

Amendment to Request for Proposal

Amendment number: 3

Reference Request for Proposal Number: RFP-CATALYZE-Iraq-Transaction Advisors-2023-0002

Amendment effective date: July 3, 2023

Description of Amendment:

1. This amendment serves to modify the Closing Date and Award Date of the RFP on Page 1 of the RFP.
 - a. Closing Date and Time: **Friday, July 14 at 5:00PM EST**
 - i. **Applications will be reviewed on a rolling basis until the closing date.**
2. This amendment serves to add to the language of the "Resulting Awards for Individual bidders on pg. 8 of the RFP."
 - a. As a result of the RFP's award process, if you are bidding as an individual, CATALYZE Iraq A2F program expects to enter into fixed-price consulting agreements with individuals, provided they are qualified. Each subcontract will have a maximum billable amount or "billable ceiling" of up to \$25,000 and individual fixed price consulting agreements will have a range of \$12,500 and up to \$25,000 as a "billable ceiling". In the event that before the end of the agreement and/or in a short period of time, a Transaction Advisor makes transactions whose payments are equivalent to its "billable ceiling", CATALYZE Iraq A2F program reserves the right to increase its "billable ceiling" and reduce the same of other Transaction Advisors, whose performance is not as expected. Therefore, each selected Transaction Advisor will be urged to identify and close transactions with eligible SMEs as soon as possible.
3. This amendment serves to remove the requirements for individual bidders to share a TIN # and supporting documents from the *Minimum Eligibility Requirements* of this RFP on pg.6.

Must be a registered legal entity in Iraq or individual that is providing a Transaction/Business Advisory Services (consultancy).

Copy of certificate or articles and memorandum of association (For entities)

Request for [Proposal \(RFP\)](#)

Subject RFP #:	RFP-CATALYZE-Iraq-Transaction Advisors-2023-0002
RFP Issue Date:	May 24, 2023
Terms of Reference / Specifications:	Capital mobilization through pay-for-results incentives/investment and credit facilitation through Transaction Advisors
Project ("Project")	CATALYZE Innovative Blended Finance, Access to Finance (A2F) Activity
The Company	Palladium International, LLC
Country of Performance ("Country/ies")	IRAQ
Closing Date and Time	Friday, July 14 at 05:00 PM EST
Questions Deadline	Accepted at catalyze.procurements@thepalladiumgroup.com Tuesday May 30 at 5pm EST ; Answers will be provided no later than Friday June 02, 2023, at 5pm EST
Bidders' Conference	<input checked="" type="checkbox"/> Thursday June 01, 2023 at 7:30am EST/2pm GMT , Baghdad, Iraq and <u>Virtually</u> (https://events.teams.microsoft.com/event/6f4eabbd-24f3-47cc-a603-14fc9274ebda@e7942974-9738-4a4a-b646-2ab90f79db0f) <input type="checkbox"/> N/A
Details for Submission	Submissions will be accepted: <input checked="" type="checkbox"/> Electronically: email to catalyze.procurements@thepalladiumgroup.com <input type="checkbox"/> In hard copy (sealed bids) at Baghdad Office
Offer Validity Period	90 days

Thank you for your interest in the above procurement. As implementer of the 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.

Answers to questions shall be distributed to all offerors via amendments to the RFP.

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.

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.

Schedule - Terms of Reference

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

CATALYZE is an 8-year USAID-funded global contract, currently overseeing 10 sub-projects with support from 26 USAID Missions, Bureaus, and Offices. Implemented by Palladium, an international development firm with impact investing and asset management expertise and capability, CATALYZE has two overarching objectives:

- Facilitate \$2 billion in private capital into underserved sectors and frontier countries globally.
- Assist USAID in improving its ability to mobilize private capital for development objectives.

The CATALYZE Iraq A2F program is designed to increase access to finance for Iraqi SMEs and increase youth employment. The approach USAID CATALYZE is taking to achieve these objectives has two elements.

First, it will support Iraqi Transaction Advisors to identify small and medium enterprise (SME) financing opportunities and support those SMEs to obtain loans. A 'Transaction Advisor' as we define it is a person or a business who can provide a bridge between a business seeking a loan and a bank with money with which to provide such a loan. The expectation is that 'crowding in' a pipeline of well-presented financing requests will result in more loans. Particular attention will be paid to supporting loans which will result in employment of youth.

