- Availability for local presence during implementation
- Experience in investment identification and transaction facilitation; field experience and field presence; strong English, French and possibly Arabic on the team

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

allowability consistent with US government cost principles. Evaluation for this section will be dependent upon all information presented by the Offeror in their deliverable table and supporting cost information, as well as its alignment with the proposed technical approach.

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

Investment Facilitation Support

Statement of Objectives for USAID/Tunisia Transaction Advisory Support to Tunisian SMEs

I. Introduction

USAID Tunisia 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, energy, and water, 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 blended finance within the agency, the USAID Office of Private Capital and Microenterprise (USAID/PCM) awarded the INVEST contract to DAI in September of 2017. Through INVEST’s flexible buy-in mechanism, USAID Missions and Operating Units are able to access an unprecedented network of firms and individuals that have the range of technical expertise needed to identify opportunities and effectively mobilize private capital toward development priorities. Using a lean approach tailored to high potential opportunities, relevant parts of the network will come together to research, develop, and build specific solutions that align private capital with development needs.

As part of USAID/Tunisia’s objectives, INVEST aims to connect high-potential Tunisian entrepreneurs, companies and projects, impacted by current economic challenges and that with support, offer attractive financial returns and economic development impact with the investment expertise needed to grow and scale their businesses. The activity will focus on building the connection between U.S. and international investors, financial institutions, and companies. In addition to catalyzing investment, this activity will work to support Tunisian enterprises re-design their business models and access refinancing and capital. This activity will also work to develop commercially-beneficial partnerships between Tunisian and U.S. firms. For example, integrating Tunisian firms and producers into U.S. value chains that simultaneously support Tunisian economic development and advance U.S. company sourcing strategies.

II. INVEST Engagement

Through a pay-for-performance mechanism INVEST will issue direct incentives (as described below) to transaction advisors (TAs) that they can support qualified Tunisian enterprises seeking business development services, refinancing, and access to capital. This transaction-based market-led approach enables subcontractors to provide solutions that help SMEs achieve full potential, particularly to high-potential enterprises struggling to sustain themselves during the existing economic context. INVEST pays for the services that TAs provide to enterprises who need growth capital, through incentives that are based on performance. TAs and INVEST will agree on a set of deliverables wherein TAs are compensated based on their ability to meet these targets. Payments will be made against a series of deliverables, either issued under a Fixed Price deliverable contract(s) or through Indefinite Quantity Award(s), that demonstrate progress toward raising capital for SMEs with the ultimate goal of closing investment transactions.

III. Vendor Responsibilities and Tasks

In order to select high-potential transactions and build the evidence base for mobilizing private capital to achieve USAID/Tunisia development objectives, the selected subcontractor(s) will be expected to complete the following illustrative tasks:

Task 1: Pipeline Identification

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

Selection Criteria and Pipeline Development: The subcontractor will be responsible for developing standard criteria, in consultation with INVEST Tunisia team for identifying and screening the highest potential sectors and transactions that are targeted by USAID's assistance, including tourism, renewable energy, ICT, light manufacturing, agriculture, health, and financial services. The subcontractor's approach to developing the assessment framework, evaluating potential candidates, and selecting the finalists will be based on USAID/Tunisia's objective of supporting promising Tunisian SMEs to access capital and enable their growth despite manifested economic impacts. The beneficiaries will be high-potential firms, with meaningful exposure in Tunisia as measured by revenues and employees in Tunisia and with the vision, track record, and ability to use the support to achieve business growth through enhanced capital, strategy and operations. Promising enterprises that are impacted by the current worldwide economic challenges should be considered.

The subcontractor's SME assessment report should include the following metrics for each enterprise/transaction included in the pipeline to inform the selection criteria, among other relevant metrics as agreed upon with INVEST and USAID/Tunisia:

- Anticipated transaction size (USD) (equity or loan amount sought)
- Entity revenue in last 12 months (LTM)
- Entity plans for expansion
- Number of employees
- Suggested type of investment (Debt, Convertible debt, Equity, TBD)
- Transaction support services needed to bring transaction to close
- Description of subcontractors' existing relationship with the entity, if any, including information on whether subcontractor is the business's exclusive advisor and length of engagement
- Description of potential investors/sources of funds for transaction, if known
- Description of investors already engaged in transaction, if any
- Key obstacles for transaction success
- Description of why subcontractor believes the transaction has the potential to close despite key obstacles
- USAID additionality and potential role in contributing to transaction success
- Expected development outcomes of transaction

Identification and Consensus: Upon submission of a report including the assessment of SMEs and their current challenges, the subcontractor will identify start-ups and SMEs well-positioned for growth and work with USAID Tunisia and INVEST platform members to achieve consensus on a list of highest priority start-up/SMEs to meet the subcontractor's transaction target and move ahead with developing enterprise Engagements. Based on available data, a small number of 'secondary priority' enterprises may be identified as a contingency. The actual number will be agreed upon by all parties as part of the

consensus exercise. The transaction pipeline will be reviewed and the subcontractor may propose transactions to add to the prioritization list, or engagements to suspend, in consultation and agreement with the INVEST team.

