

To: Offerors

Date: November 2, 2022

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

Subject: Request for Proposals (RFP) INVEST 113: Transaction Advisory Services to Launch Regional Vehicle & Mobilize Capital for Resilience in the Caribbean

Due: **1:00PM EST on December 7, 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 to be funded by USAID under the Eastern and Southern Caribbean Buy-in.

- I. **RFP Process and deadlines:** This solicitation will result in the award of one Indefinite Quantity Contract (IQC) with an embedded task order (Task Order One) and potential for follow on task order(s). The **combined ceiling of the awarded IQC** is expected to be between \$1,050,000 and \$1,150,000 (including Task Order one and any future task orders), with approximately \$375,000 - \$400,000 of that total funding allocated for Task Order One.
 - a) Submission of Questions – Questions must be submitted no later than **1:00PM EST on November 9, 2022** via email at INVEST_Procurement@dai.com.
 - b) Submission of Proposals – Proposals must be submitted no later than **1:00PM EST on December 7, 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 113: Transaction Advisory for Resilience Vehicle in the Caribbean” Please certify in your submission email a validity period of 60 days for the price(s) provided. In order to submit a proposal, offerors must have at least initiated the process to obtain a [SAM UEID](#). If the UEID has not yet been issued, offerors should note that in the submission and update INVEST at INVEST_Procurement@dai.com once it is issued. 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 presentation no longer than 12 slides, using 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 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; offerors may use the attached cost/budget template.

Part 1 – Technical Proposal



Shaping a more livable world.

Please limit your technical proposal to no more than twelve (12) 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 support the successful launch and capital mobilization for CDF’s new vehicle and result in the completion of all proposed deliverables and milestones.
 - I. Phase 1 (Task Order 1): Offerors should outline how they would work with the CDF and its member states to identify key barriers hindering investment and assess financing needs in the region. The proposal should detail how the offeror would analyze options and recommend an optimal governance and capital structures that are appropriate for a multilateral vehicle and the region. Offerors should also detail their approach to securing buy-in from key stakeholders to ensure activity success. The technical approach should also detail what type of support the offeror would offer to the CDF to ensure that the vehicle is set up and launched.
 - II. Phase 2: Offerors should detail how they would carry out deal vetting and their approach to develop a robust pipeline of high-potential transactions in the Caribbean. Offerors should also outline their approach to market the fund, attract investors, secure capital commitments and work with the CDF to design a sustainable long-term capital raise strategy for the vehicle. Offerors should also clearly indicate their proposed capital mobilization target within the life of the activity.
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 activities and/or experience in the region. Offerors should demonstrate their knowledge, capabilities, and experience advising and/or launching investment vehicles, developing investment pipelines, raising or deploying capital, and track record with DFIs and MFIs, impact investing, green or blue economy, and blended finance schemes. Offerors should also note their experience in the Caribbean market, if they have any local presence and highlight their existing local and international networks, particularly sources of capital, and how those will be leveraged to result in successful capital raise. The proposal should also highlight any relevant experience in key sectors such as resilient infrastructure, climate-smart agriculture, renewable energy, etc.
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 deliverables, including a milestone schedule that indicates their proposed timeline for implementation, including target date to launch the vehicle and raise capital. Offerors should include in their proposed team the number of individuals that they deem appropriate to complete the anticipated activities, and that possess the wide range of required experience necessary for successful activity implementation. Offerors are encouraged to engage in partnering arrangements if it will aid in providing best value to USAID, regardless of whether organizations belong to the USAID Finance and Investment network managed by INVEST. If a partnering arrangement is being proposed, please describe the nature of the arrangement, the division of labor among the partners, and the appropriate management controls to ensure successful delivery.

In addition to the above, please include the following. These inputs will not be counted as part of the 12-slide limit and the format may be PDF or Word:

- One (1) to two (2) case study examples or qualifications statements 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 will be an IQC Subcontract that will allow for the issuance of Firm Fixed Price task orders, awarded as a subcontract by DAI Global, LLC. **Please include your total proposed fixed price for Task Order 1 along with details for specific deliverable pricing.** At this procurement stage, the pricing for Task Order 1 should be final, and not illustrative.

