



To: Offerors

Date: June 18, 2019

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

Subject: Request for Proposals (RFP) INVEST-023: Public Private Partnership (PPP) Support to the Afghanistan Civil Aviation Authority (ACAA)

Due: **1:00PM EDT on July 12, 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 Afghanistan buy-in.

- 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 June 25, 2019** via email to INVEST_Procurement@dai.com.
 - b. Submission of Proposals – Proposals must be submitted no later than **1:00 pm EDT on July 12, 2019** via email to INVEST_Procurement@dai.com, copying katherine_tilahun@dai.com and talin_baghdadian@dai.com. The subject line of the email should be your organization name, followed by “Submission under RFP INVEST-023: ACAA PPP” 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. 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.

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. Offerors should detail existing relationships and demonstrate their experience and expertise in drafting technical output specifications, preparing business cases for public-private partnership (PPP) projects, conducting investor outreach, and providing transaction advisory services in the civil aviation sector. Additionally, offerors should detail their experience working in Afghanistan and/or the civil aviation sector, as well as their established presence in Afghanistan for the duration of the activity. This section should also include past performance information for similar contexts. If a partnering arrangement is being proposed, please provide details about the experience, expertise, capacity, and local presence of partner firms as well.
3. **Management Plan/Staffing Structure** – Offerors should include details of personnel who would 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. 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. International firms may consider partnering with local firms that bring local knowledge, networks, and presence required for successful implementation.

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 at this time.

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 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 are expected to use their own 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 civil aviation sector and other evidence substantiating the bidder's ability to deliver, including budget and time frame considerations. Specific preference will be shown for firms with niche experience in the technical aspect(s) required to complete this work, including experience in the civil aviation sector and in Afghanistan.

- 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 (40 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 draft technical output specifications, prepare business cases for public-private partnership (PPP) projects, conduct investor outreach, and provide transaction advisory services in the civil aviation sector.
 - b. Institutional Capacity (40 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 the civil aviation sector, as well as experience in Afghanistan and local presence in Afghanistan for the duration of this activity. The offeror must also demonstrate its local knowledge, networks, and any existing relationships with the Afghanistan Civil Aviation Authority (ACAA) that will support its ability to perform the requirements of the SOO in an efficient and effective manner.
 - 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 and established presence in Afghanistan 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

The INVEST Project: Mobilizing Private Investment for Development
Statement of Objectives for RFP INVEST-023
Public Private Partnership (PPP) Support to Afghanistan Civil Aviation Authority (ACAA),
USAID/Afghanistan Buy-In Activity

Introduction

USAID/Afghanistan 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 such as agriculture, mining, carpets, textiles, leather and apparel, hing, pine nuts, gemstones and jewelry, marble, transport and automotive, financial services, infrastructure, energy, clean water, health, and education 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 mobilize private investment within the Agency, the USAID Office of Private Capital and Microenterprise (USAID/PCM) awarded the INVEST contract to Development Alternatives Incorporated (DAI) in September of 2017. Through INVEST’s flexible buy-in mechanism, 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 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.

Although the Afghan economy has grown almost tenfold since 2001, it has stagnated in recent years due to the military drawdown and decreased donor funding. The private investment needed to stimulate Afghanistan’s economy is deterred by a poor business climate, including political instability, insecurity, weak institutions, weak rule of law, corruption, low levels of human capacity, lack of reliable access to electricity and other basic services, and an underdeveloped financial sector. Despite these challenges, the current Afghan government remains committed to developing a market-based economy through effective reforms and pro-business policies and has made notable progress in the last two years.

Implementation Objectives

This activity will aim to develop projects that will provide world-class aviation-related services and facilities in Afghanistan, while creating sustainable revenue streams in support of aviation regulatory oversight. The activity will follow four (4) phases: (1) draft technical output specification; (2) prepare business cases for the following PPP projects for which project case feasibility studies are already conducted; (3) actively conduct investor outreach; and (4) provide transaction advisory services throughout the implementation phase.

