

To: Offerors

Date: August 19, 2022

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

Subject: Request for Proposals (RFP) INVEST-111: Procurement Support for the Sikidang Geothermal Project (Indonesia)

Due: 1:00pm Eastern Standard Time (EST) on **September 16, 2022**

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/Asia Bureau Transaction Advisory Fund buy-in.

- I. **RFP Process and deadlines:** This solicitation will result in the award of a firm fixed price subcontract. We anticipate issuing a single subcontract award up to USD \$650,000 - \$800,000.
 - a. **Submission of Questions** – Questions must be submitted no later than **1:00pm EST on August 26, 2022** via email to INVEST_Procurement@dai.com. DAI will aim to respond to these questions in approximately three business days.
 - b. **Submission of Proposal** – Proposal must be submitted no later than **1:00pm EST on September 16, 2022** via email to INVEST_Procurement@dai.com, copying Katherine_Tilahun@dai.com and Danny_Mannka@dai.com. The subject line of the email should be your organization name, followed by “Submission under RFP INVEST-111: Procurement Support for the Sikidang Geothermal Project (Indonesia)” Please certify in your submission email a validity period of 60 days for the price(s) provided and include your organization’s SAM UEID number. Please limit file submissions to 10 megabytes or less. Proposals must be submitted in English.

- II. **Composition of Proposal:** The proposal should comprise the following submission documents. The Technical Proposal and Price Proposal should be prepared as separate files for independent evaluation, as follows below. Technical proposals should be submitted as a ten (10) slide presentation, using, at a minimum, 12-point standard font size. Graphics may be included, so long as text is clearly legible. If text or graphics are of poor resolution, the information provided may be excluded from consideration. Submissions in PowerPoint or PDF are acceptable, although PDF is preferred along with an accompanying PowerPoint (.ppt) document. Please provide a copy of your cost proposal in Excel format; offerors should use the attached cost/budget template.

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 within the stated timeframe. Offerors should demonstrate clearly how they will perform the work to achieve the stated objectives. Offerors should note how they anticipate providing adequate support to GDE to design and implement a procurement process in accordance with Government of Indonesia public procurement process and related Indonesian laws.
2. **Institutional Capacity** – Offerors should provide details about the experience, expertise, or capacity of their firm (or firms if a partnering arrangement is being proposed) to recommend the proposed approach and complete the work as described. This should also include past performance conducting procurements for governments or similar contexts performing services like those requested under this RFP. Offerors must demonstrate their familiarity with Government of Indonesia public procurement process.
3. **Management Plan/Staffing Structure** – Offerors should include information on personnel who will be assigned to the activities described in the technical approach, where they are based, as well as a clear management plan in narrative form that outlines how expected deliverables and milestones will be developed and reviewed. The management plan should also include a timeline of key activities, milestones, and deliverables. Offerors are permitted to engage in partnering/consortium arrangements that will provide the best value and capability to achieve the objectives of this RFP. If a partnering arrangement is proposed, please describe the nature of the arrangement, the specific technical value being contributed by each consortium member, and the appropriate management controls to ensure successful project delivery.

In addition to the above, please include the following inputs, which will not be counted as part of the 10-slide limit and format may be PDF or Word:

- Two (2) examples of past performance (i.e., case studies) relevant to this activity, limited to two (2) pages per example
- CV(s) of any individual(s) proposed in the staffing plan, limited to two (2) pages per individual.

A cover page will be considered a non-counting page, should offerors choose to include one. No additional annexes or documentation are requested nor should be submitted.

Part 2 – Price Proposal

The contract type for the presumptive work will be 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 break down each deliverable's associated costs, including all labor and non-labor costs according to expected levels of effort to accomplish each deliverable according to the objectives as laid out in the SOO or include substantiating price reasonableness documentation/justification. Offerors should use the attached 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. DAI reserves the right to check the past performance, references, and other pertinent offeror information in making award decisions. Proposals will be evaluated against a stated number of factors including: the overall proposed approach, past performance, specific qualifications in the identified approach and sectors, and other evidence substantiating the bidder's ability to deliver, including budget and time frame considerations.