In addition to the proposed budget for Task Order 1, offerors should provide an illustrative budget for Task Order 2, taking into account the proposed technical approach for Phase 2, including projected timeline and pipeline and capital raise targets. Please provide a narrative explanation of key assumptions related to Task Order 2 pricing in terms of the proposed transaction support. The proposed illustrative pricing for Task Order 2 will serve as an indication of how the Offeror will structure and price its work under subsequent Task Orders. During implementation, if additional Task Orders are authorized INVEST will release a Request for Task Order Proposal for the Task Order(s) to the IQC holder awarded through this procurement. INVEST will compare the proposed pricing for the new Task Order(s) at the RFTOP stage against the pricing proposed during this competitive phase.

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 can use the attached cost/budget template for guidance, but are not required to use it, as long as the cost proposal captures the necessary elements (i.e. deliverables table with breakdown of how the deliverable totals were calculated). 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/ESC in response to the requirements stated in this RFP. DAI may also exclude an offer from consideration if it determines that an Offeror is “not responsible”, i.e., that it does not have the management and/or financial capabilities required to perform the work required. Proposals will be evaluated against a stated number of factors, including the overall proposed approach, past performance, specific qualifications in the identified sectors and other evidence substantiating the bidder’s ability to deliver, and 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.
 - 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 and incorporates the offeror's unique competencies to support fund structure and launch and facilitate capital mobilization.

- I. Phase 1 (Task Order 1): Offerors will be evaluated on their proposed approach to identify barriers to investment, analyze options and propose an optimal vehicle governance and structure, taking into account the region's financing needs, as well as any legal and operational considerations. Points will be awarded to offerors that present a clear approach to how they will work with the CDF to ensure that the vehicle is set up and launched, and secure buy-in from other key stakeholders.
 - II. Phase 2: Offerors will also be evaluated on their approach to deal vetting and pipeline development. Points will be given to offerors who present a clear approach to how they would market such vehicle, and can clearly articulate a strategy to attract investors and raise capital. Offerors will also be evaluated based on the capital mobilization target that they commit to achieving within the life of the activity.
- b. **Institutional Capacity (35 points)** - Points for this section will be based on information presented in the corresponding section. Preference will be given to firms that have past performance in timely and successful delivery of similar services and/or relevant experience in the Caribbean. Offerors should demonstrate past credentials in similar assignments involving fund structuring, pipeline development, capital raise and transaction advisory support. Preference will be given to offerors with proven experience in climate finance, green and blue economy, and impact investing or blended finance mechanisms. Points will be awarded to offerors with demonstrated expertise and relevant networks in the region, and experience working with regional multilaterals. Emphasis will also be given to offerors that have prior experience supporting and/or mobilizing capital for key sectors such as renewable energy, resilient infrastructure, agriculture.
 - c. **Management Plan/Staffing Structure (25 points)** – Points for this section will be based on the qualifications and appropriate size of proposed staff, in line with the criteria outlined in the previous section. Points will be given based on the team's range of relevant experience, including experience with fund structuring, pipeline development, and capital raise. Preference will be given to teams with demonstrated experience working in the Caribbean, and experience with working with multilateral organizations. Points will also be based on the demonstrated efficacy of the management plan, including the proposed timeline for achieving key milestones such as vehicle launch and capital mobilization, and a schedule of deliverables that is aligned with the requirements of the SOO. If the offeror is submitting a proposal along with partners, the proposal will also evaluate the added technical value of each proposed partner.
2. **Cost Proposal:** Cost will be evaluated separately from the technical approach, with due consideration for 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.

Offerors should include your total proposed fixed price for Task Order 1 along with details for specific deliverable pricing, as well as illustrative pricing for the proposed Task Order 2 scenario. Please note that at this IQC procurement stage, the evaluation will focus on the Task Order 1 cost proposal as the proposed pricing for this Task Order is considered final, and not

illustrative. The proposed illustrative pricing for Task Order 2 will be considered as illustrative at this stage and will only be evaluated as an indication of how the offeror will structure a budget under the illustrative scenario for a potential Task Order 2.

Evaluation of cost proposals will focus on cost reasonableness of the overall proposed price, individual deliverable prices, as well as the cost build-up to each deliverable price. Once the IQC is issued, the budget for any potential future Task Order(s) will be analyzed and compared to the submitted IQC budget for Task Order 2, to ensure that Task Order budgets are consistent with the proposed labor rates and cost build-up submitted in a competitive pricing environment at the IQC stage. Any significant deviation from the costs submitted at the IQC stage will need to be fully documented and justified at the Task Order level and will be subject to approval by DAI.

