

Request for Proposal (RFP)

Subject RFP #:	RFP-CATALYZE-ETHIOPIA-2022-0530
RFP Issue Date:	January 14, 2022
Terms of Reference / Specifications:	Market Opportunities and Potential for Private Multi-Modal Transport Operators (MTOs) in Ethiopia
Project	CATALYZE Innovative Blended Finance
The Company	Palladium International, LLC
Country of Performance	Ethiopia
Closing Date and Time	February 14, 2022
Questions Deadline	<input checked="" type="checkbox"/> Accepted at EthiopiaMS4G.Procurement@thepalladiumgroup.com by January 20, 2022 <input type="checkbox"/> N/A
Bidders' Conference	<input checked="" type="checkbox"/> N/A
Details for Submission	Submissions will be accepted: <input checked="" type="checkbox"/> Electronically: email to EthiopiaMS4G.Procurement@thepalladiumgroup.com
Offer Validity Period	60 days

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 purpose of this RFP is to contract a consultant to develop market assessment of the multimodal transport and logistics industry in Ethiopia. The outcome is to provide useful and relevant market intelligence that will aid in the successful investment in the sector by considering all aspects of the industry opportunities and constraints.

A complete scope of work is attached as Annex A.

Type of Contract

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

Anticipated Contract Period of Performance

The anticipated period of performance is from March 07,2022 to April 19, 2022.

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

Deliverable #	Report and Deliverable	Deadline
1	Inception report highlighting overall structure, approach, content, and framework for assignment	5 days from award date
2	An initial draft report on the overview of the Multi-Modal Transport Operations (MTO)	25 days from award date
3	A second draft report, with inclusion of feedback and comments from MS4G	35 days from award date
4	Deliver Final Report – Inclusive of all the requirements as described in section 1.14 of the SoW	45 days from the award date

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. 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 in X, Y, and Z (max 4 pages)
- (g) Contact details for three referees (max 1 page)
- (h) Executive summary of project reports for commercial smallholder projects with linkages to commercial off-takers (max 3 report submissions, max 2 pages each)
- (i) 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 EthiopiaMS4G.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 USD (payable in Ethiopian Birr)
- 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

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.

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 be a registered legal entity in Ethiopia for a minimum of one year or an individual with a TIN	A valid TIN number
(b)	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

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

Evaluation Criteria	Documents Evaluated	Points
Legal entity registration in Ethiopia or applicable requirements to perform consulting assignment for individuals	Legal documents such as business license, TIN number, etc.	10
Experience in conducting similar activity	Profile of company or individual outlining past performance in similar activity or industry knowledge	25
Personnel experience	Resumes and CVs of consultant that will implement this assignment	30
Understanding of Multimodal Transport and Logistics Industry knowledge and relationship with relevant stakeholders	Statement of competency along with relevant experience that demonstrates understanding of the sector	35
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 (select one: Non-profit entities – Cost Principles in 2 CFR 200 Subpart E or For profit entities – Cost Principles in FAR Part 31)

The consultant should present a financial proposal for the assignment which is expected not to exceed \$10,000 USD (inclusive of VAT and all applicable taxes).

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 EthiopiaMS4G.procurment@thepalladiumgroup.com

Annex A: Scope of Work

1 Scope of Work

1.1.1 Market Opportunities and Potential for Private Multi-Modal Transport Operators (MTOs) in Ethiopia

January 2022

1.1.2 Background

CATALYZE: Market Systems for Growth (MS4G) is a USAID-funded program that supports private enterprise expansion to help drive Ethiopia's future economic growth and prosperity. MS4G intends to foster enterprise-driven growth, especially among private enterprises that have high growth potential and the capacity to Catalyze job creation throughout market systems. In addition, MS4G also improves the business-enabling environment through technical assistance, institutional development, capacity building, and support for commercial, legal, and regulatory reform.

1.1.3 Introduction and Proposed Assignment on Private Multimodal Transport Industry

Ethiopia introduced in 2017 a legal framework to regulate multimodal transport (i.e., the usage of multiple modes of transportation under a single contract concluded with a carrier assuming the responsibility for the transportation of cargo for the entire journey), with the Multimodal Transport of Goods Proclamation No. 548/2007, which was largely modelled on the UNCTAD/ICC Rules on Multimodal Transport documents.

This Directive establishes that both private and government-owned cargo transported under the Multimodal Transport System (MTS) has to be delivered to dry ports and bonded warehouses approved by Customs. To date, the only licensed Multimodal Transport Operator (MTO) in the country is the Ethiopian Shipping and Logistics Enterprise (ESLSE). The decision of reserving the MTS in Ethiopia to the ESLSE was based on the assumption that the combination of different transport modes requires more logistics coordination (this is essential for reducing the cost of multimodal transport), and that differently from ESLSE, the private sector in Ethiopia was still lacking organization and management tools required to manage effectively the multimodal system.

