

Amendment to Request for Proposal

Amendment number: 2
Reference Request for Proposal Number: RFP-CATALYZE-WB-2023-0097

Amendment effective date: July 26, 2023

Description of Amendment:

1. This amendment serves to update the Anticipated Contract Period of Performance to August 2023-May 2024
2. This amendment includes the questions and answers document from the Bidder's conference held July 26, 2023.

Request for Proposal (RFP)

Subject RFP #:	RFP-CATALYZE-WB-2023-0097
RFP Issue Date:	July 5, 2023
Terms of Reference / Specifications:	
Project	CATALYZE Innovative Blended Finance
The Company	Palladium International, LLC
Country of Performance	Western Balkan Region
Closing Date and Time	August 1, 2023

Questions Deadline	<input type="checkbox"/> Accepted at catalyze.procurements@thepalladiumgroup.com by July 20, 2023 <input type="checkbox"/> N/A
Bidders' Conference	<input type="checkbox"/> July 26, 2023, 9am ET <input type="checkbox"/> N/A
Details for Submission	Submissions will be accepted: <input type="checkbox"/> Electronically: email to catalyze.procurements@thepalladiumgroup.com
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

The USAID CATALYZE Engines of Growth (EoG) Western Balkans Activity engages market actors and other stakeholders to co-design and identify key opportunities to improve SMEs' access and utilization of appropriate financial products and services. EoG is also exploring how blended finance approaches can effectively catalyze finance for SMEs in the Western Balkans, in particular women-owned or -managed SMEs (W-SMEs), in order to improve resilience and promote recovery and growth, examining the key barriers and enablers.

Objectives

- **Support SMEs by mobilizing capital** and/or restructuring debt to otherwise vulnerable SMEs which have been adversely impacted by COVID-19 in order to sustain them, retain or rehire workers, preserve capacity for future growth, and improve resilience.
- **Facilitate additional alternative financing** to high-potential SMEs in the Western Balkans to enhance their growth, productivity, and job creation.
- **Promote women's economic empowerment (WEE)** through access to finance and improved competitiveness, including access to digital marketing platforms and standards and certificates to reach new export markets.

Purpose

The purpose of this RFP is to seek proposals from potential partners with expertise in SME financing to support Western Balkan SMEs (including women-owned and/or -managed SMEs) secure financing. The activity will focus on alternative financing solutions or tools that are structured to address the specific needs of regional SMEs. The proposed activity will contribute to a minimum of four successful SME crowdfunding campaigns in the Western Balkans, with at least one campaigns targeting W-SMEs.

Interventions proposed should be scalable, sustainable, and support growth of SMEs. EoG believes that a regional approach offers greater potential for private sector partners to scale up, leveraging economies of scale and promoting intra-regional economic integration where possible. For this RFP, country-specific interventions will be accepted.

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. Palladium expects to award one or more subcontracts for this initiative. Individual awards could be up to \$60,000. The selected proposals may be fully funded or incrementally funded, depending on the merit of the proposals. Palladium reserves the right to award one, multiple, or no subcontracts.

Anticipated Contract Period of Performance

August 2023 – May 2024

Place of Performance

The activities to be performed under this contract will take place in one or more of the countries in the Western Balkan region (i.e., Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia). See the Instructions for Submission of Cost Proposal for travel assumptions.

Key Deliverables and Timeline

Key deliverables should encompass the successful launch of a minimum of four SMEs on a crowdfunding platform within eight months from the beginning of the period of performance. Bidders must be capable of providing a comprehensive report on the achieved outcomes (e.g., number of SMEs and W-SMEs utilizing the solution, the amount of capital committed to SMEs and W-SMEs, etc.) by the end of the period of performance. Solutions that cannot fulfill this requirement will not be considered.

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. Unique Entity Identification (UEI) Number (Company must have a UEI number or obtain one within 5 days of being notified of selection)
 4. 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, including:
 - Estimation of the results, such as capital mobilized for SMEs financing and/or the number of SME/W-SME beneficiaries.
 - Management and expert approach, including CVs of the key expert team.
 - Staffing plan that should include, at minimum, the following staff:
 - Marketing Expert: 5 - 10 years of experience in the field of marketing, knowledge of business development and scaling, experience in attracting investors and raising funds, experience in investing in small businesses, knowledge of local entrepreneurial scene, experience in educating individuals, groups or businesses on the topics of marketing, entrepreneurship, crowd-investing, business development, investing etc.
 - Financial Expert: Minimum 7 years of proven record of consulting projects in business plan and financial modelling, due diligence processes and fundraising processes. Proven knowledge of alternative financing and crowd-investing/crowd-lending.
 - Tax Expert: Minimum 5 years of proven record of tax advisory and experience in tax due diligence processes.
 - Legal Expert: Minimum 5 years of experience in banking and finance matters, specifically in relation to drafting of the loan agreements and other related documents, performing due diligence checks of the companies for the purposes of financing and experience in alternative models of financing.
- (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 (max 4 pages)
- (g) Contact details for three references (max 1 page)
- (h) All supporting documentation specified below in the pass/fail evaluation criteria

Note: 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)

2. Cost Proposal

Offerors must submit a cost proposal. CATALYZE will provide a budget template upon request through catalyze.procurements@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
- All prices are to be inclusive of relevant taxes
- Separate unit cost and number of units
- Break down activity costs into as much detail as possible
- Offeror should budget for:
 - Defense Base Act (DBA) insurance in accordance with FAR 52.228-3, as applicable.

The selected offeror will be required to complete the Due Diligence Questionnaire (attachment 1) and provide a UEI number within 5 days of being notified of selection.

