



To: Offerors

Date: September 9, 2019

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

Subject: Request for Proposals (RFP) INVEST-028 Last-Mile Connectivity Initiative

Due: **1:00PM EDT on Thursday, October 3, 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 Center for Digital Development (CDD).

- I. RFP Process and deadlines:** This solicitation will result in the award of a Fixed Price Subcontract. We anticipate issuing a single subcontract award between \$80,000-\$90,000 resulting from the implementation of this agreement.
- a. Submission of Questions – Questions must be submitted no later than **1:00 pm EDT on September 16, 2019** via email to INVEST_Procurement@dai.com.
 - b. Submission of Proposals – Proposals must be submitted no later than **1:00 pm EDT on October 3, 2019** via email to INVEST_Procurement@dai.com, copying Katherine.Tilahun@dai.com and Talin.Baghdadlian@dai.com. The subject line of the email should be your organization name, followed by “Submission under RFP INVEST-028: Last-Mile Connectivity Initiative” 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.
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.

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 resulting from this solicitation is anticipated to be Firm Fixed Price, awarded as a subcontract by DAI Global, LLC. Please include your total proposed fixed price along with details for specific deliverable pricing. Offerors should also include a cost breakdown of the hourly rates for proposed personnel, if applicable, with a build-up to their total proposed price or include substantiating price reasonableness documentation/justification. Offerors are expected to use their own cost/budget template; please limit file submissions to 10 megabytes or less.

- III. **Evaluation of Proposal:** DAI will use best value determination for the award of this Request for Proposals. A best value determination means that, in DAI's estimation, the selected offer 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 experience conducting similar assessments.
 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 (45 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 strategy to evaluate the investment climate and specific transactions in last-mile connectivity in the developing world, as well as provide findings on how USAID might effectively engage in this space to drive investment, close information gaps, or address policy and regulatory challenges. The technical approach should provide illustrative examples indicating how the offeror might assess previous transactions and evaluate the attractiveness of this area of the market.

- b. Institutional Capacity (30 points)** – Points for this section will be based on information presented in the corresponding section and any submitted case studies. The offeror should demonstrate their experience in evaluating transactions and investment viability, conducting research and compiling comprehensive reports, and their familiarity with digital connectivity issues. Preference will be given to firms that have knowledge of last-mile connectivity, the investment community relevant to this space and analysis of information pertinent to this activity. Firms should also clearly demonstrate their access to relevant stakeholders they would propose referencing for this activity.
- c. Management Plan/Staffing Structure (25 points)** - Points for this section will be based on the qualifications of proposed staff, clear delineation of the roles and responsibilities of each proposed staff and each proposed firm (if firms are partnering), and the demonstrated efficacy and clarity of the management plan. Proposals should provide a clear management plan in narrative form for the development, review, and submission of all associated deliverables, including a proposed milestone schedule. If the offeror is submitting a proposal 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. The offeror should demonstrate their proposed staff's knowledge and experience relevant to this activity.

- 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.
- 3. 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

STATEMENT OF OBJECTIVES FOR RFP INVEST-028
Center for Digital Development – Last-Mile Connectivity Initiative

INTRODUCTION:

Through INVEST, USAID seeks to unlock the potential of private capital to drive inclusive growth in countries around the world. Increasingly, private investors and businesses are looking to emerging markets for better returns and new market opportunities. Encouraging investment in high-impact areas important to USAID such as agriculture, financial services, infrastructure, environment, fisheries, health, and education, requires new forms of collaboration between USAID and the investment and business community.

Specifically, USAID can leverage its resources – grants, technical assistance, guarantees, and convening power – to help raise awareness of investment and business opportunities, lower transaction costs, and mitigate the risk of investments that generate positive social, economic, and environmental impact. Through INVEST, USAID Missions and Operating Units are able to access a continuously growing network of firms and individuals that have the range of technical expertise needed to identify opportunities and effectively mobilize private capital towards development priorities.

BACKGROUND:

The USAID Global Development Lab, Center for Digital Development (CDD), Digital Inclusion team works to increase free, open, and interoperable internet access and mobile connectivity in developing countries. The Digital Inclusion team has funded research on mobilizing private capital to meet this development priority, including blended finance, development credit mechanisms, and investment funds.