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. The Technical Proposal will be evaluated against the following criteria:

a. Technical Approach (45 Points): Points will be awarded to firms based on their specific 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 which includes proposing the appropriate structure of the partnership, developing a procurement plan for the project, drafting and finalizing the Request for Proposals, contract, and other required tender documents, and overseeing the procurement process from tender release to contract negotiation and award with the selected partner. The technical approach must clearly indicate how the proposed activities will result in the successful completion of all deliverables and activities within the anticipated implementation timeframe, drawing on local expertise as needed. Points will be awarded for the presentation of a comprehensive, detailed approach to:

- i. Conducting an assessment to design and provide justification for the optimal partnership scheme for the Sikidang Project
- ii. Conducting a risk assessment for the proposed partnership and recommending the requisite mitigations.
- iii. Developing a detailed project partnership implementation plan and procurement plan, to include identification of key project stakeholders, project timeline, selection process, technical and financial evaluation criteria, and an outline of all inputs, services, and approvals required at each stage by GDE or the Government of Indonesia, per local procurement regulations.

- iv. Preparing the tender document package and draft contract in accordance with SOO requirements.
 - v. Executing the tender, award, and contract drafting and negotiation
- b. **Institutional Capacity (30 Points):** Points for this section will be awarded based on information presented in the corresponding section and any submitted case studies. The offeror must demonstrate its institutional experience and expertise in structuring private partnerships and implementing similar procurements. The successful offeror should highlight relevant experience in Indonesia or similar contexts, with a strong preference given to offerors with a local presence in Indonesia. Offerors should also have at least one partner or team member with geothermal expertise for help structuring the technical requirements of the RFP and evaluating technical proposals.
- c. **Management Plan/Staffing Structure (25 Points):** Points for this section will be awarded 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), clear description of where firms and staff are located geographically, and the demonstrated efficacy and clarity of the management plan. Local presence in Indonesia is required. The Management Plan should clearly outline where staff are located and, if any portion of the team or consortium will be remote, offerors should demonstrate how they will effectively supplement the work on the ground. 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 for each component of the work, and the appropriate management controls to ensure successful delivery. The offeror should clearly demonstrate that their proposed staff have the requisite experience advising and structuring private partnerships, developing a partnership scheme assessment including risk assessment, developing tender document, managing procurements including evaluation, and drafting and negotiating contracts.
2. **Price Proposal:** Price and associated cost build-up 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.
- IV. **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 (at the link scroll down to "Terms and Conditions"). 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 under RFP INVEST-111:
USAID INVEST: Mobilizing Private Investment for Development
Technical and Transaction Advisory Support for the Sikidang Geothermal Project (Indonesia)
USAID/Asia Bureau Transaction Advisory Fund**

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, energy, clean water, health, and education, requires new forms of collaboration between USAID and the investment and business community.

Background

Infrastructure Transaction and Assistance Network and the Transaction Advisory Fund

The Infrastructure Transaction and Assistance Network (ITAN) is a whole-of-U.S. Government initiative to advance sustainable, transparent, high-quality infrastructure across the Indo-Pacific region. Launched in July 2018, ITAN furthers the U.S. vision for a free and open Indo-Pacific to ensure peace, stability, and growing prosperity in the region. Under ITAN, USAID plays a leading role helping its Indo-Pacific partners to catalyze private sector investment—including from the United States—by strengthening their ability to implement and manage sustainable, transparent, and high-quality infrastructure projects.

In October 2019, the USAID Bureau for Asia (USAID/Asia Bureau), with implementation support from INVEST, launched the Transaction Advisory Fund (TAF), a function of the Infrastructure Transaction and Assistance Network¹. Under TAF, INVEST responds to host country governments’ requests for assistance on infrastructure projects with high quality, best-in-class discrete transaction advisory services—primarily legal and other services for contract negotiation and bid/proposal evaluation—on a rapid response basis.

Sikidang Project

The Sikidang Area is a prospective area in the Dieng Geothermal Field, which is one of the geothermal systems in the Dieng Highlands Concession Area (WKP Dataran Tinggi Dieng) located in Central Java, Indonesia. In 2004, the Dieng Geothermal Field acquired an Energy Sales Contract (ESC) with a total power purchase commitment of 400 MW between PT Geo Dipa Energi (Persero) (GDE) and PT PLN (Persero), whose power shall be supplied from the Sileri, Sikidang, and Pakuwaja areas.

