

Request for Proposal (RFP)

Subject RFP #:	RFP- CATALYZE-217772-Ethiopia-2023-0008
RFP Issue Date:	April 03, 2023
Terms of Reference / Specifications:	Bridging the Skilled Labor Demand in FIs for Enhanced Financial Service Provision to SMEs in WASH and Food Security Sectors
Project	CATALYZE Innovative Blended Finance
The Company	Palladium International, LLC
Country of Performance	Ethiopia
Closing Date and Time	April 28 th 2023 11:59PM, Addis Ababa time (UTC +3)
Questions Deadline	<input checked="" type="checkbox"/> Accepted at EthiopiaMS4G.procurements@thepalladiumgroup.com by April 14 th 2023 11:59PM, Addis Ababa time (UTC +3) <input type="checkbox"/> N/A
Bidders' Conference	<input checked="" type="checkbox"/> Virtual Bidders' Conference on April 18 th 2023, at 11:00 AM, Addis Ababa time (UTC+3) <input type="checkbox"/> N/A
Details for Submission	Submissions will be accepted: <input checked="" type="checkbox"/> Electronically: email to EthiopiaMS4G.procurement@thepalladiumgroup.com <input type="checkbox"/> In hard copy (sealed bids)
Offer Validity Period	90 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

USAID CATALYZE Market Systems for Growth (CATALYZE MS4G) is a collaborative multi-stakeholder activity designed to strengthen and mobilize the private sector to transform the food security and water, sanitation, and hygiene (WASH) sectors to deliver improved outcomes for the Ethiopian people. To achieve these goals, the activity engages youth, mobilizes capital, increases access to finance, connects enterprises to markets, pilots inclusive business models, and supports stakeholders to self-advocate towards policy change which will promote opportunities for the private sector community as a partner in transformation.

Purpose

Every year many Ethiopian universities produce graduate students in accounting and finance fields with most graduates aiming for employment within the banking sector. At the same time, the banking sector struggles to access and retain skilled labor, negatively impacting service provision in the financial sector. CATALYZE MS4G developed this activity to better develop and align the skills of the existing workforce with the hiring demand of newly established banks. Four to six banks will be selected to partner with CATALYZE MS4G based on their positive lending policies to small and medium enterprises (SMEs) in WASH and food security sectors. This activity seeks to engage services providers to coordinate with the selected banks to design recruitment strategies and train and place at least 2,000 qualified youth and women in skilled employment positions within the banks. Participating banks will be expected to co-invest in this initiative to address their skilled labor demand.

A complete scope of work is attached as Annex A.

Type of Contract

Palladium intends to issue 1 (one) Firm Fixed Price, Pay-for-Result subcontract to the selected offeror.

Anticipated Contract Period of Performance

Contracts will be offered to winning bidders for a period of **12 months**, from approximately **May 2023** to **May 2024**.

Place of Performance

The activities to be performed under this contract will take place in Addis Ababa and selected secondary cities.

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** (1 page maximum) with the following information:
 1. Firm point of contact, phone number, email, and address.
 2. Type of company or organization.
 3. Unique Entity Identification (UEI) Number – offerors must have a UEI number or obtain one within 10 days of being notified of selection. Offerors that do not currently have a UEI are advised to apply on SAM.gov as soon as possible. GSA has developed a useful

interactive PDF tool that guides through the most common scenarios about UEI (https://www.fsd.gov/sys_attachment.do?sys_id=af05f8fb1b44851006b09796bc4bcb6d)

