

Request for Proposal (RFP)

Subject RFP #:	RFP-CATALYZE-Edu-2020-0074
RFP Issue Date:	December 23, 2020
Terms of Reference:	Market assessment of non-state education sector in Kenya
Project	CATALYZE Innovative Blended Finance
The Company	Palladium International LLC
Country of Performance	Kenya
Closing Date and Time	January 22, 2021 at 17:00 EDT
Questions Deadline	<input checked="" type="checkbox"/> Accepted at catalyze.procurements@thepalladiumgroup.com by January 13, 2020 at 12:00 EDT <input type="checkbox"/> N/A
Details for Submission	Submissions will be accepted: <input checked="" type="checkbox"/> Electronically: email to catalyze.procurements@thepalladiumgroup.com
Offer Validity Period	2 months

Thank you for your interest in the above procurement. As implementer for the Project, Palladium invites you to submit a proposal for the terms of reference below. Your proposal must be valid for the Offer Validity Period. Both individuals and firms are qualified to submit offers in response to this solicitation.

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 Agreement shall be subject to the laws of the Jurisdiction.

The Supplier and the Company will use their best efforts to settle amicably any dispute, controversy, or claim arising out of, or relating to this Agreement 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 Agreement or the breach, termination, or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules in effect on the date of this Agreement. The appointing authority shall be the Secretary-General of the Permanent Court of Arbitration. The Parties will be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute.

The place of arbitration shall be the headquarters location of Company at the time the claim is filed and the language of the arbitration will be English. The relevant laws shall be the laws of the Jurisdiction.

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 – the use of catalytic capital from public or philanthropic sources to increase private-sector investment for sustainable development – in USAID partner countries. CATALYZE’s buy-in mechanism allows USAID Bureaus and Missions to efficiently deploy investment facilitation solutions that respond to the needs of specific sectors, issues, and geographies. Initial buy-ins focus on blended finance to implement sustainable education business models serving low-income communities, the focus of this market assessment.

The USAID CATALYZE EduFinance program develops private sector partnerships to facilitate innovations in financing and service delivery that increase access to low-cost, quality education. CATALYZE EduFinance mobilizes blended finance – the strategic use of USAID funds to increase private sector investment – to crowd in private capital into non-state schools and education enterprises in USAID partner countries. Private capital leveraged with funding from USAID will address the substantial funding gap to respond to the global need for increased access to quality education.

CATALYZE EduFinance Kenya will increase access to quality education in Kenya by engaging and supporting registered private schools and private capital (e.g. banks, MFIs, social and commercial investors, etc.). The primary objectives include (a) support to non-state education sector, with a particular focus on registered private schools and enable them to respond to effects of COVID-19, (b) ensuring the inclusion of disadvantaged students, and improving inclusivity in the education sector.

Note: Non-state education sector is defined as schools (e.g. private, not for profit, community-based, faith-based), after-school programs, pre-primary care centers, education enterprises providing tutoring, publishing and EdTech companies.

With this in mind, the short-term goal of the CATALYZE EduFinance Kenya activity is to increase and sustain access to quality education and improve learning outcomes by engaging and supporting private sector innovations, resources, and expertise, particularly mobilizing private capital for non-state education providers. To this end, this activity will focus on three main objectives:

1. Present an overview of the education finance landscape in Kenya, and analyze important trends in the non-state education and financial sector in the country
2. Identify opportunities and challenges for an education finance activity supporting non-state education in Kenya
3. Gather key insights from stakeholders from the Ministry of Education, schools, school associations, financial institutions, other education business service providers, and any other key partners the ministry recommends
4. Identify key stakeholders and private sector partners closely aligned with the goals of CATALYZE Edufinance Kenya. An additional objective is to respond to effects of COVID-19 in the education sector by engaging private sector innovations, resources, and expertise.

While the market assessment should describe the overall Kenyan education landscape, special attention must be given to the following:

- Registered private schools especially in the non-formal settlements in cities/towns such as Nairobi, Mombasa, Kisumu, Kakamega, Nyeri, Eldoret
- Non-state schools in disadvantaged and hard to reach communities such as Samburu, Lakipia North, and North-Eastern counties such as Mandera, Wajir, Garissa
- Registered private schools in ASAL region, esp Turkana, West Pokot

- Low-cost non-state APBET schools supported by Tusome
- Existing work that the MOE has conducted to register low-fee private schools
- Impact of school closures due to COVID-19 on the education system

Purpose of the Assignment

The Kenya Education Blended Finance Market Assessment will use the Five-Point Framework (please refer to pages 22-28, of USAID’s [Mobilizing Private Finance for Development: A Comprehensive Introduction](#), published 2019, which represents the broad, systemic conditions in which a country’s finance sector operates (**see Attachment 1**). The assessment will inform the design of an education finance activity in Kenya, especially in the registered low-cost private school market.