A developing country can only be self-reliant if it has a robust, secure, and competitive internet and mobile infrastructure and an enterprise-driven ICT sector. In 2017, an estimated 1.6 billion people still lived outside the footprint of a 3G mobile network. In Africa, 3G networks cover only half of the population, with mobile broadband service out of reach for 600 million. In emerging markets, coverage is around 80% with any investments going towards upgrading existing networks instead of into the roughly 20% last-mile gap.

To expand the reach of enterprise-funded internet and mobile networks, USAID has been examining new approaches to facilitating financing for connectivity projects. USAID's Last-Mile Connectivity Initiative has developed research on opportunities for new, innovative, enterprise-driven solutions to connectivity in developing countries. The Initiative is working to provide investors a set of tools that will help identify quality network infrastructure projects by studying innovative business plans and service deployments, developing performance indicators to measure social impact of new network infrastructure, and comprehensively mapping areas without service today. The Last-Mile Connectivity Initiative has generated a body of work in the digital connectivity space, and it is expected that this engagement will build on that work. Examples of

previous work in this area, many of which can be found at <http://inclusion.digitaldevelopment.org/last-mile-connectivity-initiative>, include the following:

Report	Link
Closing the Access Gap	http://inclusion.digitaldevelopment.org/resources/closing-access-gap-innovation-accelerate-universal-internet-adoption
Business Models for the Last Billion	http://inclusion.digitaldevelopment.org/resources/business-models-last-billion-market-approaches-increasing-internet-connectivity
Investing to Connect	https://www.usaid.gov/sites/default/files/documents/15396/InvestingToConnect.pdf

Despite these efforts, capital investment has flatlined over the past few years, indicating that there is more to uncover as to why investment is not being injected into last-mile connectivity. While it's been proven that investment in this section of the market would provide good financial returns, investment continues to forgo this opportunity. Through the INVEST mechanism, USAID CDD seeks to understand why investments are not being made.

OBJECTIVES AND ACTIVITIES

Building on the work previously done, USAID and INVEST are seeking a firm to help them better understand the investment climate through research and an assessment as to why and where investments are not happening or closing in last-mile connectivity. The firm will analyze failed transactions to determine where deals stalled, whether barriers include information gaps or other hurdles, and additional considerations across the transaction timeline. In addition, the firm will conduct interviews as needed with key stakeholders, including the investors themselves, to gain clarity around why investment is or is not attractive in this space and how USAID might be able to intervene to facilitate transactions or create an enabling environment. USAID is particularly interested in investor input and perspectives and anticipates that investors will comprise the majority of stakeholder interviews.

The firm will also report on the general state of the investable pipeline of scalable models that could be profitable and incorporate this lens into the assessment. USAID's Digital Inclusion team has already completed multiple research endeavors in this space and engaged key parties to better understand last-mile connectivity and the opportunities within the space, so this piece of research will build on previous work and help to elucidate why transactions are not closing in that segment of the market. Based on the assessment and their findings, the firm will provide recommendations as to how USAID might intervene to increase investment, such as regulatory guidelines, or blended finance

structures that might be suitable to mobilize private capital, and additional discoveries that help build upon the existing knowledge base.

The objectives of this engagement include:

1. Identification of causes of failed transactions, including barriers and challenges faced by parties involved, particularly investors.
2. Evaluation of attractiveness of investment in this area of the market, and development of an overview of current investment opportunities in the digital connectivity space. (Note: it is not expected that specific investable transactions will be explicitly compiled).
3. Identification of opportunities for USAID to intervene to remove barriers and facilitate transactions
4. Development of a report to help identify (a) the current investment climate in last-mile connectivity (b) barriers to transaction closure in this space and (c) if appropriate, where and how USAID could most effectively drive investment in last-mile connectivity through approaches such as blended/innovative finance, closing information gaps, or addressing key barriers such as policy and regulatory challenges

DELIVERABLES & IMPLEMENTATION TIMEFRAME

It is anticipated that this work will require a combination of desk research and on-the-ground in person interviews, most likely on the African continent or in Southeast Asia. Finally, the selected firm will participate in meetings and presentations in Washington D.C.

Resulting deliverables will likely be:

- Report detailing the findings of the analysis undertaken and the process followed including list of reports reviewed and interviews conducted
- Summary Power Point presentation on findings and recommendations
- Copies of any relevant reports or analysis reviewed under this activity
- Set of conclusions, considerations, and recommendations regarding potential ways USAID can implement interventions to facilitate transactions in last-mile connectivity
- Presentation(s) of findings to USAID and other interagency stakeholders, and participation in working group meetings as deemed appropriate

General Implementation Structure

Onboarding and Work-Planning

- The Subcontractor, USAID CDD, and DAI INVEST teams will meet for an implementation kickoff meeting. The purpose and goal of this meeting is to align expectations and contexts and plan for the activities listed below.
- Partner Onboarding: DAI will work closely with USAID CDD to provide the selected partner(s) with all necessary context, as well as to develop the work plan(s).

