

Amendment to Request for Proposal

Amendment number: 1

Reference Request for Proposal Number: RFP-217772-Ethiopia-2020-0061

Amendment effective date: October 20, 2020

Description of Amendment:

1. This amendment serves to add a second questions deadline on Page 1 of the RFP, to end at 5pm ET on **Friday, October 23, 2020.**
2. This amendment serves to change the final submission deadline on Page 1 of the RFP, to end at 5pm ET on **Friday, October 30, 2020.**

Please use this budget template: http://catalyze-procurement.com/wp-content/uploads/2020/10/CATALYZE-MS4G_-Simplified-Budget.xlsx

QUESTIONS & ANSWERS

Date: October 19, 2020

Reference Request for Proposal Number: RFP-217772-Ethiopia-2020-0061 Business Advisory Service Assessment in Ethiopia

Dear Offerors,

Please see below answers to the questions submitted catalyze.procurements@thepalladiumgroup.com.

No	Question	Answer
1	Are you expecting BASPs to be identified from Addis Ababa only or also those located in the regional towns?	We encourage inclusion of BASPs that are located in both Addis Ababa and the regional towns that work with SMEs in the target regions. We would like to generate a comprehensive picture of the number of BASPS. and types of services offered.
2	Do you have any preferred format to be used for the preparation of the technical proposal? Or do you want us to use our own format?	All applicants are welcome to submit their own format, as long as it addresses all of the technical points requested in the RFP.
3	We may include international experts in our project team. Are we allowed to develop our budget and get paid in USD?	No, payments to local firms will be made in ETB. Locals firms must budget in ETB.

Request for Proposal (RFP)

Subject RFP #:	RFP-CATALYZE-Ethiopia-2020-0061
RFP Issue Date:	October 9, 2020
Terms of Reference / Specifications:	Business Advisory Service Assessment in Ethiopia
Project	CATALYZE Innovative Blended Finance
The Company	Palladium International, LLC
Country of Performance	Ethiopia
Closing Date and Time	October 23, 2020, 5:00PM EST
Questions Deadline	October 16, 2020, 5:00PM EST <input checked="" type="checkbox"/> Accepted at catalyze.procurements@thepalladiumgroup.com <input type="checkbox"/> N/A
Details for Submission	Submissions will be accepted: <input checked="" type="checkbox"/> Electronically: email to catalyze.procurements@thepalladiumgroup.com <input type="checkbox"/> In hard copy (sealed bids)
Offer Validity Period	90 days after proposal submission

Thank you for your interest in the above procurement. As implementer for the CATALYZE Innovative Blended Finance Project funded by United States Agency for International Development (USAID), Palladium invites you to submit a proposal for the scope of work attached in Annex A. Your proposal must be valid for the Validity Period.

Please email your notice of intention to submit a proposal by the Questions Deadline. Answers to questions shall be distributed to all offerors that have indicated an intention to submit a proposal by the deadline.

Please submit your proposal in accordance with the Details for Submission above by the Closing Date and Time. This RFP in no way obligates Palladium to award a contract nor does it commit Palladium to pay any cost incurred in the preparation and submission of a proposal. Palladium bears no responsibility for data errors resulting from transmission or conversion processes.

Yours sincerely,
CATALYZE Procurement Team

Terms and conditions

1. Proposal Conditions

By submitting a proposal, potential suppliers are bound by these terms and conditions. Potential suppliers must submit offers with all details provided in English and with prices quoted in a single currency.

2. Proposal Lodgement

The Company may grant extensions to the Closing Time at its discretion. The Company will not consider any quotes received after the Closing Time specified in the RFP unless the Company determines to do so otherwise at its sole discretion.

3. Evaluation

The Company may review all proposal to confirm compliance with this RFP and to determine the best proposal in the circumstances.

4. Alterations

The Company may decline to consider a proposal in which there are alterations, erasures, illegibility, ambiguity or incomplete details.

5. The Company's Rights

The Company may, at its discretion, discontinue the RFP; decline to accept any proposal; terminate, extend or vary its selection process; decline to issue any contract; seek information or negotiate with any potential supplier that has not been invited to submit a proposal; satisfy its requirement separately from the RFP process; terminate negotiations at any time and commence negotiations with any other potential supplier; evaluate proposals as the Company sees appropriate (including with reference to information provided by the prospective supplier or from a third party); and negotiate with any one or more potential suppliers.