The four (4) projects are as follows:

1. International Passenger Terminal
2. Air Cargo Terminal
3. International Airport Hotel and Convention Center
4. Export Processing Zone

The case-feasibility study materials will be provided to the selected firm to be used as a guideline for the remaining work.

This project will be managed by INVEST in close collaboration with the USAID/Afghanistan mission.

INVEST is looking for a firm, or consortium of firms, to develop the technical basis, including certifying the existing PPP project management team consisting of four (4) experts, and assist in tendering the Afghanistan Civil Aviation Authority (ACAA) projects for PPP using the Afghanistan PPP Law and its Implementing Rules and Regulations (IRR) as legal framework. In the process, the firm(s) will advise and assist to:

- a. Develop Terms of Reference (TOR) based on the Project Case Feasibility Studies for each of the above four ACAA projects determined to be feasible. Consider design and technical requirements for the construction, operation and maintenance of each facility as per internationally accepted industry and/or International Civil Aviation Organization (ICAO) standards based on the broad parameters outlined in the feasibility studies and in consultation with ACAA officials.
- b. Determine the risk factors of implementing the proposed PPP project and recommending mitigation measures.
- c. Coordinate with the Ministry of Finance Public-Private-Partnership Unit and identify resources available through the World Bank-funded Afghanistan Reconstruction Trust Fund (ARTF) and utilize them where necessary.
- d. Provide assistance during the bidding process until financial close.

INVEST anticipates this activity to last approximately six to nine (6-9) months. However, INVEST expects offerors to propose a timeframe that is representative of their proposed technical approach and management plan. The place of performance is Afghanistan. Firms are encouraged to propose a full-time presence in Afghanistan for the duration of the activity. International firms without an established presence in Afghanistan are encouraged to partner with a local organization. Due to the need for local knowledge, networks, and the need to work closely with the ACAA, bidders are encouraged to partner with a local firm. The transaction teams will report to the INVEST Afghanistan team based in Washington, DC. Flexibility in staffing as the project evolves is important.

Activity Structure

Project case feasibility studies have recently been completed as part of the ACAA's commercialization efforts to develop projects that will provide world-class aviation-related services and facilities while creating sustainable revenue streams in support of aviation regulatory oversight. The scope of the works shall be read in conjunction with the specific terms of reference prescribed for each section below. While carrying out the specific tasks, the firm shall ensure building capacities of Afghanistan Ministry of Finance (MoF) Public-Private-Partnership Unit counterpart staff through knowledge transfer during the entire duration of the consulting assignment.

Phase 1: Business case development for four (4) PPP projects

The business cases can include, but are not limited to: (1) affordability - PPP option analysis; (2) fiscal commitment and contingent liability (FCCL); (3) risk allocation; and (4) market sounding schemes. However, the list is indicative, and the firm should not be limited to these tasks.

The successful offeror will:

- Review the experience of other countries in PPP arrangements for the operation and provision of infrastructure and services at airports and related facilities.

- Determine the technical requirements for the construction of the passenger terminal, air cargo terminal, airport hotel and export processing zone.
- Finalize the construction and operations and maintenance (O&M) minimum performance specifications and standards (MPSS) and key performance indicators (KPIs) consistent with global practices, standards and specifications (i.e., ICAO, US Federal Aviation Administration (FAA), International Building Code (IBC) and relevant National Standards).

Deliverable #1: Submit business cases for each of the four (4) PPP projects. Each business case should be an independent document. Deliverable 1 should be submitted and approved within the first month of implementation. The deliverable should be in the form of a Word document and PDF.

Phase 2: Terms of reference (TOR) development for each project

The successful offeror will:

- Prepare the TORs in accordance with the PPP Law of Afghanistan and its implementing rules and regulations.
- Prepare business cases in continuation of project case studies already conducted.
- Provide support during the entire PPP bidding process until the award of the contract to a private sector partner.

Deliverable #2: Submit TORs for each of the four (4) projects based on the approved business cases in Deliverable 1. Each TOR should be an independent document. Deliverable 2 should be submitted and approved within three months of implementation. The deliverable should be in the form of a Word document and PDF.