IV. **Offeror's Agreement with Terms and Conditions: Please visit the [INVEST Procurement Hub](#) website (scroll down to "Terms and Conditions") for RFP 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 under RFP INVEST-113:
Transaction Advisory Services to Launch Regional Vehicle & Mobilize Capital for
Resilience in the Caribbean**

Introduction

The United States Agency for International Development (USAID) recognizes that as the world's development challenges become more complex, many can only be solved through market-based solutions.

Increasingly, private investors and businesses are looking at emerging markets for new opportunities. However, investing in these markets is complex, and USAID has an important role to play in mobilizing investment into high-impact areas.

Encouraging these investments requires new forms of collaboration. In September of 2017 through a contract awarded to DAI, USAID set up the INVEST mechanism to build and engage a network of partner organizations with valuable investment and finance expertise, including those that have not worked extensively with USAID in the past.

[INVEST](#) enables USAID Missions, Bureaus, and Independent Offices to quickly access niche expertise from this diverse network of partner organizations. These partners work alongside USAID to deliver customized financing solutions that address investment constraints, mobilize additional private capital, and produce development results for a variety of sectors and geographies.

INVEST pairs innovative technical approaches with streamlined and user-friendly procurement and subcontracting processes. These simplified processes level the playing field, ensuring that USAID can work with the best firm for the job, regardless of that firm's size, locality, or previous experience with government contracting.

Background & Purpose

Many Caribbean countries are facing economic and fiscal challenges arising from the impact of increasingly frequent and intense adverse weather phenomena associated with climate change, which have been further exacerbated by the COVID-19 pandemic. Mechanisms to finance climate-related loss and damage, and building resilience that will mitigate impacts and give ESC countries the ability to withstand these events, are paramount to the region, given the outsized impact that climate change could have on ESC countries.

The resilience financing gap for the Caribbean is estimated at over \$20 billion USD, which far exceeds the financial capacity of regional governments. In order to close that gap, the region needs to develop a market that creates demand for, and supply of private sector financed investments in resilience. Increasing flows of concessional financing from development partners to scale up public sector efforts to address these challenges and strengthening public sector capacity to engage in Public-Private Partnerships (PPPs) is equally important.

In order to unlock the potential of private capital in the Caribbean regional financial system, the CARICOM Development Fund (CDF) launched the Credit Risk Abatement Facility (CRAF) in November 2020. The CRAF offers incentives in the form of partial credit guarantees for commercial and national development banks and other local financial institutions so that they can provide incremental lending to SMEs for renewable energy and energy efficiency projects in the Caribbean. The CRAF also provides technical assistance grants to build the capacity of SMEs to prepare bankable investment proposals and of financiers to manage sustainable energy loan portfolios. Under INVEST, USAID has been working with the CDF under the CRAF framework to expand the pipeline of renewable energy and energy efficiency opportunities in the region, and offering targeted transaction advisory services to selected transactions to help them advance towards transaction close.

In addition to stimulating investment by the private sector in these key areas, the CDF is now interested in launching a new investment vehicle of their own, focused on growth and resilience investing, to complement the organization's existing offerings. Development of this asset class has the potential to be transformative, especially as it would catalyze large scale private and PPP investment in adaptation to climate change.

Objectives and Activities

INVEST is seeking a qualified partner that can offer CDF comprehensive technical assistance for the launch of its new vehicle, and advise the institution throughout the process, including the conceptualization and structuring phase, vehicle launch, and capital raise. INVEST envisions the support taking place in two distinct, complementary phases (corresponding to two Task Orders). Please note that Task Order 1 will be awarded along with the IQC; Task Order 2 is planned but not guaranteed.

Phase 1: Analysis, Vehicle Structuring and Launch

Under Phase 1, the partner will support the CDF through the vehicle design and launch process as the CDF establishes and launches their investment vehicle particularly from a governance perspective. The selected partner will focus on analyzing different options for establishing CDF's new investment vehicle, looking at similar structures that cater to multilateral organizations and DFIs and outlining the pros and cons of different vehicles, recommending an optimal structure based on CDF's and the region's goals and needs, and supporting the CDF in setting up and launching the vehicle.

Anticipated activities should include:

- Market scan and regional consultation to identify gaps and barriers hindering investments in resilience, assess the potential demand for this asset class, looking at the various structures that exist in the region currently and optimizing ways of aligning with other offerings.
- Assessment of financing needs and appropriate financial products to structure the vehicle in order to provide the most appropriate form of financing for target investees.
- Working with CDF to develop an investment thesis, identify potential governance and capital structures, and financial modelling to help them decide on the structure for the new vehicle that will be developed to best fit their particular needs.