6. Amendments and Queries

The Company may amend, or clarify any aspect of the RFP prior to the RFP Closing Time by issuing an amendment to the RFP in the same manner as the original RFP was distributed. Such amendments or clarifications will, as far as is practicable be issued simultaneously to all parties.

Any queries regarding this RFP should be directed to the Contact Person identified on the cover page of this RFP.

7. Clarification

The Company may, at any time prior to execution of a contract, seek clarification or additional information from, and enter into discussions and negotiations with, any or all potential suppliers in relation to their proposals. In doing so, the Company will not allow any potential supplier to substantially tailor or amend their proposal.

8. Confidentiality

In their proposal, potential suppliers must identify any aspects of their proposal that they consider should be kept confidential, with reasons. Potential suppliers should note that the Company will only agree to treat information as confidential in cases that it considers appropriate. In the absence of such an agreement, potential suppliers acknowledge that the Company has the right to disclose the information contained in their proposal.

The potential supplier acknowledges that in the course of this RFP, it may become acquainted with or have access to the Company's Confidential Information (including the existence and terms of this RFP and the TOR). It agrees to maintain the confidence of the Confidential Information and to prevent its unauthorised disclosure to any other person. If the potential supplier is required to disclose Confidential Information due to a relevant law or legal proceedings, it will provide reasonable notice of such disclosure to the Company. The parties agree that this obligation applies during the RFP and after the completion of the process.

9. Alternatives

Potential suppliers may submit proposals for alternative methods of addressing the Company's requirement described in the RFP where the option to do so was stated in the RFP or agreed in writing with the Company prior to the RFP Closing Time. Potential suppliers are responsible for providing a sufficient level of detail about the alternative solution to enable its evaluation.

10. Reference Material

If the RFP references any other materials including, but not limited to, reports, plans, drawings, samples or other reference material, the potential supplier is responsible for obtaining the referenced material and considering it in framing their proposal. And provide it to the Company upon request.

11. Price/Cost Basis

Prices or costs quoted must show the tax exclusive price, the tax component and the tax inclusive price.

The contract price, which must include any and all taxes, supplier charges and costs, will be the maximum price payable by the Company for the Goods and/or Services.

12. Financial information

If requested by the Company, potential suppliers must be able to demonstrate their financial stability and ability to remain viable as a provider of the Goods and/or Services over the term of any agreement.

If requested by the Company, the potential supplier must promptly provide the Company with such information or documentation as the Company reasonably requires in order to evaluate the potential supplier's financial stability.

13. Referees

The Company reserves the right to contact the potential supplier's referees, or any other person, directly and without notifying the potential supplier.

14. Conflict of interest

Potential suppliers must notify the Company immediately if any actual, potential or perceived conflict of interest arises (a perceived conflict of interest is one in which a reasonable person would think that the person's judgement and/or actions are likely to be compromised, whether due to a financial or personal interest (including those of family members) in the procurement or the Company).

15. Inconsistencies

If there is inconsistency between any of the parts of the RFP the following order of precedence shall apply:

- (a) these Terms and Conditions;
- (b) the first page of this RFP; and
- (c) the Schedule

so that the provision in the higher ranked document will prevail to the extent of the inconsistency.

16. Collusion and Unlawful Inducements

Potential suppliers and their officers, employees, agents and advisors must not engage in any collusive, anti-competitive conduct or any other similar conduct with any other potential supplier or person or quote any unlawful inducements in relation to their proposal or the RFP process.

Potential suppliers must disclose where proposals have been compiled with the assistance of current or former the Company employees (within the previous 9 months and who was substantially involved in the design, preparation, appraisal, review, and or daily management of this activity) and should note that this may exclude their proposal from consideration.

Potential suppliers warrant that they have not provided or offered any payment, gift, item, hospitality or any other benefit to the Company, its employees, consultants, agents, subcontractors (or any other person involved in the decision-making process relating to this RFP) which could give rise to a perception of bribery or corruption in relation to the RFP or any other dealings between the parties.

17. Jurisdiction

This RFP shall be subject to the laws of the District of Columbia, United States of America. The language of the arbitration will be English.

