



**To:** Offerors

**Date:** April 5, 2019

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

**Subject:** Request for Proposals (RFP) INVEST-017 Haiti INVEST Transaction Advisory Support to Haitian SMEs

**Due:** **1:00PM EDT on May 1, 2019**

Dear Offerors:

Enclosed is a Request for Proposals (RFP) to support the implementation of DAI's INVEST project funded by the United States Agency for International Development (USAID). DAI invites firms to submit a proposal for work as part of the USAID Haiti Mission.

- I. RFP Process and deadlines:** This solicitation will result in the award of one or multiple Fixed Price subcontracts.
  - a. Submission of Questions – Questions must be submitted no later than **1:00 pm EDT on April 12, 2019** via email to [INVEST\\_Procurement@dai.com](mailto:INVEST_Procurement@dai.com).
  - b. Submission of Proposals – Proposals must be submitted no later than **1:00 pm EDT on May 1, 2019** via email to [INVEST\\_Procurement@dai.com](mailto:INVEST_Procurement@dai.com), copying [matthew\\_farrell@dai.com](mailto:matthew_farrell@dai.com) and [talin\\_baghdadlian@dai.com](mailto:talin_baghdadlian@dai.com). The subject line of the email should be your organization name, followed by “Submission under RFP INVEST-017: Haiti TA” 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. 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 including proposed number and value of transactions over a span of three years, starting May 2019.
2. **Institutional Capacity** - Offerors should provide details about the experience, expertise, or capacity of their firm to recommend the proposed approach and

complete the work as described. This should also include past performance information for similar contexts.

3. **Management Plan/Staffing Structure** – Offerors should include details of personnel who might be assigned to the activities described in the technical approach, as well as a clear management plan in narrative form for the development, review, and submission of all associated deliverables, including a milestone schedule. Offerors are permitted to engage in partnering arrangements if it will aid in providing best value to USAID, regardless of whether organizations belong to the USAID INVEST network. 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. These inputs will not be counted as part of the 10-slide limit and the format may be PDF or Word:

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

A cover slide will be considered a non-counting slide, should offerors choose to include one. 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, awarded by DAI Global, LLC. Please include your total proposed fixed price along with details for specific deliverable pricing. Offerors must also include a cost breakdown of the hourly rates for proposed personnel, any other direct costs, indirect costs, and fees if applicable, with a build-up to their total proposed price or include substantiating price reasonableness documentation/justification. Cost breakdowns included will be utilized to determine price reasonableness. Offerors should use the attached cost/budget template; please limit file submissions to 10 megabytes or less.

- **Evaluation of Proposal:** DAI will use best value determination for the award of this Request for Proposals. A best value determination means that, in DAI's estimation, the selected offer(s) will provide the greatest overall benefit to USAID in response to the requirements stated in this RFP. DAI may also exclude an offer from consideration if it determines that an Offeror is "not responsible", i.e., that it does not have the management and financial capabilities required to perform the work required. Proposals will be evaluated against a stated number of factors, including the overall proposed approach, past performance, specific qualifications in the identified sectors and other evidence substantiating the bidder's ability to deliver, including budget and time frame considerations. Specific preference will be shown for firms with 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 Haiti 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 a strategy to bridge the gap between investors and SMEs in Haiti to close transactions.
    - b. Institutional Capacity (50 points)** – Points for this section will be based on information presented in the corresponding section and any submitted case studies. Preference will be given to firms and/or consortia that have past performance in timely and successful delivery of similar services and/or relevant experience in designing and/or conducting similar transaction advisory services and successfully closing investment transactions for SMEs in Haiti or similar environments. Emphasis will be placed on firms that have existing SME, investor and lender networks, experience preparing and advising SMEs on mobilizing capital and success at closing investment 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 along with partners, the proposal should describe the nature of the arrangement (i.e. added technical value), the division of labor among the partners, and the appropriate management controls to ensure successful delivery.
  - 2. 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, budget with cost breakdowns, and any relevant supporting cost information, as well as its alignment with the proposed technical approach.
- III. Offeror's Agreement with Terms and Conditions:** The completion of all RFP requirements in accordance with the instructions in this RFP and submission to DAI of the technical and price proposals will constitute an offer and indicate the Offeror's agreement to the terms and conditions in this RFP and any attachments hereto. DAI is not required to accept and/or evaluate proposals that do not conform to the instructions of the RFP, and additionally, DAI may reject all proposals and not award a subcontract for this

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

Thank you,

**DAI INVEST Procurement and Partnerships Team**

[INVEST\\_Procurement@dai.com](mailto:INVEST_Procurement@dai.com)

# **The INVEST Project: Mobilizing Private Investment for Development**

## **Transaction Advisory Support**

### **Statement of Objectives for USAID/Haiti Transaction Advisory Support to Haitian SMEs**

#### **I. 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 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.

#### **II. Haiti INVEST Activity**

USAID/Haiti launched the Haiti INVEST Buy-in Activity at the end of FY18 to promote and facilitate private investment into Haitian small and medium sized enterprises (SMEs). To mobilize private capital in Haiti, both investors and businesses need a deep understanding of the Haitian business environment and underlying risks. They also require the flexibility and resourcefulness to construct alternative approaches to investment that mitigate reliance on collateral.

