

SELECTION OF CONSULTANTS

REQUEST FOR PROPOSALS

RFP No: KCV/2021/045

Selection of services for:

Provision of Consultancy Services on Business Planning

Client: Kenya Climate Ventures Limited

Country: Kenya

Issued on: 18th March 2021

TERMS OF REFERENCE

Provision of Consultancy Services on Business Planning

1. Background

Kenya Climate Ventures Limited, founded in 2016, is an investment management company that seeks to accelerate access to climate smart solutions by providing tailored and targeted financial, technical assistance and business development support (including managerial assistance) to innovative early and growth stage businesses. KCV Limited is a subsidiary of the Kenya Climate Innovation Centre (KCIC). Kenya Climate Ventures (KCV) Limited invests in businesses working in agribusiness, commercial forestry, renewable energy, water and waste management sectors. Our focus is working with early stage and growth stage Small and Medium Enterprises (SMEs) in the private sector whose commercial growth and success will have a positive impact on target markets, communities and the environment in Kenya.

2. Bidding

Through this request for proposals ("RFP")/ Terms of Reference (ToR), KCV Limited is planning acquire support in Provision of Consultancy Services to support Business Planning.

3. Request for Clarification of RFP/ ToR documents

A prospective proposer requiring any clarification of the solicitation documents may notify KCV in writing via the email address procurement@kcv.co.ke as per timelines provided in Section 13 of this document. KCV Limited will respond in writing to any request for clarification of the solicitation documents that it receives by the due date.

4. Language of Proposals

The proposals prepared by the proposer and all correspondence and documents relating to the proposal exchanged by the proposer and KCV Limited, shall be written in English.

5. Conflict of Interest

In their proposal, proposers must confirm that, based on their current best knowledge, there are no real or potential conflicts of interest involved in rendering Services to KCV Limited.

6. Confidentiality

Information relating to the evaluation of proposals and recommendations concerning the selection of firm's/ service providers will not be disclosed to Firms that submitted proposals.

7. Objective of the engagement

The objective for the consultancy is to review the KCV Strategy and support development of the KCV business plan at the strategic phase over the next five year.

Specifically, the consultant will carry out business planning for KCV capturing the following key aspects;

- i. Review the organizational management structure and skill sets available and identify any skill gaps and offering proposal on addressing of the same;
- ii. Define the comparative advantage of KCV to attract participating stakeholders including investors, donors, potential investees and Technical Assistance providers among others, in their key strategic markets of operation;
- iii. Define the market and the potential investees and funders;
- iv. Define and scope out the investment criteria by KCV when onboarding projects from their key strategic market;
- v. Describe the business model, including the marketing strategy of the fund, investment management criteria and monitoring and evaluation strategy;
- vi. Work out the appropriate costing, including deal sourcing, due diligence, portfolio management, Technical Assistance and Exit;
- vii. Project a realistic revenue model and develop revenue targets based on investment plans and services outlined in the company's strategy;
- viii. Project the time to reach the break - even status and in addition providing realistic profitability scenarios;
- ix. Provide an outline of how the business plan informs the company's fundraising and growth during the current KCV defined strategic period of four (4) years;
- x. Provide organizational management structural modification and new skill set (if required) to meet the requirements of the business plan.

8. Scope of work

Based on the objectives, the consultant(s) will be required to provide an analysis of the present scenario and develop a detailed business plan that

is expected to provide overall direction to the company making it sustainable, efficient and growth oriented in the long run.

The plan should be time bound and should clearly show achievable targets within defined timelines.

The Business Plan shall have the following sections at the minimum:

- i. Executive summary
- ii. Analysis of the products and services offered
- iii. Analysis of the organizational status, skill sets, running cost (broken to each services) and gaps thereof
- iv. Analysis of the market and potential customers
- v. Comparative advantage
- vi. Business Model and description of operation/s for each product and service
- vii. Funding costs and review Market outreach strategy
- viii. Modified organizational management structure & new skill sets
- ix. Projection of business returns over the remaining plan period
- x. Financial needs in the strategic period.
- xi. The plan should also have a section on general guidance and preparation of an annual budget, year to year projections of the following statements:
 - Projected income statement
 - Projected balance sheet
 - Projected cash flow statement
- xii. A risk assessment of KCV, financial ratios and key performance indicators such as break-even, turn - around time, profitability ratios, payback period, rate of return on investment, liquidity ratios in order to have a better understanding of the financial and operational performance.