Second, to increase the appetite for these SME loans, it will provide small incentive payments to participating Iraqi Financial Institutions (FIs) to provide them with loans. The expectation is that these incentive payments will make these loans more attractive to those financial institutions by covering some of their expected risk of loss.

Workstreams, Impacts and Learning Objectives for CATALYZE Iraq A2F

The Catalyze Iraq A2F program has three principal workstreams:

Objective 1: Establish and oversee a network of Transaction Advisors who will be paid primarily on a success fee basis for identifying and supporting the close of SME loans that otherwise would not have been granted.

Objective 2: Establish and oversee a network of Iraqi financial institutions (private banks and MFIs) that are interested in increasing lending to SMEs and want to participate in the incentive program.

Objective 3: In conjunction with the SME lending of the activity, support youth employment through encouraging loans which will result in youth employment.

Purpose

CATALYZE Iraq A2F program is excited to offer a unique opportunity for entrepreneurial individuals and businesses in Iraq who aspire to generate revenue while promoting economic growth. The program invites proposals from qualified entities to participate in a performance-based initiative to facilitate SME financing. This initiative offers an opportunity to earn compensation based on successful performance. Entities with the requisite expertise and resources are encouraged to submit proposals to CATALYZE Iraq A2F.

The scope of this RFP spans many sectors/geographies/target beneficiaries ("Target Areas") where the Project wishes to mobilize finance.

Subject to the Target Area supported, size of transactions, and other factors, TAs will be eligible for an incentive fee as prescribed in **Annex A: SOW**.

Place of Performance: The activities to be performed under this contract will take place in Iraq.

Type of Contract

This is a Multiple Award, Blanket Purchase Agreement with Fixed Ceiling Commission Task Orders (“TO”).

The CATALYZE Iraq A2F program anticipates awarding a maximum of twenty (20) BPAs. Offerors shall only submit one (1) proposal. Transaction Advisors will be eligible to receive a success fee for facilitating finance and investment to SMEs in various sectors.

The maximum aggregate ordering limitation for TO contracts resulting from this RFP will not exceed USD 187,500 over the ordering period (further described below). This ceiling is not being subdivided among the number of awardees nor is it being multiplied by the number of awardees. There is no guarantee on the number of TOs that the successful offerors will receive or the amount of money beyond any initial TO awarded, if awarded.

Anticipated Contract Period of Performance

BPA Period of Performance: While BPAs may be issued at various stages throughout the term of this RFP, the period of performance for any BPA issued will not exceed 30 September 2025. For the RFP procurement process, the anticipated award date will be **1 August 2023**.

BPA Ordering Period: The BPA ordering period is from the effective date of the BPA contract through 31 July 2025. TOs may be issued at any time during the BPA Ordering Period; however, once the BPA Ordering Period ends, no new TOs may be issued.

TO Period of Performance: TO periods of performance must not exceed twelve (12) months at any one time. A TO period of performance may continue for up to six (6) months past the end of the BPA Ordering Period, but must be completed by 30 September 2025 which is the end of the period of performance for the BPA contract.

TOs may be issued during the BPA Ordering Period specified above with a maximum period of performance of no more than twelve (12) months, but not to exceed the BPA Period of Performance. For example, TOs issued during the Initial On-Ramping stage of award may have a twelve (12) month period of performance, whereas TOs issued at later stages may have less than a twelve (12) month period of performance.

Applications Timeline

Initial On-Ramping (Issuing of BPAs)

Submissions shall be received no later than the date stated on the cover page.

The anticipated BPA award date will be on/about **1 August 2023**. Issuance of TOs at the beginning of the BPA period of performance is further described in the “Resulting Award” section of this RFP.

Open On-Ramping (Issuing TOs)

The total number of TAs within any of the Target Areas may fluctuate due to any number of reasons including, but not limited to, prevailing needs of the Project or the Project’s exercise of the Off-Ramp process. It is in the Project’s best interest that there remain an adequate number of TAs eligible to compete for task orders to meet the Project’s finance mobilization requirements.