Haiti INVEST’s objective is to connect SMEs with the providers of capital (lenders and equity investors), by working directly with the actors that serve as a bridge between these two groups, namely the Transaction Advisors (TA). By fostering and promoting the network of TAs, Haiti INVEST aims to increase the number of SMEs that have access to advisors who are actively scouring the market to help them become “investment-ready” while working actively to identify and locate investors.

In December 2018, Haiti INVEST released a Request for Information to identify Transaction Advisors, either independent consultants or firms, that are well poised to offer capital raising and other advisory services to SMEs in Haiti. Specifically, these Transaction Advisors were questioned on their ability to perform the following tasks:

- Identify SMEs in need of financing, whether debt, equity, or mezzanine,
- Prepare these SMEs in what may be necessary so that they are more appealing to investors and/or lenders,
- Identify and facilitate contact between the SMEs and the providers of capital,
- Accompany the SMEs throughout the process of obtaining capital including preparing pitch presentations, organizing road shows, writing due diligence questionnaires, organizing on-site visits, providing structuring advice, and others,
- Close on investments between SMEs and investors and/or lenders.

### **III. Haiti INVEST Engagement**

Through a pay-for-performance mechanism Haiti INVEST will issue direct incentives (as described below) to TAs so that they can work directly with SMEs to help them raise capital. This transaction-based market-led approach enables subcontractors to provide solutions that help SMEs achieve full potential. Haiti INVEST pays for the services that TAs provide to SMEs who need growth capital, through incentives that are based on performance. TAs and Haiti 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.

### **IV. Vendor Responsibilities and Tasks**

In order to select high-potential transactions and build the evidence base for mobilizing private capital to achieve USAID/Haiti development objectives, the selected subcontractor(s) will be expected to achieve the value it proposes to close in transactions that contribute to Haiti INVEST's projected investment mobilization target of \$33 million over the next three years by completing the following illustrative tasks:

#### ***Task 1: Assessment and Identification***

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

*Selection Criteria and Pipeline Development:* The subcontractor will be responsible for developing standard criteria, in consultation with Haiti INVEST Platform team for identifying and screening the highest potential sectors and transactions that are targeted by USAID's assistance. The subcontractor's approach to developing the assessment framework, evaluating potential candidates, and selecting the finalists will be based on INVEST's objective of supporting promising Haitian SMEs to access capital and enable their rapid growth. Haiti INVEST defines Haitian SMEs as formally registered enterprises with financing and investment needs between \$100,000 and \$5 million. The beneficiaries will be high-potential firms, with meaningful exposure in Haiti as measured by revenues and employees in Haiti and with the vision, track record, and ability to use the support to achieve business growth through enhanced capital, strategy and operations.

The subcontractor's assessment and selection of SMEs should reference the following metrics, among other relevant metrics as agreed upon:

- Size (equity or loan amount needed)
- Sales volume of business
- Growth targets
- Sector
- Positioning in the sector
- Competition
- Transaction support services required
- Description of your firm's relationship with the business including feedback on whether you are the business's exclusive advisor and length of engagement.
- Description of potential investors

- Description of lenders already engaged in the transaction and why they are appropriate for the transaction
- Description of why your firm believes the transaction has the potential to close despite difficult economic and political environment

*Identification and Consensus:* Upon submission of a report including the assessment of SMEs, the subcontractor will identify SMEs well-positioned for growth and work with USAID Haiti and INVEST platform members to achieve consensus on a list of highest priority SMEs to meet the subcontractor’s transaction target and move ahead with developing SME 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 Haiti INVEST Platform Lead.

***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, but individual workplans will be developed on a per-engagement basis. 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 (Haiti 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 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. 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 final 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.

## V. DELIVERABLES AND PERFORMANCE PAYMENTS

The Subcontractor will provide the following deliverables:

- 1) Detailed Workplan (5%<sup>1</sup>): The subcontractor will validate all elements of the proposed approach, interventions, timelines, milestones, ME&L framework, etc., and the resulting Workplan, in consultation with Haiti INVEST in the early phase of the partnership.
- 2) SME Assessment and Identification (10%): The subcontractor will generate a 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 Haiti INVEST review and acceptance a specific letter of engagement for each transaction to be supported that will contribute to the Haiti INVEST capital mobilization target. It should include the Scope of Work with each finalist enterprise, key performance metrics and targets (e.g. amount and type of capital to be raised, impacts such as jobs to be created or others as appropriate), and requisite NDA, M&E, 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 confirmation from the SME and, as appropriate, investors, to document the requisite transaction terms, conditions, parties, impacts and support received from the TA.

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<sup>1</sup> 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.



## VI. Role of INVEST Project

Haiti 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 Haiti 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:** Haiti 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). Haiti INVEST will provide management support and ensure periodic check-ins/reporting
- **Ongoing Monitoring, Evaluation, and Learning:** Haiti INVEST will define indicators in subcontract, collect and review M&E data from subcontractors for requisite reporting to USAID and will conduct data quality assessments as necessary.

### Duration and Place of Performance

This engagement is expected to commence in May 2019 and work will take place in Haiti. Offerors should clearly indicate the target volume of transactions, number of transactions, and associated transactions fees, broken down by year for a period of three years, and to be populated in the following table.

	Year 1	Year 2	Year 3
Target Volume			
# of Transactions			
TA Fees			