9. Deliverables and Output

The expected end product of this assignment will be a complete Business Plan for Kenya Climate Ventures.

10. Qualifications and Experience

In order for a proposal to be considered responsive, the bidder must demonstrate how it meets the following minimum qualification requirements;

- i. The proposing firm must have performed strategic advisory and business planning for venture funds and/ or impact investment funds

- in the past 3 years. The firm must also include documentation that verifies the firm has this experience and meets this requirement.
- ii. The lead consultant responsible for all work performed and services noted in this RFP shall meet the following minimum requirements:
 - o A Master's degree in business administration, finance, or an equivalent from an accredited university;
 - o Investment expert, broad - based experience for a minimum 15 years.
 - o 6 years of accounting and/or business management experience. Experience must include project projection analysis, cash flow analysis and revenue recognition.
 - o Strong understanding on and extensive experience in early stage investing, venture capital and SME Funds in Kenya or other comparable emerging markets; familiarity and understanding of early-stage investment issues and challenges in the region.

Failure to meet these minimum qualification requirements will cause their proposal to be deemed non - responsive and their proposal will be rejected.

The proposer shall attach documentation to provide verification and evidence of meeting the minimum qualifications, resume(s), and references.

11. Technical Proposal

- a) The Technical Proposal must be submitted separately and clearly marked on the document and email subject "**Technical Proposal -RFP 045 Provision of Consultancy Services on Business Planning**". No details of a financial nature whatsoever should be included in this Technical Proposal. Failure to comply with this requirement will result in automatic disqualification.
- b) Proposers are requested to submit a Technical Proposal that demonstrates the capability in delivering requested services.
- c) To facilitate a faster evaluation and comparative analysis of the proposals, we recommend that the proposals be structured in the following manner:
 - I. **Expertise of Firm/Organization** – This section should provide details regarding management structure of the organization, organizational capability/resources, and experience of organization/firm, the list of projects/contracts (both completed and on-going, both domestic

and international) which are related or similar in nature to the requirements of the RFP.

- II. **Proposed Methodology, Approach and Implementation Plan** – This section should demonstrate the implementor’s response to the RFP/scope of services by identifying the specific components proposed and how the work will be structured and delivered, including timelines
- III. **Management Structure and Key Personnel** – This section should include the comprehensive curriculum vitae (CVs) of key personnel that will be assigned to support the implementation of the proposed methodology, clearly defining the roles and responsibilities vis-à-vis the proposed methodology. CVs should establish competence and demonstrate qualifications in areas relevant to the TOR.
In complying with this section, the implementor assures and confirms to KCV that the personnel being nominated are available for the Contract on the dates proposed. If any of the key personnel later becomes unavailable, except for unavoidable reasons such as death or medical incapacity, KCV reserves the right to render the proposal non-responsive. Any substitution of personnel arising from unavoidable reasons shall be made only with the approval of KCV.
- IV. **Other Information as may be relevant to the Proposal** - The Technical Proposal shall not include any financial information. A Technical Proposal containing any form of financial information that could lead to the determination of the price offer may be declared non-compliant.

12. Financial Proposal

- a) The Financial Proposal should include pricing information covering the requirements covered in this document.
- b) The Financial Proposal document must be clearly marked “**Financial Proposal - RFP 045 Provision of Consultancy Services on Business Planning**”, as well as the email subject. No details of a financial nature whatsoever must be included in the Technical Proposal. Failure to comply with this requirement will result in disqualification.
- c) The financial component shall include the following:
 - i. Fee structure and pricing details in Kenya Shillings, including all expenses and applicable taxes;
 - ii. A financial methodology that explains the rationale of the financial component and how it offers best value;

- iii. A financial plan that clearly links all costs to activities and outputs detailed in the work plan with associated payment mechanisms;
- iv. Unit rates;
- v. Total Lump Sum Contract amount;

Financial proposals that will not have the above details will be disqualified.