The Potential Supplier and the Company will use their best efforts to settle amicably any dispute, controversy, or claim arising out of, or relating to this RFP or the breach, termination, or invalidity thereof. If no agreeable settlement can be found, any dispute, controversy, or claim arising out of or relating to this RFP or the breach, termination, or invalidity thereof, shall be settled by mediation through the American Arbitration Association by filing a request for mediation with the AAA and the other party. The Parties will be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute.

Company Information

Palladium is a global leader in the design, development and delivery of Positive Impact — the intentional creation of enduring social and economic value. We work with corporations, governments, foundations, investors, communities and civil society to formulate strategies and implement solutions that generate lasting social, environmental and financial benefits.

Project Background

The CATALYZE Blended Finance Mechanism is a \$250 Million, 8-year contract (5-year base period, with a single 3 year option period) which uses a facilitated partnership model to craft solutions to crowd in \$2 Billion in blended finance (i.e. blended concessional and commercial finance) to USAID partner countries and initiatives. CATALYZE allows USAID Bureaus and Missions to efficiently deploy investment facilitation solutions that respond to the needs of specific sectors, issues, and geographies. Initial programs focus on education finance to implement sustainable education business models serving low-income communities, and achievement of the W-GDP objectives, but the mechanism can be applied to any development challenge or region.

Purpose

The USAID-funded CATALYZE: Market Systems for Growth (CATALYZE: MS4G) Activity is designed to strengthen the Ethiopian economy, create jobs, and expand exports through the use of blended finance. To lay the foundation for the BASP window of the MS4G Facility, CATALYZE:MS4G is commissioning a business advisory service assessment to (i) profile the supply of BASPs in the market; (ii) identify the strengths and weaknesses of BASPs in the market; (iii) understand current usage of business advisory services, effectiveness, and willingness to pay amongst SMEs; and (iv) highlight unmet demand for business advisory services. The assessment will inform the services as well as the structure of the performance-based payments offered by the MS4G Facility.

Type of Contract

Palladium intends to issue a Firm Fixed Price subcontract to the selected offeror.

Anticipated Contract Period of Performance

The period of performance will be approximately 3 months after subcontract execution.

Place of Performance

The activities to be performed under this contract will take place in Ethiopia. See the Instructions for Submission of Cost Proposal for travel assumptions.

Key Deliverables and Timeline

All deliverables are detailed further in Annex A: Scope of Work

Deliverable #	Report and Deliverable	Deadline	Payment Amount
1	Outline and List of Stakeholders	November 10, 2020	10%
2	Draft written report	November 30, 2020	30%
3	Final written report	December 10, 2020	30%
4	Virtual Presentation to MS4G and USAID	December 18, 2020	30%

Instructions to Offerors

Separate technical and cost proposals must be submitted by email no later than the time and date specified on the cover page.

1. Technical Proposal

For the technical proposal, the offeror must submit:

- (a) Cover letter with the following information:
 1. Firm contact info and address
 2. Type of company or organization
 3. DUNS Number (Company must have a DUNS number or obtain one within 5 days of being notified of selection)
 4. Signed by an authorized representative of the company
- (b) Background on the firm and relevant expertise (max 2 pages)
- (c) Past Experience Information/Capability Statement
- (d) Technical Proposal & Management Approach
- (e) Proposed work plan showing how the firm would execute this project including a timeline (max 2 pages)
- (f) Description of relevant projects previously performed by the firm, demonstrating expertise as outlined in Annex A (max 4 pages)
- (g) Contact details for three referees (max 1 page)
- (h) All supporting documentation specified below in the pass/fail evaluation criteria.

2. Cost Proposal

Offers must submit a cost proposal. CATALYZE will provide a budget template upon request through catalyze.procurement@thepalladiumgroup.com. The cost proposal consists of:

- (a) Budget in Microsoft Excel with all formulas visible (unlocked)
- (b) Accompanying Word Document with all cost assumptions and explanations

Key assumptions

- Budget in Ethiopian Birr for local entities and USD for international entities
- All prices are to be inclusive of relevant taxes
- Separate unit cost and number of units
- Break down activity costs into as much detail as possible

- Offeror should budget for: all allowable costs to implement activity, including but not limited to salaries, travel, other direct costs, etc.
- Preferred budget ceiling is \$50,000 USD

The selected offeror will be required to complete the Due Diligence Questionnaire (attachment 1) and provide a DUNS number within 5 days of being notified of selection.