- Pre-launch stakeholder validation exercise to present the vehicle to key players to ensure buy-in and raise awareness
- Support the CDF’s launch of this new vehicle taking into account operational, organizational, legal and overall technical aspects and investment criteria, once a structure is agreed upon. This may include, but is not limited to, guidance to the CDF on the governance of the vehicle and legal registration to ensure compliance with pertinent legal and regulatory frameworks.

The vehicle would invest in key priority sectors such as resilient infrastructure, climate-smart agriculture, and renewable energy, with a geographical focus on CARICOM Member States (including Antigua and Barbuda, Barbados, Dominica, Grenada, Guyana, Jamaica, Saint Lucia, St Kitts and Nevis, St Vincent and the Grenadines, Suriname, Trinidad and Tobago). As part of the initial assessment that will inform the launch, the selected partner would be responsible for working with CDF to determine key parameters such as: target size, fund life, investment instruments, ticket sizes, etc.

Phase 2: Capital Raise and Pipeline Development

Following vehicle launch, the partner will work with CDF to support capital mobilization efforts. In parallel with fundraising efforts, the partner will also support the CDF to develop a pipeline of high-potential investment opportunities in the ESC region for the newly launched vehicle. The pipeline will serve to showcase the breadth of resilience opportunities in the region, thus helping attract investors and ensure the vehicle is primed to make investments following its first close.

Activities under Phase 2 should include, but are not limited to:

- Mapping of potential opportunities across the region and conducting preliminary due diligence
- Developing an investor engagement strategy, investment memorandum and pitch materials for the vehicle
- Conducting investor mapping, roadshows and matchmaking events,
- Finalizing a pipeline of investable transactions for potential investment
- Facilitating negotiations with investors and securing investment commitments
- Developing a marketing/resource mobilization plan for the vehicle to orient the CDF on how to ensure resource adequate flows and long-term sustainability

A target capital raise will be established as a metric for the initial launch and rollout of this vehicle under this activity, and the vehicle is expected to continue to raise funds beyond this initial support. The CDF is committed to provide initial seed funding of \$5.0 million USD for the vehicle, and offerors should propose a target capital amount that they expect to mobilize and would commit to raising during the life of the activity. As a minimum, USAID/INVEST expects to raise at least \$3 - 5 million USD during the life of the activity.

Expected Deliverables & Milestones

Offerors can propose milestones and a deliverable framework that align with their proposed approach. INVEST will employ a “pay for success” model, and as a result, a portion of

payments should be tied to the successful capital raise. INVEST encourages offerors to structure their proposed deliverables and corresponding payments competitively.

Illustrative deliverables could include, but are not limited to:

Phase 1:

- Market analysis & assessment
- Proposed structure for CDF's new vehicle
- Stakeholder consultations
- Investment thesis & implementation strategy
- Evidence of vehicle legal registration and launch

Phase 2:

- Investment memoranda & pitch materials
- Investor mapping, roadshows and matchmaking events
- Pipeline of potential investors
- Pipeline of potential investees
- Legally binding evidence of capital raise
- Vehicle Marketing/Resource Mobilization Plan & Strategy

Role of INVEST and Implementation Structure

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 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 work plan(s)
- Project Implementation: The selected subcontractor(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 in subcontract, collect and review M&E data from subcontractors for requisite reporting to USAID and will conduct data quality assessments as necessary.

Additionally, INVEST and USAID will also work closely with the awardee(s) on the overall implementation framework, including the appropriate cadence for reporting, communications, and other general ongoing project management activities, as well as be a resource to help the awardee achieve overall objectives.

Contract Type

INVEST anticipates issuing an Indefinite Quantity Subcontract with the ability to issue Firm Fixed Price task orders. The first task order for Phase 1 will be issued along with the IQC, and subsequent task order(s) are expected to follow once the vehicle has been launched.

Period and Place of Performance

The activities outlined above are estimated to take place over an 18-month period starting around January 2023 and coming to completion by no later than June 2024. Phase 1 (Task Order 1) is expected to last 5-6 months. Offerors are free to propose an implementation timeframe within that range that best aligns with their technical approach and vehicle's timeline commensurate with their technical approach.

There will be significant interaction with INVEST and USAID staff, as well as CDF senior staff, which can be done remotely. Activities will require travel to the Caribbean, and bidders should specify anticipated presence and/or travel to the region or other locations as appropriate.