TAs are hereby notified that utilization of any on-ramping procedure below does not obligate the Project to perform any other On-Ramping procedure.

The Project will determine after the Initial On-Ramping stage if it is in the Project’s best interest to initiate an Open On-Ramping stage to add additional TAs to all or specified Target Area(s) for the Capital Mobilization Pool of TAs subject to the conditions outlined within the SOW.

Instructions to Offerors for Initial On-Ramping

Minimum Eligibility Qualifications

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 Iraq or individual that is providing a Transaction/Business Advisory Services (consultancy).	Copy of certificate or articles and memorandum of association
(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.	NA
(c)	Past performance with demonstrated experience and success in closing of transactions, facilitating access to finance and/or providing technical/advisory services to SMEs.	Demonstrated experience and success in closing of transactions, TA services or financial advisory services including evidence and description of these assignments. List transactions closed (enterprise, lender/investor, and general terms of the transactions ¹ .

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

Technical Proposal

For the technical proposal, the offeror must submit a brief description of their technical approach to the engagement, including:

- a) Cover letter with the following information:
 - i. Applicant contact info and address
 - ii. Type of company or organization (if applicable)
 - iii. Unique Entity Identification (UEI) Number (Company must have a UEI number or obtain one within 5 days of being notified of selection)
 - iv. Signed by the applicant or an authorized representative of the company
- b) Background on the applicant and relevant expertise (max 2 pages)
- c) Past Experience Information/Capability Statement
- d) Technical Proposal & Management Approach
- e) Proposed work plan showing how the applicant would execute this project including a timeline (max 2 pages)
- f) Description of relevant projects previously performed by the applicant, demonstrating expertise in closing of facilitating access to finance and/or technical/advisory services to SMEs. Alternatively, the offeror may provide evidence of their ability to be successful in providing transaction advisory services (max 4 pages)

¹ CATALYZE Iraq A2F program will keep details of all transactions in strict confidentiality.

- g) Key personnel must have a minimum of one year of relevant experience (including closing deals, providing TA services and financial advisory services). Alternatively, the offeror may provide evidence of their ability to be successful in providing transaction advisory services (CVs max 2 pages)
- h) All supporting documentation specified below in the pass/fail evaluation criteria

Additional Documentation

Offerors are required to submit fully completed and signed forms as annexes to their technical proposal as follows:

- Annex A: Resumes of Key Personnel
- Annex B: Due Diligence Form (**Attachment I** of this RFP)
- Annex C: ARBP Foreign Concerns – International Anti-Corruption Questionnaire (**Attachment II** of this RFP)
- Annex D: ARBP Certifications and Representations (**Attachment III** of this RFP)

Submission of Offers

Electronic proposals must be submitted by sending an email to the email address stated on the cover page with the RFP number in the subject line. The RFP number can be found on the cover page.

When submitting please ensure all required documents are attached. Submissions which do not include required documentation or information may be deemed as ineligible and not considered for award, at the sole discretion of the Project.

Offers received past the deadline stated on the cover page for the First Stage or subsequent deadlines stated in *Applications Timelines for rolling applications will be considered for the subsequent review round*. For any offers received after the final application deadline will be deemed non-responsive and will not be considered for award.

Evaluation and Award Process

The Project evaluation team will perform a two-step process for all offers received. First, the team will verify that the Offeror submits a complete proposal package and meets the Minimum Eligibility Qualifications described in this RFP. Offerors who pass this first step will move on and have their full proposals evaluated against the Evaluation Criteria below.

Those who do not pass the first step will be notified in writing of their failure to proceed.

The evaluation criteria will be based on a rating scale of exceptional, good, acceptable, marginal, and unacceptable in assessing the strength and quality of the proposals. The ranking criteria are defined below:

- **Exceptional:** exceeds specified minimum performance or capability requirements in a way that is beneficial to Palladium. A proposal must have more than one strength and no deficiencies to receive this score.
- **Good:** exceeds specified minimum performance or capability requirements. A proposal must have one or more strengths and no deficiencies to receive a "good" rating.
- **Acceptable:** meets specified minimum performance or capability requirements. A proposal must have no deficiencies to receive an "acceptable" rating.
- **Marginal:** there is doubt regarding whether an aspect of the proposal meets specified minimum performance or capability requirements, but any such uncertainty is correctable.
- **Unacceptable:** fails to meet specified performance or capability requirements. The proposal has one or more deficiencies and is not correctable.