Table 1. Dieng Field Development Overview

Site	Area	Capacity (MW net)	Tariff (USD ct/kWh)	Commercial Date (COD)	Operating	Progress
1	Sileri	55	Agreed in ESC	2002		In operation
2	Sileri	55	Agreed in ESC	Target 2024		Exploitation
3	Sileri	55	Agreed in ESC	Target 2027		Feasibility study target 2023
4	Sileri	55	Agreed in ESC	Target 2027		Feasibility study target 2023
5	Sileri	55	Agreed in ESC	Target 2031		-
6	Sikidang	55	Agreed in ESC	>2031, if self-developed		Potential COD acceleration through Partnership
7	Sikidang	35	Agreed in ESC	>2031, if self-developed		Potential COD acceleration through Partnership
8	Pakuwaja	35	Agreed in ESC	-		-

¹ [USAID: ITAN Fact Sheet](#)

Currently, GDE is focused on the development of Site 1 and 2 in the Sileri area, which are in the operation and exploitation stages, respectively. Due to GDE's limited bandwidth, development of the Sikidang area is estimated to begin no earlier than 2031. However, by working with the private sector, GDE can significantly accelerate the Commercial Operating Date for the Sikidang area. It should be noted that the Sikidang and Sileri reservoirs are independent and the development of the Sikidang site will not impact the current operation in Sileri.

Given that the Dieng field has been in operation since 2002, there is a strong familiarity with the area surrounding Sikidang and preliminary research has already been completed to determine the Sikidang area's geothermal characteristics. The drilling of twenty-four (24) production wells between 1978 and 1994 revealed Sikidang as a geothermal field with proven resources and resulted in its categorization as a brownfield. Additionally, a geoscientific study conducted by a previous developer, Pertamina, indicates that the Sikidang area has a (1) relatively large geothermal resource of 70-90 MW, (2) high enthalpy resource, and (3) potential High Acidic Area and High NCG Area. Sikidang also has a Power Purchase Agreement (PPA) and price already in place.

Pertamina's findings are currently being re-assessed in a pre-feasibility study conducted in-house by GDE, which is expected to be completed in September 2022. GDE has also opened a due diligence window for potential partners to assess the available Sikidang data, which has provided GDE with a realistic sense of the technical and cost assumptions for the project and of which entities may be interested in the partnership opportunity.

GDE is seeking a project development partner to develop the Sikidang site. In order to identify the right private sector partner for this work, GDE will need to design a partnership scheme and run a robust procurement process.

Implementation Objectives

The purpose of this activity is to provide technical and transaction advisory support to GDE to design and implement a procurement process to identify a project development partner for the Sikidang Geothermal Project ('Sikidang Project'), in accordance with the Government of Indonesia public procurement process and related Indonesian laws. The subcontracted firm(s) will provide advisory services to propose the appropriate structure of the partnership, develop a procurement plan for the project, draft and finalize the request for proposals, contract, and other required tender documents, and oversee the procurement process from tender release to contract negotiation and award with the selected project development partner ('Partner'). Within this document, firms responding to this RFP will be referred to as 'offeror' and the eventual project development partner is referred to as 'Partner.'

At the conclusion of the tender process, and beyond the scope of this Statement of Objectives, the selected Partner identified by the offeror will develop a bankable feasibility study to attract financing to the project, conduct additional data collection and testing if needed, and cover project financing, exploitation (production, injection, well drilling, SAGS and Power Plant EPC), and management up to the Operation and Maintenance phases for the Sikidang Project.

Activity Structure

Under this activity, the successful offeror will supply a team of experts to advise and provide technical support to the GDE across the following three phases:

Phase 1: Partnership Scheme Assessment and Procurement Plan

GDE is a state-owned enterprise, and thus conducting a complete tender and procurement process is mandatory to select and assign the project development Partner. In order to determine the optimum partnership scheme for the Sikidang Project, the successful offeror will undertake an assessment and propose a suitable arrangement to GDE. Once the partnership scheme has been determined, the firm will develop a comprehensive procurement plan for the tender process and present it to GDE management. The Sikidang Project is the first private partnership for GDE, so the procurement plan will be used to inform their decision-making and as a reference for future procurements.

