

## Request for Proposal (RFP)

Subject RFP #:	RFP-CATALYZE-WGDP-2020-0076
RFP Issue Date:	11/12/2020
Terms of Reference / Specifications:	Variable Payment Obligation (VPO) Component Lead in the Dominican Republic
Project	CATALYZE Innovative Blended Finance
Company	Palladium International, LLC
Country of Performance	Dominican Republic
Closing Date and Time	<b>5:00PM EST on 11/19/2020</b>
Questions Deadline	<input checked="" type="checkbox"/> Accepted at <a href="mailto:catalyze.procurements@thepalladiumgroup.com">catalyze.procurements@thepalladiumgroup.com</a> by <b>5PM EST on 11/16/2020</b> <input type="checkbox"/> N/A
Bidders' Conference	<input type="checkbox"/> Insert Date, Time, and Place Here <input checked="" type="checkbox"/> N/A
Details for Submission	Submissions will be accepted: <input checked="" type="checkbox"/> Electronically: Emailed to <a href="mailto:catalyze.procurements@thepalladiumgroup.com">catalyze.procurements@thepalladiumgroup.com</a> by <b>5PM EST on 11/19/2020</b> <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 USAID-funded CATALYZE Program, a \$250 million 8-year program, is designed to mobilize \$2 billion in private capital, especially for underfinanced sectors, including women. As part of the Women's Global Development and Prosperity (W-GDP) Resilience buy-in, CATALYZE will be providing technical assistance to women-led micro, small, and medium enterprises (W-MSMEs) in order to build enterprise resilience and facilitate growth. Specifically, technical assistance will be provided under a CATALYZE W-GDP sub-activity, the Variable Payment Obligation (VPO) Program. The first component of the VPO Program is the provision of enterprise growth services (EGS), which are designed to accelerate business growth, strengthen loan monitoring to reduce the risk of default, and increase impact and sustainability. The second component of the VPO program is a customized medium-term loan product designed for capex investment that aligns underwriting and repayment to the businesses' cash flow, rather than collateral. Following product adaptation, the VPO team will support the development of a go-to-market strategy and the creation of initial pipeline to ensure that the local bank partner reaches women-led small and growing businesses a target segment.

## **Purpose**

To guide the design and rollout of the VPO Program, W-GDP is seeking to contract a qualified individual to:

1. Participate in preliminary discussions with target financial institutions (FIs)
2. Identify the target sub-segment of women-led small and medium enterprises (W-SMEs)
3. Collaborate with the local financial service provider to design a cash flow-based loan product that draws on the VPO model
4. Develop a pipeline building strategy for the VPO Program in collaboration with the local FI
5. Provide strategic advisory to the local financial service provider by way of either formal or informal training, mentorship, and coaching to facilitate the roll-out of the VPO Program

## **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 12 months after subcontract execution.

## **Place of Performance**

The activities to be performed under this contract will take place in the Dominican Republic. 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	Payment Amount
1	Workplan and timeline for the design and rollout of the VPO financial product. This is a preliminary 3-5-page document with a Gantt chart that may be adjusted at the request of the selected local bank partner.	20%
2	5-10 slide PowerPoint identifying barriers to serving W-SMEs, as perceived by the selected financial service provider	15%
3	20-25-page VPO product manual adapted for use with the financial institution partner in the DR. The product manual will include characteristics of the target segment, loan underwriting process, approval process including collateral policy, and any other contractual requirements determined in conjunction with the local financial service provider, loan disbursement process, loan monitoring process, loan repayment process, and the structure of engagement with the local EGS provider	10%
4	5-10-page pipeline development strategy developed in conjunction with the local FI	10%
5	1-2-page activity reports documenting strategic advisory activities as outlines in the scope of work, to be delivered monthly	15%
6	10-15 page final report on the first year of rollout of the VPO Program in the DR that includes program description, key outputs (e.g. number of loans disbursed, value of loans disbursed), and key learnings about the use of cash flow-based lending and enterprise growth services in order to facilitate access to finance for W-SMEs. It should also include at least two (2) case studies of borrowers with pictures.	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) Curriculum vitae that including the following information:
  - a. Contact info and address
  - b. Education experience
  - c. Work experience
  - d. Contact details for three references
- (b) 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](mailto: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

- 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 \$130,000 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. 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:

	<b>Requirement</b>	<b>Supporting Documentation</b>
(a)	Must not have any active exclusions from the working with the US government ( <a href="http://www.sam.gov">www.sam.gov</a> ), the UN (Sanctions List), or the US Department of the Treasury Office of Foreign Asset Control	N/A

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

<b>Evaluation Criteria</b>	<b>Documents Evaluated</b>	<b>Points</b>
<b>Technical Approach:</b> Response to the RFP must demonstrate clear understanding of the assignment to be undertaken on behalf of CATALYZE W-GDP with methodology and process for carrying out the SOW, with expected deliverables	Curriculum vitae, including education and work experience	40
<b>Past Performance:</b> Proven track record developing cash flow-based loan products, as well as financial products and services targeting W-SMEs, preferably in Latin America and the Caribbean (LAC)	Curriculum vitae, including education and work experience	40
<b>Past Performance:</b> Experience working directly with financial institutions in the DR	Curriculum vitae, including education and work experience	20
<b>TOTAL</b>		<b>100</b>

- (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

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 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](mailto:Catalyze.procurement@thepalladiumgroup.com)

## Annex A: Scope of Work

### Scope of Work

The Financial Component Lead shall:

1. Participate in preliminary discussions with target financial institutions (FIs)—as determined by USAID, the W-GDP Resilience Activity Management Unit (AMU), and the VPO team—to pitch the VPO Program and assess its fit with the target financial institutions.
2. Identify the target sub-segment of women-led small and medium enterprises (W-SMEs) for the VPO Program in conjunction with the local financial service provider (e.g. agro-processors, retailers, etc.). Identify barriers to serving this segment of W-SMEs as perceived by the selected financial service provider and capture the findings.
3. Collaborate with the local financial service provider to design a cash flow-based loan product that draws on the VPO model. The product design will include, but is not limited to, target segment characteristics, loan underwriting process, approval process including collateral policy and any other contractual requirements determined in conjunction with the local financial service provider, loan disbursement process, loan monitoring process, loan repayment process, and the structure of engagement with the local enterprise growth service (EGS) provider if applicable. It should also reference any segments prohibited from participating in the VPO Program due to either USAID or bank regulations.
4. Develop a pipeline building strategy for the VPO Program in collaboration with the local FI.
5. Provide strategic advisory to the local financial service provider by way of either formal or informal training, mentorship, and coaching to facilitate the roll-out of the VPO Program. This includes training bank staff and working with relevant departments—including risk, legal, marketing, and other necessary departments—to make adaptations and ensure the successful rollout of the Program. The strategic advisory will lead-up to the disbursement of the first VPO loans and it will last for 6 months thereafter.
6. Participate in biweekly meetings with the W-GDP AMU to discuss emerging challenges, solutions, and key learnings for VPO deployments in the DR. Ad hoc contributions to VPO portfolio reports may be requested (to be provided as bullet point notes addressing specific questions from the AMU).
7. Draft a final report on the first year of rollout of the VPO Program in the DR that includes program description, key outputs (e.g. number of loans disbursed, value of loans disbursed), and key learnings about the use of cash flow-based lending and enterprise growth services in order to facilitate access to finance for W-SMEs. It should also include at least two (2) case studies of borrowers with pictures.