Submission of Offers

Electronic proposals must be submitted by sending two separate emails, one for technical proposal and one for cost proposal with the RFP number in the subject lines. If submitting in hard copy, the technical proposal and cost proposal must be in separate sealed envelopes. Mark envelopes with the RFP number and offeror’s name. Ensure all required documents are attached. The RFP number can be found on the cover page.

Offers received past the deadline stated on the cover page will be deemed non-responsive and will not be considered for award.

Evaluation and Award Process

Proposals will be evaluated using a best value trade off methodology. This is a three-stage process.

- (1) The first set of criteria is graded on a pass/fail basis. Offerors must meet the following minimum eligibility qualification criteria and provide supporting documentation:

	Requirement	Supporting Documentation
(a)	Must not have any active exclusions from the working with the US government (www.sam.gov), the UN (Sanctions List), or the US Department of the Treasury Office of Foreign Asset Control	N/A
(b)	Must be a registered legal entity in Ethiopia for a minimum of one year	Copy of certificate or articles and memorandum of associate

- (2) If these minimum criteria are met, the offer’s technical proposal will be evaluated as follows:

Evaluation Criteria	Documents Evaluated	Points
Proposed plan	Provide a work plan with a timeline for completing key tasks and deliverable	34
Past Performance	Expertise in sector as outlined in Annex A and past experience in Ethiopia in providing services of a similar scope	33
Staffing Plan	Proposed team composition including all local and international staff with proposed roles and responsibilities	33
TOTAL		100

- (3) The offeror’s cost proposal will be evaluated for:

- Proposed total price, relative to other offers received
- Realism and reasonableness of the work to be performed
- Price reflects a clear understanding of the requirements
- Price is consistent with various elements of the technical proposal
- Compliance with USAID cost principles (Cost Principles in FAR Part 31)

Palladium reserves the right to award under this solicitation without further negotiations. The offerors are encouraged to offer their best terms and prices with the original submission.

PROCUREMENT INTEGRITY AND ETHICS

It is Palladium's Policy that no gifts of any kind and of any value be exchanged between vendors/contractors and Palladium personnel. Discovery of the same will be grounds for disqualification of the vendor/contractor from participation in any Palladium's procurements and may result in disciplinary actions against Palladium personnel involved in such discovered transactions.

Resulting Award

This RFP in no way obligates Palladium to award a contract. Palladium may opt to select multiple offers in response to this RFP.

Any contract/purchase order resulting from this solicitation must be signed by both parties in order to be considered valid and in force. All costs associated with, but not limited to, production, preparation and/or delivery of goods or services, including deliveries, accepted by Palladium staff, without a fully executed (signed by both parties) contract/purchase order, are at the vendor's risk only. Palladium shall not pay for any costs, without limitation, associated with production, preparation or delivery of goods and/or services under this or any other contract/purchase order, which has not been signed by both parties.

If your proposal is successful, you will be required to enter into the Company's standard contract for the types of goods or services being provided. In the provision of the Goods and Services, you will be required to comply with the Company's policies, including (without limitation) its Business Partner Code of Conduct and any relevant client terms and conditions. Potential suppliers must also comply with the Company's Business Partner Code of Conduct in the submission of any proposals pursuant to this RFP.

If you are bidding as part of a joint venture, partnership or similar, please make this clear in your submission. Likewise, if you propose to subcontract any part of the goods or services provision, then disclose this fact within your submission. The Company may require additional information from you and approval for subcontracting will not be automatic as subcontractors will be subject to Palladium's Due Diligence process.

Attachments

Please review the additional documentation and proposed contracts terms and conditions which should be given consideration when preparing your proposal. By submitting your bid you will certify that that you are in agreement with the contract terms and conditions as included in this solicitation and that all prices include all aspects of the required compliance with the terms and conditions of the proposed contract.

