



To: Offerors

Date: May 26, 2020

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

Subject: Request for Proposals (RFP) INVEST-047: Resilience Funding for Tunisian SMEs

Due: **1:00PM EDT on Thursday, June 25, 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-047 (Resilience Funding for 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. The combined ceiling of all awarded subcontracts is expected to be between \$1,000,000 and \$1,250,000. Please note that because INVEST anticipates making multiple awards within the stated ceiling, Offerors should not submit a proposal that includes the total ceiling amount.

 1. Submission of Questions – Questions must be submitted no later than **1:00 pm EDT on June 4, 2020** via email to INVEST_Procurement@dai.com.
 2. Submission of Proposals – Proposals must be submitted no later than **1:00 pm EDT on Thursday, June 25, 2020** via email to INVEST_Procurement@dai.com, copying Carly_Gorelick@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-047: Resilience Funding for Tunisian SMEs.” 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** – 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** – Offerors should provide details about the experience, networks, expertise, or 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 similar activities.
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.
- 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 at this time.

Part 2 – Cost Proposal

The contract type for this activity is expected to be one or multiple Firm Fixed Price Subcontracts issued by DAI Global, LLC. Please include your total proposed fixed

price along with details for specific deliverable pricing. *Please note that INVEST anticipates making multiple awards within the stated ceiling and Offerors should not submit a proposal that includes the total ceiling.* We encourage all offerors to price their work competitively based on their experience carrying out similar types of work.

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.

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 offering strategic advisory support and raising capital in Tunisia.

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 (50 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 (SOO). 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 specific approach(es) to pursuing fundraising and extending funding for Tunisian SMEs, clearly articulating how the donor capital will be catalytic or how funds will be put to work to rapidly mobilize private capital; and, how this activity will contribute to the objectives of supporting Tunisian SMEs.
 - b. **Institutional Capacity (30 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:

- Experience in effectively raising and managing funds successfully in North Africa or in similar contexts and/or experience in supporting lenders, fund managers, and other financial intermediaries to establish or build their investing capacity for Tunisian or North African enterprises
- Experience in raising in identifying appropriate pipeline and carrying out due diligence
- Access to and familiarity with strong and relevant networks and connections with investors, entrepreneurs, businesses and other relevant partners in Tunisia and North Africa

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:

- Management plan for proposed activities, including clearly identified roles for each partner (if applicable)
- Timeline and deliverables that will result in objectives of SOO being met
- Experience of staff to successfully implement objectives of the SOO
- Local knowledge and experience in Tunisia and/or North Africa

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 Statement of Objectives for Resilience Funding for Tunisian SMEs

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 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, USAID 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.

USAID/Tunisia has engaged INVEST to mobilize investment in support of USAID objectives in Tunisia. These efforts complement the Mission's portfolio of activities focused on inclusive private sector-led growth.

Purpose & Background

Tunisia is experiencing a dramatic economic contraction. SMEs and firms face serious cash flow problems that are worsening as the economy rapidly deteriorates. In the absence of agile investments or tailored financial products, these companies are likely to fail. Via INVEST, USAID/Tunisia seeks to increase the flow of capital to high-potential Tunisian businesses impacted by the current economic downturn. The focus is on blended finance or operational support for investors leading and creating investment opportunities in Tunisia. This can include: a first loss tranche in blended finance vehicles targeting historically performing businesses at risk of failing, and operational support to accelerate the investment capacity of capital providers and intermediaries.

Implementation Objectives

Considering current economic challenges and its existing mandate, USAID/INVEST seeks investors, financial providers, fund managers, or a consortium of firms extending funding or pursuing fundraising for immediate relief funds and/or capital that can support Tunisian enterprises. Examples include, but are not limited to:

- First-loss tranche in blended-finance vehicles to accelerate fundraising and/or investment.
- Operational support for lenders, fund managers, and other financial intermediaries to establish or build their investing capacity for Tunisian enterprises.

We seek partners with a track record and proven ability to effectively raise (if relevant) and deploy capital for impact in North Africa. The objective is to use USAID funding to mobilize and accelerate support for Tunisian SMEs in the short-term.