On September 2020, the Ethiopian Council of Ministers enacted the Regulation 474/2020, that allows foreign companies to invest, among others, in transport services reserved for joint investment with the government or domestic investors (art 4.14(e)), which include freight forwarding and shipping agency services (art. 5.1(a)), but exclusively within the limit of a 49 percent share. The directive on MTO opened the multimodal transport service to any entity granted with a license issued by the Ethiopian Maritime Affairs Authority (EMAA).

Based on the approval by the GoE to allow foreign direct investment in the multimodal transport and logistics sector, this assignment will identify the key market data needed for private investment to operate multimodal transport services.

Ethiopia's logistics and transport industry has been dominated by the Ethiopian Shipping and Logistics Enterprise for many years. And until recently, it was the only licensed multimodal transport operator (MTO) in the country, which created a monopoly, high cost of transport, and inefficiencies. As part of the economic and policy reforms undertaken by the current administration, the private sector, and more specifically, foreign investments were allowed to invest in the sector and become multimodal operators.

MS4Gs seeks to develop a sector assessment of the transport and logistics industry within Ethiopia and the intricacies with neighbouring countries in order to attract and drive the facilitation of private investment in the sector.

1.1.4 Key Responsibilities

The goal of the assignment is to develop and market assessment of the multimodal transport and logistics industry in Ethiopia. The outcome is to provide useful and relevant market intelligence that will aid in the successful investment in the sector by considering all aspects of the industry opportunities and constraints.

The consultant is responsible for the following.

- Provide an overview of the Multi-Modal Transport Operations (MTO) market, currently dominated by ELSE, including its estimated market size, recent trends, breakdown by mode of transport, breakdown by key destination/origin markets, and breakdown by key domestic users
- Review the full 'value-chain' of an end-to-end MTO service offering to a logistics user, including approximate shares of revenue/cost attributable to the various segments, such as sea freight, air freight, domestic land transport, dry port handling, and freight forwarding. *Provide possible estimates of gross margins in the respective segments within the current market environment.*
- Identify the challenges and bottlenecks in existing MTO services/offering from varied perspectives: infrastructure limitations; relative to customer needs/wants; based on considerations of efficiency, speed, and quality of services (customer handling, IT-enabled shipment tracking, customer satisfaction, etc). Commission of possibly quick survey to assess key MTO user concerns, especially critical challenges and 'pain points'.
- Undertake a cross-country analysis of selected private MTO operators in comparable countries. Review of growth trends/opportunities, any areas of specialization, challenges encountered, and best practices/lessons learned. The above may be based on, among other things, a review of: the overall MTO market size/structure in some country cases; experience of specific companies; market share estimates of private/leading MTO companies; available information on volumes handled, gross turnover, margins, and/or profitability.

The consultant will take the lead in developing a complete industry analysis on the multi-modal transport industry to attain the following deliverables utilizing MS4G's pay-for-result (P4R) model. Each payment is tied to a deliverable and results as follows.

Deliverable #	Report and Deliverable	Deadline	Payment Amount
1	Inception report highlighting overall structure, approach, content, and framework for assignment	5 days from award date	10%
2	An initial draft report on the overview of the Multi-Modal Transport Operations (MTO)	25 days from award date	20%
3	A second draft report, with inclusion of feedback and comments from MS4G	35 days from award date	30%
4	Deliver Final Report – Inclusive of all the requirements as described in section 1.14 of the SoW	45 days from the award date	40%

Payment Schedules for Deliverables Outlined in Key Responsibilities Section

- Payment 1 - The delivery of an inception report – 10% of award amount
- Payment 2 – The delivery initial draft report of findings – 20% of award amount
- Payment 3 – The delivery of second draft report – 30% of award amount
- Payment 4 – The delivery Final Report – 40% of award amount

The deliverables will be evaluated for acceptance based on the following criteria.

The consultant should present a financial proposal for the assignment which is expected not to exceed \$10,000 USD (inclusive of VAT and all applicable taxes).

Deliverable #	Acceptance Criteria
1	Inception Report - A report highlighting overall structure, approach, content, and framework for assignment
2	First Draft - A report that includes the general MTO sector, market trends, and players. A general review of the value chain of the private MTO sector
3	Second Draft – An improved version of the first draft and including the findings on the challenges and bottlenecks in existing MTO services/offerings from varied perspectives. A cross-country analysis of selected private MTO operators in comparable countries.
4	Final Draft – A final report inclusive of all sections described in 1.1.4 and a comprehensive analysis and reporting on the combined final versions of deliverables 2 and 3.

1.1.5 Timeline

The assignment will run from approximately from March 07,2022 2022 (the expected start date) to April 19,2022. A 45-day period is anticipated, but this may be revised slightly, if required, to complete all assignment activities.

1.1.6 Reporting

The consultant will report to the relevant Directors at the CATALYZE –MS4G Ethiopia Office.