Attachment 1- Due Diligence Questionnaire

Palladium Business Partner Code of Conduct and Child Protection Guidelines can be downloaded in full at: <http://www.thepalladiumgroup.com/policies> or request through email from Catalyze.procurement@thepalladiumgroup.com

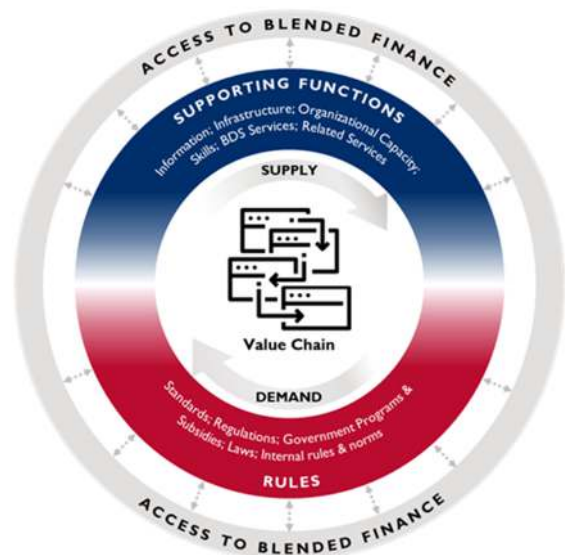
Annex A: Scope of Work

Business Advisory Service Ecosystem Assessment

Background

The USAID-funded CATALYZE: Market Systems for Growth (CATALYZE:MS4G) Activity is designed to strengthen the Ethiopian economy, create jobs, and expand exports through the use of blended finance. Specifically, it will leverage concessional financing to upskill and grow resource providers in the market system including financial service providers and job placement agencies, in addition to mobilizing finance for enterprises in target value chains including agribusiness, light manufacturing, and telecommunications and ICT (including fintech). Concessional finance offered through this activity will be disbursed via the MS4G Facility, which will include three windows focusing on scaling the reach of business advisory service providers (BASPs), financial institutions, and workforce development providers respectively. Complementary sub-activities will work closely with the Government of Ethiopia to enhance and strengthen the business enabling environment and other rules and regulations underlying the market system. To ensure optimal employment opportunities across all initiatives, there will be an emphasis on women and youth, not just in Addis Ababa, but second cities across Ethiopia.

CATALYZE:MS4G Market System



CATALYZE:MS4G is part of the USAID-funded CATALYZE Program, a \$250 million 8-year initiative, designed to mobilize \$2 billion in private capital, especially to underfinanced social sectors and higher risk countries around the globe. It aims to enable investors to explore and identify commercially viable opportunities and approaches to creating jobs, developing sustainable social services, expanding supply chains to enhance export potential, and advancing inclusive growth.

Objectives

To lay the foundation for the BASP window of the MS4G Facility, CATALYZE:MS4G is commissioning a business advisory service assessment to (i) profile the supply of BASPs in the market; (ii) identify the strengths and weaknesses of BASPs in the market; (iii) understand current usage of business advisory services, effectiveness, and willingness to pay amongst SMEs; and (iv) highlight unmet demand for business advisory services. The assessment will inform the services as well as the structure of the performance-based payments offered by the MS4G Facility.

Scope of Work

The business advisory service assessment should include a broad sample of BASPs including, but not limited to, consulting firms, business development service providers, business coaches, and transaction facilitators. While there is no specific sectoral focus for the assessment, the assessment firm should endeavor to include BASPs working in CATALYZE:MS4G's target value chains: agribusiness, light manufacturing, and telecommunications and

ICT (including fintech), in addition to holding key informant interviews with firms in these same value chains. All findings should be disaggregated by gender;¹ region²; and enterprise size³ when appropriate.

BASP Supply

- Identify at least 30 BASPs and identify the following:
 - Geographic footprint
 - Sector expertise
 - Size of businesses supported
 - Number of employees (disaggregated by gender)
 - Average revenues per enterprise
- What types of services do BASPs provide? What segments do they target (size, gender, region, sector, etc.)?
- What are the predominant business models in the BASP market? How do BASPs build pipeline? Who pays for BASPs' services?
- What existing government and donor-sponsored programs provide business advisory services? Are they fully subsidized or what is the underlying financing model?
- How do these privately-funded BASPs interact/complement the microfinance institutions or other entities that provide free BASP services to MSMEs?
- What are the biggest strengths and weaknesses in the BASP market? What types of support do BASPs require to increase their financial sustainability? Are there certification schemes for BASPs or existing initiatives to train them?
- What are the binding constraints limiting the growth and competitiveness of BASPs?