	Evaluation Criteria	Documents Evaluated
(a)	Past performance record	List transactions closed (enterprise, lender/investor, and general terms of the transactions) and/or relevant technical/advisory services provided to SMEs
(b)	Proposed key personnel (team or individual)	List of personnel with proposed CV(s) demonstrating suitability and experience with a minimum of one year of relevant experience (including closing deals, providing TA services and financial advisory services) CVs of key personnel demonstrating ability to support and carry out the SOW stated in the RFP
(c)	Technical approach <ul style="list-style-type: none"> (1) Overall access to finance facilitation approach demonstrating strong knowledge of the banking sector and approach to leveraging network and building pipeline (2) Pipeline list (3) Investment facilitation approach (4) Existing relationships with financial institutions (including MFIs), and other intermediaries offering SME financing 	Technical Proposal <ul style="list-style-type: none"> (1) Provide an estimate of anticipated capital to be mobilized (closed transactions) during the contract period; estimates should be based on the Transaction Advisor’s existing pipeline, track record, and understanding of market opportunities (2) Provide a list of at least 5 pipeline SMEs that the Transaction Advisor will provide advisory services for. (3) Describe approach to identify, facilitate, and close investment deals (4) Training or certifications of related activities
(d)	Youth inclusion	Demonstrated commitment to facilitating financing for youth-led SMEs or SMEs providing employment opportunities for youth

Once the evaluation process is complete, the Project evaluation team will sort the offers by highest ranking to the lowest score.

The Project evaluation team will then verify the number of proposals ranked as exceptional, good and acceptable (“Compliant Ranking”). The top 20 proposals that meet the compliant ranking requirement will be considered for award in line with the “Resulting Awards” section of this RFP.

CATALYZE Iraq A2F program reserves the right to award under this solicitation without further negotiations. The offerors are encouraged to offer their best and final proposal in accordance with the SOW.

Resulting Awards

This RFP in no way obligates Palladium to award a BPA or any such TOs. Palladium may opt to select multiple offers in response to this RFP.

Any contract 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.

As a result of RFP's award process, if you are bidding as an individual, CATALYZE Iraq A2F program expects to enter into the following agreements with Individuals, fixed-price service consulting agreements, provided they are qualified. Each agreement will have a maximum billable amount or "billable ceiling" of up to \$25,000 and for individual fixed price service consulting agreements will have a range of \$12,500 and up to \$25,000 as a "billable ceiling". In the event that before the end of the agreement and/or in a short period of time, a Transaction Advisor makes transactions whose payments are equivalent to its "billable ceiling", CATALYZE Iraq A2F program reserves the right to increase its "billable ceiling" and reduce the same of other Transaction Advisors, whose performance is not as expected, therefore, each selected Transaction Advisor will be urged to identify and close transactions with eligible SMEs as soon as possible.

Contracting Mechanism Details

The Project will be awarding multiple BPAs and subsequent TOs as a result of this RFP. To clarify any doubt as to the type of contracting engagement envisaged under this RFP, the Project is providing the following information to inform Offerors:

A Blanket Purchase Agreement is an umbrella agreement which is a written instrument of understanding executed between a buyer and a seller which sets forth the negotiated contract clauses which will be applicable to future contracts (TOs) during the term of the agreement. Umbrella agreements allow for Palladium to establish relationships with contractors that Palladium may then utilize on an as needed basis. They create flexibility and allow for streamlined acquisition of supplies or services at a later date because the procurement has already been conducted and the terms and conditions have already been negotiated.

A Fixed Ceiling Commission Call Order ("TO") is the actual mechanism through which funding is obligated to the seller and authorizes them to undertake specific work outlined in this Call Order document. A TO will contain a fixed ceiling amount which the seller has the ability to achieve based on performance during the TO performance period. The "commission" will be paid based on the periodic achievement of specific levels of finance mobilized as detailed in the SOW and the resulting TO.