Phase 3: Investor outreach

The firm shall provide all the required assistance to reach potential investors, financiers, and technical firms to attract investors and build a business case for investing in the aviation sector in Afghanistan.

The successful offeror will:

- Participate in at least three (3) marketing sounding trade shows launched by the donors or Principal Government branch to attract investment. The firm will prepare, present these projects, and participate in question/answer session on behalf of ACAA.
- Assist the Afghanistan Ministry of Finance (MoF) Public-Private-Partnership Unit in the following activities: a) responding to queries, b) evaluation of bids, c) contract negotiations, and d) contract finalization and award.

Deliverable #3: Submit concept notes, presentations, agenda, and post-event summary for each of the three (3) trade shows. Deliverable should be in the form of a 5-10-page PowerPoint Presentation including, but not limited to: objectives of each event, ACAA's role in the event, donors in attendance, summary of key meetings with investors, summary of question/answer sessions. Deliverable should be submitted two weeks after each event. The offeror should seek concurrence from INVEST and the ACAA prior to attending each event.

Phase 4: Assistance until financial close of the project

The successful offeror will:

- Assist the Afghanistan Ministry of Finance (MoF) Public-Private-Partnership Unit in developing a strategy aimed towards successful development of the Project through PPP, including the design and implementation of suitable bidding process for the transaction; recommend appropriate bid strategy in accordance with the PPP Law.
- Provide all the required assistance until the financial close of the project (or a period of 180 days from the effective date of the contractual agreements signed with the private sector proponent or the concessionaire, whichever is earlier).
- Transaction advisory services which include preparing bid documents and contracts, as well as assist the ACAA in evaluation of offers during bid process.

Deliverable #4: Submit strategy and recommendations for each of the four (4) projects. Deliverables should be initially submitted in draft form for review and feedback by INVEST and the ACAA, and then will be finalized based on the input received. Strategy should be in the form of a Word document, no page minimum as well as a summary of all four (4) strategies and recommendations in the form of a 5-10-page PowerPoint Presentation. The draft Deliverables should be submitted in month 5 of implementation. If Deliverables are not fully approved by the ACAA when the activity period of performance ends, INVEST can certify them as complete for the purpose of payment.

Program Management

Deliverable #5.1-5.6: Submit monthly progress reports. Reports will take the form of a 3-5 page PowerPoint presentation. Monthly progress report will provide the DAI INVEST Team with progress updates on the business cases, TORs, investor outreach, and ongoing ACAA support.

Deliverable #6: Outline next steps for deal execution, emphasizing responsibilities and challenges facing the two signatories of the deals. The report should outline what markets the new added-on products are going to and through what transportation mechanism. The report will also include any potential follow on deals that might be natural and complementary to the closed deals. Deliverable will take the form of a 5-10-page PowerPoint Presentation.

General Implementation Structure

Onboarding and Work-Planning

- Partner Onboarding: DAI will work closely with USAID/Afghanistan staff and associated stakeholders to provide the selected partner(s) with all necessary context, and work with USAID/Afghanistan staff and the selected partner(s) to develop work plan(s)

Implementation and Evaluation

- Project Implementation: The selected partner(s) will implement the work as prescribed by the work plan(s). DAI will provide management support and ensure periodic (e.g. weekly and monthly) check-ins/reporting
- Ongoing Evaluation: DAI and the partner will define indicators as part of the work planning process and collect and review M&E data from subcontractors for requisite reporting to USAID. DAI will conduct data quality assessments as necessary.

Transaction Advisory Phase

- Preparing bid documents and contract and also assist in evaluation of offers during bid process, and overall transfer to ACAA.

General Implementation Timeframe

Activity	Timeframe
Onboarding & Work planning	1-2 weeks
Implementation and Evaluation	6 months
Transaction Advisory Phase	Up to 3 months

Contract Type and Budget Ceiling

DAI anticipates awarding a fixed price contract type.