4. Signature of an authorized representative of the company.
- (b) **Background and Relevant Expertise** (4 pages maximum) – Offerors should detail their organization’s relevant technical experience and expertise in offering the prescribed services as outlined in **Annex A: Scope of Work**, including experience in developing Human Resource (HR) and SMEs lending manuals and guidelines. In addition, the firm is expected to demonstrate relevant experiences in providing technical and soft skill trainings to mid-level employees of banks. This section should include a description of clients and projects from the past three years showcasing successful project delivery and demonstrating expertise in providing basic trainings and job placement for entry level employees for banks. Additionally, offerors should describe experience developing leadership manuals and guidelines for best practices in lending to SMEs.
- (c) **Technical & Management Approach** (2 pages maximum) – Offerors should detail their organization’s proposed methodology and approach to meeting the requirements of the RFP and the deliverables schedule outline in Annex A: Scope of Work. To the extent possible, this technical approach should reflect on the offeror’s past experience managing workforce training and job placement. Offerors should detail their approach to recruiting job seekers and are also encouraged to outline how they will structure their approach to ensure engagement with a diverse pool of candidates and attract women and youth. Offerors should outline tools and resources they will use to assess banks’ labor needs and design appropriate skills training sessions.
- (d) **Proposed Implementation Plan** (2 pages maximum) – In a Gantt chart or tabular form with a corresponding brief narrative, present a proposed implementation plan for delivering on the requirements of this RFP.
- (e) **Staffing Plan** (2 page maximum) – Provide a brief summary of how the offeror will staff its support to the proposed activities. Offerors are encouraged to detail the experience of up to five proposed staff. Include as an annex the CVs for team lead, demonstrating at least five years’ experience supporting startup firms and related activities, and key personnel.
- (f) Contact details for three referees (1 page maximum, include as annex)
- (g) Executive summary of past project reports (2 pages each maximum, include as annex)
- (h) All supporting documentation specified below in the pass/fail evaluation criteria.

2. Cost Proposal

Offerors must submit a cost proposal using the Excel template in Attachment 1. The cost proposal consists of:

- (a) Budget and accompanying cost explanations in Microsoft Excel with all formulas visible (unlocked)

Key assumptions

- Budget in Ethiopian Birr only.
- All prices are to be inclusive of relevant taxes.
- Separate unit cost and number of units.
- Break down activity costs in as much detail as possible.
- Offerors should budget for: labor, travel, training, and other costs.
- All consultant fees as required which should match the rationale for the proposed salaries in the AID1420-17.
- Offeror should budget for:
 - Defense Base Act (DBA) insurance by FAR 52.228-3, as applicable.

The selected offeror will be required to complete the Due Diligence Questionnaire (Attachment 2) and provide a UEI number within 10 days of being notified of selection. Bidders without a UEI are encouraged to attach proof of application for UEI number along with their technical and cost proposals.

Submission of Offers

Electronic proposals must be submitted by sending **two separate emails**, **one** for the **technical proposal** and **one** for the **cost proposal** with the RFP number: **RFP-CATALYZE-217772-Ethiopia-2023-0008** 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 legally registered entity in Ethiopia for a minimum of one year.	Copy of certificate or articles and memorandum of associate including Renewed Business License, TIN certificate and VAT certificate as applicable.
(b)	Must not have any active exclusions from working with the US government (www.sam.gov), the UN (Sanctions List), or the US Department of the Treasury Office of Foreign Asset Control (OFAC).	N/A (CATALYZE MS4G will conduct the vetting to check the exclusion)

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

	Evaluation Criteria	Documents Evaluated	Points
1	Expertise of the Firm		45
a.	Demonstrated experience in providing technical support to the banking sector with special focus on lending and credit to SMEs.	Technical proposal: background and relevant expertise. Explanation of past experience and achievements.	15
b.	Demonstrated experience in providing skills and placement support for job seekers.	Technical proposal: background and relevant expertise. Explanation of experience in youth job creation and past experience and achievements.	15
c.	Demonstrated experience in developing Human Resource (HR) and SMEs lending manuals/guidelines.	Technical proposal: background and relevant expertise. Experience in manuals and guidelines developed. Explanation of past experience and achievements.	15
2	Proposed Methodology, Approach, and Implementation Plan		30
a.	Approach and tools to diagnose the banks. Approaches to identifying and recruiting candidates based on aptitude and potential, not just experience and	Technical proposal: technical and management approach. Demonstrated tools and resources to diagnose the banks' needs.	20