A

As described further below, TAs will be evaluated on a periodic basis to determine performance success under any TO awarded. These evaluations may result in a TA TO being terminated for not meeting minimum performance standards (which may result in full Off-Ramping) or may be awarded additional TOs, as determined by the Project, based on positive performance and needs of the Project.

On-Ramping

Initial On-Ramping BPA Awards

As described under the evaluation criteria, up to a maximum of 20 BPAs per Target Area may be issued under the Initial On-Ramping stage of the RFP. Where less than 20 offerors achieve a Compliant Score, only that number of BPAs will be awarded.

In the scenario where more than 20 offerors submit a proposal and achieve a compliant score but are not awarded a BPA, the Project may consider those offers during subsequent On-Ramping stages, if any. However, there is no guarantee that the offeror will receive an award during any subsequent On-Ramping stages.

Initial On-Ramping Task Orders

Of these BPA holders, the five (5) highest ranked from the Initial On-Ramping stage will be issued TOs. The five highest ranking BPA holders will be considered the primary providers. The Project will award subsequent TOs following the ranking system for BPA holders. The ranking system will be based on the review system outlined above.

Each agreement will have a maximum amount of incentive payments that can be billed, also known as the "billable ceiling" of up to \$25,000. If a Transaction Advisor completes transactions that add to their "billable ceiling" before the agreement ends; in that case, the CATALYZE Iraq A2F program may explore raising their amount of billable ceiling.

Future TO Ordering

Eligible BPA holders, from the Initial On-Ramping may be issued future TOs at any time during the BPA period of performance in response to project needs.

The appropriate Catalyze A2F Project authority will award TOs based on the evaluation criteria ranking pre-determined list of the highest ranking BPA holders.

Performance Management

TOs will be structured in a way to incentivize performance and ensure competition among BPA holders to drive results. Subject to the terms of the TO, the TAs will be required to meet certain targets or indicators within a specific timeframe. Those TAs who achieve the targets will be allowed to proceed implementing the TO while those who do not meet the targets or indicators may have their TO closed out/terminated early.

CATALYZE Iraq A2F program will assess the performance of Transaction Advisors every three months and determine if a change (increase or decrease) to their billable ceiling is necessary. Any modifications to the agreement's renewal ceilings will be based on the Transaction Advisors' performance and will require an amendment to their existing agreement.

As described further below, TAs will be evaluated on a periodic basis to determine performance success under any TO awarded. These evaluations may result in a TA TO being terminated for not meeting minimum performance standards (which may result in full Off-Ramping) or may be awarded additional TOs, as determined by the Project based on positive performance and needs of the Project.

The Catalyze A2F project may then choose to issue additional TAs and award one or multiple TOs to backfill the spot(s) vacated by underperforming TAs who had their TOs closed out early.

Those high performing TAs who fully deliver their TO within the timeframe will be eligible for additional TOs, subject to the prevailing needs of the project.

Dormant Status

The Project is responsible for ensuring performance and compliance with the terms of the CATALYZE contract and safeguarding the interests of the Government and the American taxpayer in its contractual relationships. Additionally, the Project must ensure that BASPs receive impartial, fair, and equitable treatment. BPAs and TOs

must be reserved for high performing BASPs. Accordingly, if the Project determines that any requirement of the BPA or TO is not being met, a BASP may be placed into Dormant Status. Dormant status may be activated for a given Target Area that a BASP has been awarded or Dormant Status may be activated for all Target Areas a BASP has been awarded.

If Dormant Status is activated, the BASP shall not be eligible to participate or compete in any subsequent task order solicitations while the BASP is in Dormant Status; however, BASPs placed in Dormant Status shall continue performance on previously awarded and active task orders, including the exercise of options and modifications at the task order level. Dormant Status is not a Debarment, Suspension, or Ineligibility as defined in FAR Subpart 9.4 or a Termination as defined in FAR Part 49. Dormant Status is a condition that applies to this activity only. Grounds for being placed in Dormant Status specifically include, but are not limited to, trends or patterns of behavior associated with the failure to meet the deliverables and compliances specified under their BPA or TO.