Type of Contract

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

Anticipated Contract Period of Performance

February-April 2020

Place of Performance

Consultant will work from place of residence and will not be required to make frequent travels to key informant sites. Travel to key informant sites should be on a need basis and in accordance with local guidance on COVID related travel restrictions. See the Instructions for Submission of Cost Proposal for travel assumptions.

Key Deliverables and Timeline

Milestone #	Report and Deliverable	Acceptable Criteria	Deadline	Payment Amount
1	Workplan	<i>Workplan:</i> Gantt-style Microsoft Excel or Google spreadsheet	5 th business day	15%
2A	List of Stakeholders	Microsoft Word or GoogleDoc as specified in Annex A	15 th business day	15%
2B	Interview Protocols	Microsoft Word or GoogleDoc as specified in Annex A	15 th business day	15%
3	Draft Market Assessment Report	Microsoft Word or GoogleDoc as specified in Annex A	Mid-March	25%
4	Final Report and Virtual Presentations	Microsoft Word or GoogleDoc as specified in Annex A	Mid-April	30%

Instructions for Submission of Technical Proposal

For the technical proposal, the offeror must submit:

- Cover page with firm or individual contact info and signed by an authorized representative of the company or the individual
- Background on the firm/individual and relevant expertise (max 2 pages)
- Experience Information/Capability Statement
- Proposed work plan showing how the firm would execute this project including a timeline (max 2 pages)
- Contact details for three referees (max 1 page)
- All supporting documentation specified below in the pass/fail evaluation criteria.

Instructions for Submission of Cost Proposal

Offerors must submit a detailed budget breaking out all costs associated with the completion of this work. Cost elements to incorporate may include, but are not limited to: labor hours, transport and/or communication costs to conduct stakeholder interviews, indirect rates with substantiation, any applicable taxes or fees. Please see **Attachment 2** on the CATALYZE Procurement website for a sample budget template or contact CATALYZE.Procurement@thepalladiumgroup.com for more information.

Key assumptions

- Budget in local currency
- All prices are to be inclusive of relevant taxes (please disaggregate)
- Offeror should budget for: labor costs to complete the scope of work, communications costs to complete stakeholder interviews (at this time, travel should only be included in accordance with local guidelines for COVID-19 travel restrictions).

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)	Agree to the terms of working with CATALYZE. The forms do not need to be submitted with the proposal. The forms will be shared with the selected contractor and must be completed/acknowledged before final selection.	Due diligence form Code of Conduct form Business Ethics Environmental policy acknowledgement
(b)	For firms only: DUNS number	Provide the DUNS number or proof of applying for the DUNS number
(c)	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 – Palladium will conduct a search of these databases as part of the due diligence process
(d)	Company must not be a foreign government-controlled organization	Due diligence form
(e)	Company must not have controlling interest held by a government, government agency, or agent thereof	Due diligence form

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

Evaluation Criteria	Components Evaluated:	Points
Team	A written description of the total team composition, demonstrating experience in:	
	- <i>Conducting comparable market analysis,</i>	10
	- <i>Education sector, especially private education</i>	10
	- <i>Financial sector, especially Banks/Microfinance institutions and</i>	10
	- <i>Familiarity with private sector actors in Kenya</i>	10
Local partner	Description of how a local partner will be engaged to incorporate local context and leverage their contacts, if bidding firm/ individual is located outside Kenya.	10
Report writing and presentation	A previously completed written technical report and a previously-completed presentation demonstrating (redactions accepted):	
	- <i>Experience in writing a comparable market analysis report</i>	10
	- <i>Experience in synthesizing and presenting key report findings/ideas (powerpoint, google slides, etc)</i>	10
Proposal	Technical quality of the proposal, including a workplan and an illustrative list of key stakeholders who would be interviewed for the assessment. <i>(Note: Consultant will work with CATALYZE Kenya and MoE to identify key contacts and questions of interest in the areas identified as needing special attention (pg. 5 of this RFP).</i>	20
	Demonstrated understanding of the Kenyan education and financial sectors, and identification of key actors, stakeholders, and issues relevant to CATALYZE Edufinance Kenya that will be explored during the assessment	10
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 (For profit entities – Cost Principles in FAR Part 31, Non-profit entities – 2 CFR 200 Subpart E)

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.

Submission

Please review the additional documentation and proposed contracts terms and conditions which should be given consideration when preparing your proposal. By submitting your offeror you 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.

When submitting electronically, send one email with the subject line: "RFP #217772-Edu-2020-0074". Ensure all required documents are attached.

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

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.

Annex A: Scope of Work & Deliverables

Scope of Work:

The Consultant will complete the following tasks under this scope of work.