Implementation

- **Project Implementation:** The selected partner(s) will implement the work as prescribed by the work plan. DAI INVEST will provide management support and technical oversight throughout all activities and anticipates working closely with the subcontractor and maintaining ongoing communications through periodic (e.g. weekly and monthly) check-ins/reporting as well as possible onsite meetings. USAID staff will be engaged throughout implementation, supporting the initial identification of challenges and root causes, and providing guidance and feedback as appropriate throughout the activity.

The activities outlined above are estimated to take place over a roughly 10-13 week period starting around October 2019. A deliverables table with an illustrative timeline is offered below; however, offerors may propose alternate timelines, workplan and level of effort associated with the various components of the activity.

Description	Illustrative Timeframe
Onboarding & Work-planning	1 Week
Background Desk Research & Key Informant Interviews	2-3 Weeks
• USAID Review and Feedback	1 Week
Development of “failure” case studies	1-2 Weeks
• USAID Review and Feedback	1 Week
Research and identification of feasible USAID intervention opportunities	1 Week
Development of findings & recommendations	1-2 Weeks
Presentation of findings to USAID and other stakeholders	1-2 Weeks

Contract Type

DAI anticipates awarding a Firm Fixed Price contract type.

QUALIFICATIONS

- Access to the investment community relevant to this activity (e.g. large institutional investors and funds, impact investors) in order to facilitate interviews and access the most relevant inputs to this work
- Demonstrated experience in evaluating transactions and investment viability, particularly in analysis of failed transactions
- Familiarity with digital connectivity issues, particularly within the African or Southeast Asian context
- Demonstrated experience in conducting research and compiling comprehensive reports
- Experience in large international infrastructure transactions, preferably in telecommunications
- Logistical and operational capacity to conduct interviews in multiple locations, and to attend presentations and briefings in Washington, DC, as needed

Q&A for RFP INVEST-028
USAID Center for Digital Development Last-Mile Connectivity Initiative

Technical and Cost Questions

- 1. Could you kindly indicate how many “failed” investments are we to review in each country? Also please indicate if we would be required to travel to more than one city in any of the selected countries. Please specify which cities.**

At a minimum, we would like deep evaluations of 3 failed transactions. We anticipate that a larger sample size would be examined and included in the final report to allow for an understanding of the universe of failed transactions and the related trends, culminating in at least three deep evaluations. Offerors should propose a target number of analyzed failed investments they are comfortable assessing within their approach and budget. USAID may provide some initial leads, but we are looking to offerors to leverage their networks to identify and analyze failed transactions.

Travel is at the discretion of the offeror depending on what is necessary to fulfill the technical approach, and may not be necessary, for instance, if interviews are conducted remotely or through an in-country presence. While we anticipate the transactions being focused in Africa and Southeast Asia, offerors may limit their focus to a singular USAID-presence region within Africa or Southeast Asia.

- 2. Is this tender open to non-U.S. firms?**

Yes, both U.S. and non-U.S. firms are welcome to bid on this opportunity.

- 3. Is there flexibility in the timeframe for implementation?**

There may be some flexibility in the timeframe and offerors should propose a timeline that works with their approach. Work should kick off no later than the end of January 2020.

- 4. Could you kindly provide an estimated level of effort for this consultancy?**

Offerors should propose a level of effort commensurate with the proposed technical approach to achieve the objectives set forth in the RFP and SOO.

- 5. Please clarify if our proposal budget needs to include the estimated travel expenses in addition to the consulting fees.**

The cost proposal should include all expenses required to implement the proposed technical approach, including travel expenses as needed. Offerors are welcome to provide details or narrative around assumptions in the budget template or in a separate budget narrative.

- 6. If we are to estimate travel expenses, we need to know which countries we would be required to travel to, and the length of stay in each country. Could you kindly provide what you have in mind?**

Offerors should propose travel budgets and time in-country, if any, that are commensurate with what the offeror believes is needed to implement the proposed technical approach. In addition, the implementing firm should assume a trip of 4 days in Washington, DC for presentation of findings per the SOO.