Dormant status will only be imposed after careful consideration of the situation and collaboration with the BASP to resolve the issues. To place a BASP in Dormant Status, the responsible Project authority must first send a letter, in writing, to the BASP regarding the poor performance or non-compliance issue. The BASP shall have reasonable time, at the discretion of the responsible Project authority, to provide a remediation plan to correct the deficiencies/issues. If the responsible Project authority is satisfied with the BASP's response, the BASP will not be placed in Dormant Status. If the responsible Project authority is not satisfied with the response, or the remediation plan is not effective, the responsible Project authority may issue a final decision, in writing, placing the BASP in a Dormant Status.

Off-Ramping

The Project reserves the unilateral right to Off-Ramp non-performing BASPs. BASPs that are Off-Ramped have no active task orders under their BPA at the time of the Off-Ramping. BASPs under more than one Target Area will only be off-ramped from the Target Area where the non-performing issues have occurred. Off-ramping methods may result from one of the following conditions:

1. Permitting the BASPs BPA term to expire without renewing or extending
2. After a BASP is placed in Dormant Status and the BASP has completed all previously awarded task orders
3. Debarment, Suspension, or Ineligibility as defined in FAR Subpart 9.4.
4. Termination as defined in FAR Part 49
5. BASPs who fail to meet the standards of performance, deliverables, or compliances
6. Taking any other action which may be permitted under the BPA terms and conditions

Attachments

The Project has attached to this RFP the templates for the BPAs (**Attachment IV**) and TO (**Attachment V**) that it will utilize as a result of this RFP. Please review this documentation including the 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.

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.

Annex A: Scope of Work

CATALYZE Iraq A2F program is seeking to engage a maximum of twenty (20) Transaction Advisors to support the CATALYZE Iraq A2F program to increase access to finance for Iraqi SMEs and increase youth employment. The Transaction Advisors will identify, structure and support closure of financial transactions for the benefit of Iraqi SMEs to facilitate and mobilize a minimum of \$3,250,000 of private capital from participating financial institutions (private banks, MFIs) within a three-year period.

Transaction Advisors are individuals or firms that provide a range of services including the preparation of business plans, obtaining financing, preparation of financial statements, and providing technical, tax and regulatory advice, among others. Transaction Advisors play a critical role in connecting SMEs with financing opportunities from FIs and guiding them through the financing application process, with the goal of closing transactions efficiently and effectively.

Financing or private capital is broadly defined as financing provided by non-state established private finance providers of new loans or financing, including debt instruments for the purposes of refinancing, restructuring, lines of credit, letter of credit, promissory notes, invoice and receivable financing (factoring), export financing, and recoverable grants, or any other financial or investment product or mechanism supporting SMEs in Iraq.

Separate from this procurement, but important to note, CATALYZE Iraq A2F program will also be awarding pay-for-performance sub awards to at least three Iraqi FIs to incentivize increased financing for Iraqi SMEs. CATALYZE Iraq A2F program will provide the list of selected FI partners to subcontracted Transaction Advisors to target these as potential sources of financing for SMEs. However, Transaction Advisors are not limited to working with only the selected FI partners; rather, SME financing as per the CATALYZE private capital mobilization definition² may be secured from any registered and legally operating financial intermediary or provider located in Iraq or even internationally (i.e., impact investors, crowdsourcing funding platforms, international grant makers) that meet the criteria for financial intermediary partner inclusion under CATALYZE Iraq A2F.

The Transaction Advisors will be required to submit financial intermediary or provider information to the CATALYZE Iraq A2F program for the purposes of due diligence and vetting. This information will be thoroughly assessed by the program to ensure that the financial intermediary or provider can meet the requirements of the program.

To facilitate this process, the CATALYZE Iraq A2F program will conduct due diligence and vetting of the financial intermediary or provider to determine whether the finance provider is suitable to work with the Transaction Advisors and, ultimately, whether they are a good fit for the program.

Once the due diligence and vetting process is completed, the CATALYZE Iraq A2F will communicate its decision to the Transaction Advisors. If the financial intermediary or provider is deemed to meet the necessary criteria, the Transaction Advisors will be informed that they can work with them. Conversely, if the financial intermediary or provider fails to meet the program's requirements, CATALYZE Iraq A2F will provide feedback to the Transaction Advisors and will suggest alternative finance providers who better align with the program's objectives.