1. **Workplan:** Provide a document or spreadsheet with a timeline for completing key tasks.
1. **Stakeholder List & Interview Protocols:** Identify key stakeholders to interview based on the five-point education finance framework (**Attachment 1**). Stakeholders will include individuals and organizations with a social, financial, or legal interest in the private school sector as well as other key influential players in the private school and financing sectors. At a minimum, the stakeholders will include:
 - a. Ministry of Education - division of quality assurance, standards/policy and those overseeing private school regulations including MOE officials at county and sub-county level (minimum of 2 counties)
 - b. Association of Private Schools, especially if there is an association of low-cost schools¹
 - c. Association of microfinance institutions (MFIs)
 - d. Banks and MFIs that are already offering school loans or interested to offer school loans (minimum of 6 of these businesses)
 - e. Low cost private schools – registered schools in urban areas², non-state schools in disadvantaged areas like Samburu, Laikipia North, North-Eastern counties, APBET schools and schools in ASAL region³
 - f. Funders/investors who are already supporting or looking to support private education, e.g. DFID, social investors like Acumen, private foundations like The Equity Foundation , angel investors, etc.

Additional stakeholders may also be identified later and added to the list with the approval or at the request of Palladium.

Interview protocol will be a list of interview questions based on the stakeholder type and relevant to the key questions to be answered in the assessment. A draft interview protocol will be provided by Palladium. Each interview should be recorded in detail including data and precise information shared by the interviewee.

3. **Draft Report.** Information from the stakeholder interviews, contextual information on the Kenyan education and financial sector, a review of the USAID CDCS for Kenya and other secondary literature on Kenyan education sector will be used to write the Draft Report.
4. **Final Report and 2-hour virtual presentation on market assessment findings.** After Palladium approves and provides feedback on the Draft Report, the Contractor will incorporate all feedback into the report, research outstanding items, and provide a Final Report to Palladium. The Contractor will then, on dates set by Palladium, provide two 1-hour presentations of the findings to Palladium, USAID, and other parties invited at the discretion of Palladium. The presentation will be held within 30 days of the final report submission.

Deliverables:

The Consultant(s) will submit the deliverables as per below specifications.

¹ Private school associations are known to comprise elite schools. For purpose of this assessment we would like to include associations that represent interest of low cost

² Particularly in urban informal settlements of the former municipalities of Nairobi, Mombasa, Kisumu, Eldoret, and Nakuru

³ Consultant must work with the Min of Education to identify these schools

All written deliverables will be emailed to the designated Palladium contact by End of Day (local time) on the date specified in the contract agreement and will be in English, single-spaced Microsoft Word or GoogleDoc in 11-point Arial or Times New Roman font. The deliverables must be free of spelling and grammatical errors..

1. **Workplan.** Workplan will include a timeline for completing key tasks in a gantt-chart format.
2. **List of Stakeholders for each stakeholder types.** List of stakeholders will be a list of key informants and stakeholders who will be interviewed
3. **Interview protocol** will be a list of interview questions based on the stakeholder type and relevant to the key questions to be answered in the assessment.
1. **Draft Report:** 20-25 page (excluding Annexes) written report synthesizing study findings including:
 1. A working definition of low cost and low-middle cost private schools in Kenya
 2. 4 (four) short case studies (1-page maximum) based on interviews of private school operators in Kenya (particularly low-cost private schools). Case studies should illustrate the 'journey' of a non-state school, how the school started and how it got to where it is today, constraints/ challenges faced in managing the business, role of finance, impact of school closure due to COVID-19, etc.
 3. 1 (one) case study of a financial institution currently offering loans to SMEs, including possibly loans to private schools. Case study should provide details on the loan products, credit methodology, overall scale and quality of the loan portfolio compared to other loan products offered by the FI, etc.
 4. List of all interviewees and contact information and additional information for each category of interviewees:
 1. Schools: List of schools interviewed, sex of school owner and/or director, number of students, grade levels taught, fees charged per grade level, percentage of school fees that are unpaid, estimated graduation rate, estimated income level of parents, whether or not the school sought or obtained a loan, and the extent to which the government is involved in school activities;
 2. Business Service Providers: List of service providers interviewed, name(s) of major investors, services offered, countries in which the service provider operates.
 3. Financial Institutions: List of financial institutions interviewed, name(s) of major investors, financial products offered, percentage of education loans in the total portfolio; average interest rate for school-related and SME loans; average size of school-related and SME loans.
 4. Donors, investors and other funders involved in supporting non-state education in Kenya: list of names, organizations and their involvement in non-state education
 5. Other key stakeholders interviewed: list of stakeholders interviewed, their designation, and name of their organization, their role in the education sector, etc.
4. **Final Report and two 1-hour Virtual Presentations.** The Draft Report will be returned to the Contractor and Contractor will incorporate and respond to all Palladium requests and submit that updated Draft Report as a Final Report. Additionally, at the time of submission of the Final Report, Contractor will submit a slide deck with 12-15 slides summarizing the key findings of the market assessment. Contractor will present the findings of the report during two 1-hour presentations on Microsoft Teams or another platform at the request of Palladium.