- d) The implementor shall include and clearly show all expected taxes in the financial component.
- e) KCV reserves the right to give preference to the most appropriate baseline in terms of expected economies of scale for the KCV.

13. Timelines

KCV will follow the timeline below for this RFP. Any changes to this timeline will be posted on the KCV website or communicated directly to pre-qualified bidders;

Event	Responsible Party	Date and Time (EAT)
Circulation of RFP to pre - qualified service providers/ open media advertisement	KCV	16 th March 2021
Last date for requests for clarification of the RFP	Potential Bidder	26 th March 2021
Last date for submission of the proposal	Potential Bidder	7 th April 2021
Task Execution and Reporting	Contracted Service Provider	13 th April 2021

14. Evaluation Criteria

A. Evaluation and Comparison of Proposals

The proposals will be evaluated in a staged procedure, with the evaluation of the technical proposal being completed prior to any financial proposal being opened and evaluated. The financial proposal will be considered only for submissions that fulfil the minimum technical requirements.

B. Acceptance of Submissions

All proposers are expected to adhere to the requirements for submitting a proposal. Any proposals that fail to comply will be disqualified from further consideration as part of this evaluation. In particular:

- a) Full compliance with the formal requirements for submitting a proposal;
- b) Submission of all requested documentation

The Technical Proposal shall include information to demonstrate the current soundness and financial position of the submitting organization:

- a) Organizational: a brief description, including ownership details, date and place of incorporation of the firm, objectives of the firm, partnerships, qualifications and certificates, etc.
- b) Statement of Satisfactory Performance of similar services from the firm's top 3 (three) Clients in terms of Contract Value the past 3 (three) years. Contact details of the mentioned clients must be provided.
- c) Listing of proposed personnel, experience and qualifications
- d) Comments on the RFP and how the firm will address the requirements
- e) Methodology and approach

C. Evaluation of Technical Proposal

A reviewing committee shall be established to evaluate each technical proposal. The committee will comprise of evaluation and technical specialists. The technical proposal is evaluated individually based on its responsiveness to the technical requirements and will be assessed and scored according to the evaluation criteria.

Technical proposals that score at least 75 points out of 100 will be considered as qualified for the review of financial proposal. Any proposal less than that will be disqualified from proceeding to the next step and its financial proposal shall be reviewed. The Technical Proposal will account for 70% (weight of 0.70) of the evaluation score.

D. Evaluation of Financial Proposal

The financial proposal of all offers, which have attained the minimum score in the technical evaluation, will be evaluated subsequently. The lowest evaluated Financial Proposal will be given the maximum financial score. The Financial Proposal will account for 30% (weight of 0.30) of the evaluation score.

E. Consolidated evaluation

The total score of 100 points will consist of 70 points weighted from technical evaluation and 30 weighted points from the financial evaluation. The firm achieving the highest combined technical and financial score will be invited for contract negotiations.

F. Award

The Award will be made to the responsive implementor who achieves the highest combined technical and financial score, following the negotiation of an acceptable contract. KCV reserves the right to conduct negotiations with the implementor regarding the contents of their offer. The award will be in effect only after acceptance by the selected service provider of the terms and conditions and the technical requirements.

15. Application deadline and Submission Details

The submission of the proposals should be for both technical and financial. They should be submitted to the official email: procurement@kcv.co.ke by 7th April 2021. The subject of the email should state **Technical Proposal/ Financial Proposal - RFP 045 Provision of Consultancy Services on Business Planning.**

Any proposal received after the deadline will not be opened, and no amendments to the technical or financial proposals will be accepted after the deadline. Proposals submitted in contrary to the instructions given above will not be accepted by the KCV.

All inquiries relating to the TOR shall be communicated in written form to the above-mentioned email address.