	credentials. Recruit, train and place a diverse group of job seekers ensuring representation of women and men and people from economically and socially disadvantaged backgrounds and design manuals.		
b.	Implementation Plan	Gantt chart and corresponding narrative.	10
3	Key Personnel		25
a.	Qualifications of Proposed team-lead demonstrating at least five years' experience in training institutions with special consideration to the banking sector and SMEs lending mechanisms.	CV of team Lead.	15
b.	Qualifications of key personnel demonstrating ability to support and carry out the SoW (Project Manager/Team Leader, Senior Expert(s)/Lead Consultant(s) & project staff).	CVs of key personnel.	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 (select one: Non-profit entities – Cost Principles in 2 CFR 200 Subpart E or For profit entities – 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 or of any value be exchanged between vendors or contractors and Palladium personnel. Discovery of the same will be grounds for disqualification of the vendor or 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 or 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 or 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 or 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.

Attachement 1 - Budget Template

Attachement 2 - Due Diligence Questionnaire

Attachment 3- FFATA Form (will be required only for successful offeror, where applicable – included for awareness only)

Attachment 4-FFP-Subcontract-Template (will be required only for successful offeror, where applicable – included for awareness only)

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.procurment@thepalladiumgroup.com

ANNEX A: Scope of Work

A. PROJECT AND BUY-IN OVERVIEW

CATALYZE MS4G is a collaborative multi-stakeholder activity designed to strengthen and mobilize the private sector to transform the food security and WASH sectors to deliver improved outcomes for the Ethiopian people. To achieve these goals, the activity engages youth, mobilizes capital, increases access to finance, connects enterprises to markets, pilots inclusive business models, and supports stakeholders to self-advocate towards policy change which will promote opportunities for the private sector community as a partner in transformation.

B. OBJECTIVE

CATALYZE MS4G designed this activity to better develop and align workforce technical and soft skills with the hiring demand of newly established banks. Four to six banks will be selected to partner with CATALYZE MS4G based on their positive lending policies targeting SMEs in the WASH and food security sectors. CATALYZE MS4G has conducted an initial needs assessment of these partner banks for efficient resource allocation and found that new hires need basic banking skills training. In addition, both new hires and existing staff lack adequate trainings on best practices for lending to SMEs. Based on this needs assessment, CATALYZE MS4G seeks a service provider to design and implement training and job placement services to fulfil the partner banks' labor needs and to guide banks in designing and implementing new policies and best practices for successful SME lending. At the close of this intervention, the subcontractor will be expected to have trained and placed 2,000 skilled women and youth job seekers into banking positions and to have built the capacity of banks' in SME lending practice resulting in more loans disbursed.

C. TASKS AND RESPONSIBILITIES

The following activities are listed to guide the selected subcontractor and set CATALYZE MS4G's expectations in providing the appropriate technical and skill trainings to new youth and women job seekers, as well as existing employees of the partner banks. The list of activities the subcontractor is expected to carry out includes, but is not limited to:

1. Conduct a bank needs assessment, which will include:
 - Coordination with partner banks to assess labor needs and SME lending practices.
 - Coordination with partner banks to assess job training and placement needs.
2. Demand-based training and placement of at least 2,000 youth and women job seekers both in Addis Ababa and secondary cities, with 50 percent to be trained and placed in the later. The subcontractor is expected to undertake the recruitment and registration of at least 2,000 job seekers for the training and placement. It will also develop a tailored training curriculum based on the outcome of the needs assessment of the banks. The training topics will include, but are not limited to:
 - Customer relationship management.
 - Data collection & analysis.
 - Due diligence.
 - Loan monitoring, evaluation, and follow-up.
 - Project advisory and documentation.
 - Report Writing and communications skills.