BASP Demand

- What types of firms have contracted BASPs (size, sector, gender) and what types of services do they utilize?
- What types of firms have unmet demand for business advisory services? What types of business advisory services? What are the biggest barriers to the uptake of BASP services?
- What are the average fees paid by firms for these services? How much are they willing to pay? Are they leveraging subsidies from the government or other donors?
- Have firms had negative experience with BASPs? What and why?

¹ A women-led business is defined as an enterprise that is at least 51% owned by a women OR is at least 20% owned by woman/women; AND has at least 1 woman as CEO/COO/President/Vice President; AND has has a minimum of 30% women on the board of directors, where a board exists

² Regions means Federal Regional States

³ Definition of micro, small, and medium enterprises to be agreed upon with Palladium after contract signature

Based on the findings from the desk review and targeted key informant interviews where appropriate, the assessment team should create actionable recommendations to strengthen business advisory service provision and connect firms with service providers. Specific recommendations should address the following:

- Key capacity building topics required to support BASPs to sustainably expand services to firms and women-led firms in targeted sectors, as well as to encourage greater participation by women-led and -owned BASPs
- Identification of opportunities for government and private sector actors to support the development of the BASP market and ensure sustainability
- Structure of subsidies that could be provided through the MS4G facility (who should pay, recommended level of cost-share, and how these should be scaled down over time)

The proposed period of performance for this scope of work is 3 months.

Methodology and Activities

1. **Review of existing literature/research** on the business advisory services landscape from reputable sources including, but not limited to, Ethiopia's microfinance institutions and the Office of National Statistics, other USAID implementing partners, the World Bank / International Finance Corporation, and other relevant stakeholders.
2. **Identify and coordinate key informant interviews** including the business advisory service providers and SMEs in the target value chains. Associated activities include developing the assessment report outline, drafting interview guides, and scheduling meetings.⁴
3. **Conduct interviews** with key informants (senior leadership and/or decision-makers). While interviews will ideally be conducted in-person, *CATALYZE: MS4G* and the assessment team will jointly determine whether health concerns necessitate virtual interviews at the time of the assessment. Please note that members of the *CATALYZE:MS4G* Team may participate in interviews with select stakeholders in order to discuss the *CATALYZE:MS4G* Activity and highlight potential opportunities for key stakeholders to be involved.
4. **Develop a Business Advisory Service Report by drawing on information and insights gathered through the desk review, key informant interviews, and expert analysis.** The final report should include all information outlined in the scope of work, in addition to recommendations. Appendices should include detailed notes from key informant interviews, as well as contact information for all key informants.

Evaluation

Applicants will be evaluated based on the following criteria:

- Proposed plan – Fulfills all solicitation requirements; and demonstrates a deep understanding of the solicitation requirements
- Past performance – Demonstrated past successful performance of tasks of similar scope in Ethiopia
- Staffing – Inclusion of qualified staff demonstrating successful implementation of tasks of similar scope

⁴ The selected firm will be responsible for identifying key informants and scheduling interviews, although Palladium and/or *CATALYZE: MS4G* may facilitate introductions as needed.

Deliverables

The assessment team is responsible for the following deliverables:

- A 2-4-page report outline with selected sources for literature review and suggested list of at least 20 key stakeholders to be consulted during the assessment by November 10, 2020.
- A 20-25-page draft written report submitted to MS4G by November 30, 2020, including all the requirements detailed above. A report template will be provided.
- A 20-25-page final report submitted to MS4G incorporating any recommendations for improvement by December 10, 2020, to which the MS4G team and USAID provide concurrence.
- A virtual presentation to MS4G and USAID highlighting key findings and recommendations by December 18, 2020. Presentation will be conducted via Microsoft Team or other platform determined in conjunction with Palladium and include at least 15 slides.

All products to be delivered in writing must be prepared in English and transmitted electronically. All deliverables must be prepared in line with USAID branding policy, and using the guidelines, format and logos of USAID. Style templates will be provided by MS4G. All deliverables must be free of spelling and grammatical errors.