Submission of Offers

Electronic proposals must be submitted by sending two separate emails, one for technical proposal and one for cost proposal with the RFP number in the subject lines. If submitting in hard copy, the technical proposal and cost proposal must be in separate sealed envelopes. Mark envelopes with the RFP number and offeror's name. Ensure all required documents are attached. The RFP number can be found on the cover page.

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

Evaluation and Award Process

Proposals will be evaluated using a best value trade off methodology. This is a three-stage process.

- (1) The first set of criteria is graded on a pass/fail basis. Offerors must meet the following minimum eligibility qualification criteria and provide supporting documentation:

	Requirement	Supporting Documentation
(a)	Must be a registered legal entity in any of the six Western Balkan countries for a minimum of one year	Copy of certificate or articles and memorandum of associate
(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
Company Background and Past Performance	Past Experience Information/Capability Statement	25
Management/Expert Team	Proposed personnel CVs	25
Technical Proposal	Technical Proposal	30
Timeline	Workplan	20
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

- Management team and expert team proposed
- 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 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

Attachment 2- FFATA Form (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.procurements@thepalladiumgroup.com.

Annex A: Scope of Work

Background/Development Challenge: A well-functioning financial market is crucial for economic growth and development, providing access to financing that supports businesses and drives competitiveness. However, the financial markets in the Western Balkans have faced challenges in meeting the needs of local SMEs, hindering their ability to grow and succeed in a competitive environment. Without adequate financing, businesses struggle to expand, innovate, and invest in technologies and skills. Limited access to finance remains a significant constraint for SMEs in the region, even before the COVID-19 pandemic.

The dominance of foreign banks in the financial sector of the Western Balkans has led to a "missing middle" phenomenon, where small and medium-sized enterprises are too large for microfinance but lack the attraction for significant bank interest. Despite the banking sector's liquidity, interest rates and collateral requirements remain high, and loan application procedures are complex. Most corporate loans in the region require collateral, typically real estate, at twice the loan amount. As a result, many SMEs become overleveraged, unable to secure adequate capital for their growth finance needs. Additionally, the lack of diverse financial products, services, and institutions further exacerbates the challenges faced by SMEs with high growth potential.

The underdevelopment of SMEs hampers economic growth and leads to high rates of unemployment. Despite being dominant in the small economies of the Western Balkans, SMEs contribute disproportionately low value added and exports due to limited access to finance. To unlock the untapped potential of SMEs, there is a need to improve the availability and utilization of diverse financial instruments, services, and providers that cater to their specific needs.

Solutions Sought:

CATALYZE aims to fulfill EoG's Objective 2 by facilitating alternative financing for high-growth SMEs, particularly women-owned and managed SMEs in the Western Balkans. CATALYZE is seeking partners who possess a deep understanding of the economic challenges faced by SMEs in accessing finance in the region and can offer alternative financing mechanisms through crowd-investing/crowd-lending platforms. The objective is to support activities that promote innovation and expansion of diversified financial products and services, in line with CATALYZE's goal of SME-led inclusive, sustainable economic growth and recovery.

To achieve this, CATALYZE intends to award a Firm Fixed Price subcontract with an estimated duration of 8 months to a subcontractor capable of increasing the visibility, understanding, and scope of crowd-lending in the Western Balkans. The anticipated period of performance for the subcontract is expected to start on or about July 20, 2023. All tasks should be completed within 8 months after the subcontract is awarded.

The Subcontractor shall:

1. Propose a feasible plan that includes the selection of SMEs and provides technical support to prepare them for launch on the crowd-investing/crowd-lending platform.
2. The technical support should encompass legal, financial, and tax-related reviews and advice to ensure SMEs are prepared for launch on the crowd-investing/crowd-lending platforms.
3. The proposal should offer clear support in developing and implementing a digital marketing/communication strategy necessary for the success of each SME's campaign.
4. Define selection criteria to ensure that by the end of the contract with EoG, a minimum of 3 and a maximum of 6 companies will apply for investment, become ready, and be launched on the local crowd-lending platform. At least one out of the 3 companies should be a women-owned, controlled, and managed SME.
5. The proposed interventions should be sustainable and promote improvements in SMEs' performance and formal employment. Consideration should be given to leveraging economies of scale and promoting intra-regional economic integration where possible.

CATALYZE encourages offerors to aim for the following desired outcomes:

- Increase the availability and utilization of crowd-investing/crowd-lending for SMEs and/or women-owned, controlled, and managed SMEs.
- Enable financing based on the assessment of SMEs' current business performance and business plans, attracting potential investors.
- Enable adequate financing for W-SMEs with a short business and financial history by reducing requirements for financial reports and collateral.

Expected results include, but are not limited to:

- Successful launching of a minimum of 4 crowd-investing campaigns.
- Mobilizing an estimated amount of capital for SME financing ranging approximately from \$400,000 to \$1 million.
- Providing financing suitable for women-owned, controlled, and managed SMEs without collateral requirements or previous credit history.
- Introducing the Western Balkan region to the features and benefits of crowd-investing/crowd-lending.

The impact of the project will be measured by the EoG activity based on the amount invested by USAID, the expected number of SMEs benefiting from the activity, and the amount of finance SMEs are expected to receive.

The proposed solutions should also provide:

- Scalability and replicability:
 - Organize a road trip through Western Balkan countries to promote crowd-investing/crowd-lending as a suitable method of financing for high-growth and women-owned and managed SMEs.
- Measurable impact:
 - The intervention should demonstrate the estimated number of supported SMEs and jobs created.