I. Transaction Advisors Roles and Responsibilities

The CATALYZE Iraq A2F program is designed to assist principally private financial institutions to increase the value and scale of SME and youth employment financing they provide in Iraq. To accomplish this, the program

² Private capital definition: CATALYZE expects private capital mobilized in the form of 1) debt and 2) non-debt financing from a range of FIs, DFIs, and multilateral institutions, as well as private companies via strategic partnerships.

aims to rapidly build a network of high-quality Transaction Advisors who will work with SMEs to develop and service a pipeline of viable financing opportunities.

The first step in this process will be for the Transaction Advisors to identify qualified SMEs that are in need of financing. Once identified, the Transaction Advisors will provide technical advisory services to SMEs and assist them to package financing proposals for finance providers. The goal is to close quality financing transactions that will lead to an increase in job opportunities for Iraqi youth, and Transaction Advisors will be compensated based on performance rather than time inputs.

Moreover, the CATALYZE Iraq A2F program will provide the Transaction Advisors an initial orientation on pipeline development for SMEs in Iraq, including guidance on identifying these SMEs in various supply chains and those with high potential for youth development. We will also be available to assist the advisors in case they face any obstacles along the way. However, we will depend on their loan packaging expertise. The selected Transaction Advisors will be hired as subcontractors to provide deal identification, structuring and closure services to Iraqi SMEs. The amount of payment that Transaction Advisors receive will depend on the size of the loan that they help to secure for their SME clients. However, the payments will be limited to a maximum amount. Additionally, the payment structure is designed in a way that rewards Transaction Advisors for successfully closing financing deals. The payment will only be provided once the financing has been successfully secured. This payment methodology has been proven to lead to more efficient service delivery and higher quality services, ultimately improving the value of SME financing mobilized.

Potential services for the SMEs may include, but are not limited to the following:

1. Educating Iraqi SMEs about debt and equity financing options in the market, including requirements to access financing, rates, and of the landscape of the financial industry.
2. Identifying financing opportunities and build or develop a pipeline of potential SMEs that are seeking financing with detailed information regarding the financing need and specific services required from the SME, its investment goals and use of capital.
3. Arranging credit and/or investments for approved SMEs within various sectors throughout Iraq. Financial facilitation support may include but not limited to:
 - a. Development of business plans or application for debt/equity in support of SMEs.
 - b. Support with and submission of SMEs proposals to financial institutions.
 - c. Following through to obtain financing term sheet and support the due diligence and closing the funding process to the SME client.

The Transaction Advisors shall be required to submit a client engagement letter, signed by the Transaction Advisor and the SME it wishes to support with services for approval to CATALYZE Iraq A2F program prior to engaging in any service delivery as described above. This client engagement letter shall include the name and description of the SME, the sector to be supported, the proposed technical assistance to be provided, the proposed timeline of assistance, and the estimated size and type of financing. Requests will be evaluated and returned to Transaction Advisors with a decision for support within 3 working days of receipt.

CATALYZE Iraq A2F program strongly encourages the facilitation of financing for youth-led SMEs or SMEs interested in increasing youth employment. CATALYZE Iraq A2F program will ask Transaction Advisors to

prioritize youth-led SMEs as clients and intends for 20% of all businesses to be served under the program with financing to be youth-led³.

II. Deliverables

Transaction Advisor Payment Schedule

The payment schedule table outlines the payment structure for the Transaction Advisor. The table has two columns, one for the initial loan and one for any follow-on loans.

For the initial loan, the payment for the Transaction Advisor is based on a percentage of the transaction value, up to a cap of \$500 for the financing application document and up to a cap of \$25,000 for the transaction approval.

If the SME client decides to pursue a follow-on loan with the same terms as the initial loan, the payment for the transaction advisor will be reduced by half of the initial payment. However, if the follow-on loan has different terms or requires different structuring support, then the payment for the Transaction Advisor can be up to \$25,000.