Task 2: SME Engagement and Scope Development

Consultations and Scoping: The subcontractor will conduct consultations with the identified enterprises to confirm suitability and develop enterprise-level scopes of work. The subcontractor will work closely with enterprise management teams to identify specific barriers to expansion and develop actionable solutions that will enable capital mobilization. These consultations will result in the identification of specific areas of support and, with the approval of activity stakeholders, the subcontractor will formalize the scope and intended engagement in business-level engagement letters. Engagement with each enterprise will vary in scope and timeline and workplans will be developed accordingly. Performance metrics with clear traceability for work performed will also be defined for each engagement and included as part of each workplan. These metrics will establish the engagement-level performance payments structure (as noted in Deliverable 5). All compensation for this work will be per the terms of this contract. Activity stakeholders (INVEST) will review and agree upon the scope, timeline, performance metrics, and fee structure for each engagement.

Task 3: SME Support

SME Interventions: Upon formalization, the subcontractor will transition to extensive direct engagement. The subcontractor will utilize multi-dimensional interventions to support companies in achieving the objective of mobilizing capital. 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.

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 Tunisian enterprises seeking capital or investors seeking investment opportunities, as well as investment trends and a summary of the existing investment ecosystem within Tunisia. It will also be available for periodic in person meetings to review progress and discuss challenges and propose solutions.

Task 4: Closing Transactions

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.

IV. Deliverables and performance payments

The Subcontractor will provide the following deliverables:

- 1) Detailed Workplan (5%¹): The subcontractor will validate all elements of the proposed approach, interventions, timelines, milestones, ME&L framework, etc., and the resulting Workplan, in consultation with INVEST in the early phase of the partnership.
- 2) SME Assessment and Identification (10%): The subcontractor will generate a pipeline data set and report assessing and identifying SMEs well-positioned for growth, based on agreed upon metrics, proposing the highest priority enterprises and clearly outlining final recommendations.
- 3) SME Letter(s) of Engagement (25%): The subcontractor will agree to and submit for INVEST review and acceptance a specific letter of engagement for each transaction supported to mobilize capital. It should include with a description of the support to be provided by the subcontractor to each enterprise, key transaction metrics and targets (e.g. amount and type of capital to be raised, projected development impacts such as jobs to be created or others as appropriate), and requisite NDA, communications, and other requirements. A copy of the fully executed letter of engagement signed by all parties will be submitted as evidence that services are formally initiated to support the enterprises in achieving the proposed interventions, and the subcontractor will develop individual workplans reflective of the proposed SOW and associated performance metrics.
- 4) Specific SME Engagement Deliverable Documents (30-40%): The subcontractor will submit periodic progress reports, and other documentation and deliverables (as agreed to with activity stakeholders) to demonstrate progress toward achieving activity objectives and to help publicize the impact of the same. A detailed invoicing breakdown will take place during enterprise workplans development; payments to the subcontractor will fall into two, categories:
 - a. Reporting-based payments: to be invoiced following the submission of regular/time-specified reports (e.g., monthly reports) and
 - b. SME Engagement based deliverable payments: to be invoiced upon the attainment of milestones (e.g., a financial valuation package submitted to a client firm, loan applications and supporting documentation, and engagement deliverables include business plans, market assessments, financial models, pitch decks, etc.) specified in the Workplan of each engagement.
- 5) Transaction Closeout Report(s) (20-30%): Once a transaction is closed, the subcontractor will prepare a transaction closeout report and secure letters of transaction confirmation from the SME receiving investment and, as appropriate, investors, to document the requisite transaction terms, conditions, parties, impacts and detail the support received from the subcontract contributing to transaction close. Along with letters from transaction parties, additional verification documents such as signed financial agreements between transaction parties should also be included in close-out report.

V. Role of INVEST Project

¹ Percentages are suggested distribution of payments across each deliverable. These may be broken out further for each engagement if multiple engagements are included in the subcontract. e.g. if 25% of the total value of the subcontract is for SME Letters of Engagement and two SMEs are supported, this can be divided into two payments for 12.5% each of the total subcontract value.

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

- Subcontractor Onboarding: INVEST will provide the successful offeror(s) with all necessary context, and work with the successful offeror(s) to develop work plan(s).
- Project Implementation: The selected subcontractor(s) will implement the work as prescribed by the work plan(s). INVEST will provide management support and ensure periodic check-ins/reporting.
- Monitoring, Evaluation, and Learning (MEL): INVEST will work with USAID/Tunisia to identify and define performance indicators relevant to subcontracts. INVEST will also collect, review and verify all MEL data received from subcontractors for requisite analysis and reporting to USAID and conduct data quality assessments as necessary.

Duration and Place of Performance

This engagement is expected to commence in July 2020 and work will take place in Tunisia. Offerors should clearly indicate the target volume of transactions, number of transactions, and associated transactions fees, broken down by year for a period of two years, and to be populated in the following table.

| | Year 1 | Year 2 |
|-------------------|--------|--------|
| Target Volume | | |
| # of Transactions | | |
| TA Fees | | |