Offerors should provide a detailed proposal that outlines: their fundraising and investment strategy; their specific approach(es) to pursuing fundraising and extending funding for Tunisian SMEs, clearly articulating how the donor capital will be catalytic or how funds will be put to work to rapidly mobilize private capital; and, how this activity will contribute to the objectives of supporting Tunisian SMEs – whether it be through relief funds, working capital, or growth capital, as well as key social and development outcomes. Offerors should also define their target market of Tunisian SMEs, clearly identifying characteristics of the enterprises, their needs, and of the type of financing or product offers from which they could benefit.

Selected offerors must be willing to share their experience and make data and other information available to INVEST and USAID for purposes of learning throughout the activity. This may include developing a case study, fact sheet, resource guides, or other materials that can be used to demonstrate the value of supporting a Tunisia-focused capital raise and/or fundraising strategy.

Offerors should include in their proposal the data they capture as part of their standard data reporting to investors and due diligence procedures that will be shared with USAID/INVEST as part of this activity.

Technical Approach

In your response, please explain your technical approach and include pertinent information from the list below as applicable to your approach.

Please include EITHER:

A) First Loss Tranche Vehicles:

- i. Investment thesis that demonstrates alignment with the stated objectives of this activity;
- ii. Information regarding the blended finance nature of the fund structure, including its legal structure, its registration and location of operation, or proposed fundraising approach, including (where relevant) the proposed leverage ratio of USAID funds to private capital, and how the funding from this award will be used to rapidly deploy critical capital to Tunisian SMEs; information on catalytic investment raised to date (e.g. first loss capital) and how the additional proposed funding would be used to further catalyze investment in direct support of Tunisian enterprises;
- iii. Information on the timeline and strategy for the capital raise or funding provision including information on ticket size, target investors, funds raised to date and goals set by the fund manager (or relevant entity) to fully capitalize the fund (if applicable).

OR

B) Operational Support:

- i. Description on how operational support of financial intermediaries will be

utilized, including specific activities to be undertaken, and how it will directly and rapidly be mobilized, e.g. local SME sustainability and capacity-building or pioneering a new concept that will allow for expedited issuance of relief funds or access to working or growth capital for Tunisian SMEs.

All activities (A, B, or new concepts) should include information on the timeline and strategy for implementing the activities proposed in support of Tunisian SMEs including, where applicable, fund operations, extension of funds, pursuit of fundraising, and detail on investment process (the ability to set up and operate rapidly is critical).

Offerors are also required to provide the following information:

C) Examples of an existing pipeline of Tunisian firms that are currently seeking capital/assistance;

D) Information on planned data collection as part of the standard reporting to investors;

E) Proposed approach to data collection and learning specific to the goals of INVEST and the USAID team. Electronic data collection and reporting is the preferred option;

F) Background on Offeror:

- Investment manager(s)' CVs
- Experience in impact investing and investment in SMEs
- Experience in geographies, sectors, asset classes, proposed partners, etc.
- Targeted financial return (e.g. market rate, concessionary), if applicable
- Portfolio structures/type(s) of investments (e.g. fund of funds, direct into SMEs, financial intermediaries)
- Investment theses
- Identification process for targeted SMEs, including how enterprises are defined and identified
- Ticket size
- Investment stage(s) (e.g. early, series A, growth)
- Contact Information

G) Proposed activities, milestones, and how results will be self-sustaining beyond this activity.

Implementation Timeframe

The activities outlined above are estimated to take place over a 12-18-month period starting around June 2020, with potential for extension.

Implementation Structure

Upon selection and award, INVEST will work closely with the awardee(s) to determine the contract structure including final timelines, deliverables, and associated costs. While the payment will be made upon completion of deliverable, INVEST understands that a commitment of funds may be required to fulfill the purpose of catalyzing additional investment through the presence of first-loss capital. Offerors should note the appropriate form of commitment they will need in their proposal should they be the selected offeror.

Monitoring, Evaluation & Learning (ME&L)

Selected offeror(s) will work closely with INVEST to choose and define performance indicators and metrics relevant to this activity as part of the onboarding process. The subcontractor will collect and review MEL data for requisite reporting to INVEST and USAID throughout the life of the activity. MEL data will be submitted by the subcontractor semi-annually using the reporting templates provided by INVEST. INVEST will work with the subcontractor to finalize these reporting templates during the onboarding process. The subcontractor will also work with INVEST to conduct data quality assurance as necessary.