After receiving the above trainings, the candidates are expected to be well equipped with the required technical and soft skills to understand and adopt the lending mechanisms of private banks and build on their customers' trust.

3. Capacity building for 300 existing bank employees from leadership and SMEs lending units. Training topics may include, but are not limited to:

- How the SMEs ecosystem is interrelated in terms of supervision, capacity building, financing, marketing, and value chains.
 - Business idea screening and appraisal processes, credit scoring processes (with special focus on risk management, methods of evaluation to extend credits to SMEs).
 - Credit management on SMEs financing (planning, monitoring & implementing).
 - How banks can finance SMEs by offering all-round packages that help sustain and grow their businesses.
 - Digitizing the lending process of WASH and food security SMEs.
 - How to provide multi-channel banking (including agency banking) as it pertains to SME banking.
4. Creating an SMEs based lending manual for each bank. The manuals should include guidance on:
- Credit guarantee focusing on WASH and food security SMEs based on their income statements, as most SMEs in WASH and food security need collateral free lending.
 - How to digitize SMEs banking for ease of access to banking services especially in secondary cities.
 - Human resource management focusing on employee retention of top performers to build trust and familiarity with customers.
 - Data driven loan service provision to make better and more informed decisions in the loan approval process.
 - How to develop innovative WASH and food security SME products & services for transformative WASH and food security SME banking.
5. Complete a final analysis, which should include:
- A final report for each bank that includes analysis of the capacity building activity provided and its expected impact in financing SMEs.
 - Detail information of the SMEs financed as a result of capacity building and new lending practices.

At the end of the intervention the following are the desired outcomes:

- At least 2,000 new jobs created and filled by youth and women, of which 45 percent are expected to be filled by women.
- The banks' SME lending units to have an efficient facilitation of access to finance for SMEs in the WASH and food security sectors with the expectation that 35 percent of the loan officer trainees are women.
- The creation of SMEs lending manuals to ensure a systemic impact to the banks' lending operations to SMEs in WASH and food security.
- Improved lending practices to WASH and food security SMEs through more loans appraised and approved for these SMEs.

D. DELIVERABLES

Deliverables will be reviewed by the technical manager (or his/her design) for completeness before being accepted and approved for payment. Below is a table of potential deliverables and their corresponding timelines and payments.

No.	Deliverable	Acceptance Criteria	Deadline	Payment (%)
1	Submission of Work plan, inception report and content of the program.	The report must include implementation plan, timeline and level of effort planned to implement this activity based on a conducted need assessment. This is should be 15-25 pages.	15 days of contract signing	No Payment
2	Submission of a Diagnostics report on the banks' training and placement need.	This is a detailed diagnostic report based on each banks' training needs to deliver a tailored technical support to the SME lending unit of the four to six banks.	30 days from submission of inception report	10%
3	Demand based training of new youth and women job seekers and capacity building of existing staff of the lending unit.	This activity is expected to train a total of 2,000 new youth and women job seekers and capacitate 300 existing staff members of the four to six banks' lending units with the following documents: <ul style="list-style-type: none"> Attendance list of trainees with name, gender, field of study, location, phone number and signature 	Within 3 months from signing the contract	15%
4	List of candidates placed in jobs	List to include each candidate, name, gender, location, and phone number. Employment contracts between the banks and selected trainee.	Within 5 months from signing the contract	20%
5	SMEs based lending manual	Copy of manuals and guidelines developed for each bank based on their demand.	Within 8 months from signing the contract	25%
6	Final report	A final report for each bank that includes analysis of the capacity building activity provided and its expected impact in financing SMEs. The report shall also include detail information of SMEs financed.	12 months from contract signing	30%

E. MONITORING

The subcontractor will be overseen by MS4G's Youth Programming technical representative.

F. PERIOD OF PERFORMANCE

The expected period of performance is 12 months from May 2023 – May 2024