As part of Phase 1, the offeror will complete the following tasks:

- Conduct an assessment to design and provide justification for the optimal partnership scheme for the Sikidang Project. Partnership scheme should define the roles and responsibilities of each party, which will be communicated in the request for proposals and codified in the eventual contract agreement.
- Conduct a risk assessment for the proposed partnership and recommend the requisite mitigations
- Develop a detailed project partnership implementation plan and procurement plan, to include identification of key project stakeholders, project timeline, selection process, technical and financial evaluation criteria, and an outline of all inputs, services, and approvals required at each stage by GDE or the Government of Indonesia, per local procurement regulations.

Phase 2: Partnership Tender Preparation

Once the partnership scheme and procurement plan are finalized, the successful offeror will prepare the Request for Proposals document package and all related procurement documents. The preparation of comprehensive tender documents that limit legal risks is paramount, as GDE was held back by litigation issues from 2007-2019 due to an incomprehensive scheme, tender, and contractual documents on a previous project.

As per the procurement plan developed under Phase 1, the successful offeror will, in close collaboration with GDE:

- Draft the Request for Proposal document package including, but not limited to:
 - Instructions to bidders with clear, transparent evaluation criteria, the bid evaluation process, and a procurement schedule
 - Draft investment/concession agreement
 - Dispute resolution mechanism
 - Minimum required technical specifications for the design and build of the geothermal plant to meet the project requirements
 - Incorporation of the requisite environmental and social clauses into all applicable legal documents to ensure the project is aligned and compliant with Indonesia regulatory requirements and international best practices for environmental standards

Phase 3: Tender, Award, and Contract Drafting and Negotiation

Once approval of the final documentation package is obtained from GDE and other key project stakeholders, the successful offeror will:

- Assist GDE in preparing and participating in a bidders' conference in coordination with GDE.
- Support GDE in responding to bidders' requests for clarifications on the RFP and in ensuring transparency in the process.
- Advise GDE on how to address clarifications or requests for amendments from the bidders.
- In coordination with GDE, review each round of questions from bidders and provide responses.
- Assist in the review and evaluation of bids, including both technical and financial proposals.
- Ensure the evaluation of bids is transparent and complies with Indonesian law.
- Assist GDE in working towards the signing and closing of the transaction. The closing phase will encompass assistance during the signing and negotiation of the project agreements. This may

include general advice to GDE on potential lawsuits brought forward by competing bidders and support to GDE in reviewing and drafting any final contractual documents, conducting negotiations, and supporting the signing and closing of the contractual documents, including, where relevant, the financial documents.

Illustrative Deliverables

The selected offeror(s) will propose deliverables, based on their technical approach, which will result in the successful execution of the above described services. Illustrative deliverables include:

- Inception Report and Work Plan
- Partnership Scheme Assessment
- Procurement Plan
- Draft Investment/Concession Agreement or other draft contract document
- Request for Proposal package
- Bidders Conference Presentation and Q&A document
- Final Preferred Offeror

Period and Place of Performance

The activity is anticipated to commence in October 2022 and take place over a period of eight to twelve months. However, offerors should propose a timeline that is representative of their proposed technical approach and management plan that delivers the scope of work as described.

Work can primarily take place remotely, however one or more team members should be based in Indonesia and have local geothermal expertise.

Role of INVEST

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

- Subcontractor Onboarding: INVEST will provide the successful offeror(s) with all necessary context, and work with the successful offeror(s) to develop the work plan.
- Project Implementation: The successful offeror(s) will implement the work as prescribed by the work plan(s). INVEST will provide management support and ensure periodic check-ins/reporting.
- Ongoing Monitoring, Evaluation, and Learning: INVEST will define indicators during the subcontracting process, collect and review M&E data from subcontractors for requisite reporting to USAID and will conduct data quality assessments as necessary.