	Deliverable	CATALYZE Iraq A2F Payment for Transaction Advisor Initial Loan	CATALYZE Iraq A2F Payment for Transaction Advisor Follow-on Loan
1	Engagement agreement letter signed by the Transaction Advisor and qualified transaction*	No associated payments	No associated payments
2	Financing application document with proof of receipt from FI	Up to 1% of transaction value (up to cap of US \$500)	Up to 0.5% of transaction value (up to cap of US \$250)
3	Transaction approval (Financing agreement document with term sheet and confirmation of SME client signature)	Up to 3% of transaction value (up to cap of \$25,000, minus payment for financing application)	Up to 1.5% of transaction value (up to cap of \$12,500 minus payment for financing application)
4	Maximum fee payable by CATALYZE Iraq A2F per transaction supported	CATALYZE Iraq A2F will pay a maximum of \$25,000 per deal	CATALYZE Iraq A2F will pay a maximum of \$12,500 per deal

*Transaction Advisors will submit engagement letters for approval by the CATALYZE Iraq A2F team. The engagement letter must demonstrate how the proposed SME to receive services meets the client targeting criteria set by CATALYZE Iraq A2F, which will be shared with Transaction Advisors after the subcontract award.

³ The CATALYZE Iraq A2F definition for “youth-led” SME is a business that is owned, managed, and operated by young people between the ages of 18 and 35. If a plurality of youth own/manage/operate a business, this still counts as “youth-led” for the purposes of this subcontract.

Transaction Advisors will submit the deliverables to the CATALYZE Iraq A2F within the set timelines per the deliverables schedule that will be included in the subcontract agreements. If there is no movement or submitted deliverables in a period of time, CATALYZE Iraq A2F can elect to cancel the subcontract for non-performance.

Explanation of Deliverables

1. Client engagement letter signed by Transaction Advisor and proposed SME recipient of services along with the SME profile with details, including: SME owner name, gender, sector, location, number of employees, required financing, the nature of technical assistance to be provided, potential payments for services from the SME to the Transaction Advisor the estimated size and type of financing sought, and a simple GANTT chart of a proposed workplan and timing of support.
2. Proof of application for financing submitted to (and received by) a financial institution.
3. Proof of executed term sheets (equity transactions) and loan approval letters (debt transactions) between a financial institution and the SME highlighting the terms and conditions of the deal shall be submitted to CATALYZE Iraq A2F program. Transaction Advisors are expected to submit final signed term sheets and/or loan agreements for each deal they close.

Bonus incentives for deal sizes above \$10,000:

1. Youth Employment Bonus: CATALYZE Iraq A2F proposes bonus payments to Transaction Advisors who close deals for SMEs receiving financing and who will offer employment opportunities to young individuals aged 18-35 years. The bonus amount will depend on the financing amount:
 - Financing of \$50,000 and below will earn an additional bonus of \$200,
 - Financing of \$50,001 to 250,000 will earn an additional bonus of \$400,
 - Financing above \$250,000 will earn an additional bonus of \$600.
2. Youth-Led SMEs Bonus: Transaction Advisors who close deals for youth-led (18 -35 years) SMEs will receive an additional bonus of \$200.
3. Transaction Advisors Target Attainment Bonus: Transaction Advisors who meet their financing target within a calendar year may be eligible for an additional bonus of \$1,000.

III. Sectors and Geographic Scope

CATALYZE Iraq A2F program is primarily sector agnostic. Transaction Advisors will be eligible to receive a success fee for facilitating finance and investment to SMEs in various sectors, including but not limited to agriculture, textiles, telecommunication, tourism, petroleum, construction materials, food processing, and metal processing. The Transaction Advisors will work throughout the country in 18 governorates, including Baghdad and Erbil.

IV. Reporting

Transaction Advisors will be required to submit monthly report briefs on the status of each pending transaction being supported by the Transaction Advisor, due 5 business days after the end of each month. The reports shall be submitted in a format that will be shared by CATALYZE Iraq A2F program after subcontract award.

V. Additional Requirements

Transaction Advisors will be expected to participate in networking, learning and communications activities held or supported by the CATALYZE Iraq A2F program during the life of the project. The Transaction Advisors will also be asked to connect the CATALYZE Iraq A2F communications team with SME clients to enable the creation of success and lessons learned stories. The CATALYZE Iraq A2F program will require SME approval to release firm names in publicly reported success stories, lessons learned, and other reports.