



ACCESS TO FINANCE RWANDA

Request for Proposals (RFP)

for

Procurement of Transaction Advisory Consultancy Services

Subject of Procurement:	Procurement of Transaction Advisory Consultancy Services
Procurement Reference Number:	AFR/RFP-TACS/FEB/2019
Date of Issue:	04 th February 2019

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4th February 2019

REQUEST FOR PROPOSALS

PROCUREMENT REFERENCE NUMBER: AFR/RFP-TACS/FEB/2019

Dear Prospective bidder:

Access to Finance Rwanda (AFR) is a Rwandan Company Limited by Guarantee established in 2010 by governments of UK and Rwanda and it is currently funded by DFID, MasterCard Foundation, USAID and Sweden. AFR operates as a not for profit independent company with strategic policy guidance from Access to Finance Rwanda Board of Directors and Investment committee. Access to Finance Rwanda now invites bids from eligible firms for the provision of *Transaction advisory services*. The details of the required supplies are specified in Section 5, Statement of Requirements.

Proposals should be directly responsive to all items, terms, conditions, specifications, and other documents referred to in this RFP.

- Requests for clarifications to the contract may be submitted until **Thursday 7th February 2019**.
- Interested parties should submit their proposals no later than **Friday 15th February 2019**.

Responding bidders are advised that this solicitation does not in any way obligate AFR to make a contract award or compensate the responding firms for any costs associated with the preparation and submission of their proposals. Additionally, AFR may award a contract without conducting negotiations; all proposals should be submitted initially using your most favourable terms. AFR reserves the right to award any resultant contract to other than the offeror submitting the lowest price proposal based on technical excellence, schedule superiority or client request.

All communications regarding this RFP should be addressed via email to: Miriam Kagisha, Procurement and Administration Officer at: miriam@ afr. rw with a copy to: procurement@ afr. rw

Below is the planned procurement schedule (subject to changes):

Activity	Date
a) Advert	Monday 4 th February 2019
b) Request for clarifications	Thursday 7 th February 2019
c) Proposal closing date	Friday 15 th February 2019
d) Evaluation process	Friday 22 nd February 2019
e) Display and communication of best evaluated bidder notice	Friday 1 st March
f) Contract Signature	Monday 4 th March 2019

Cordially,

Waringa Kibe

Country Director

Access to Finance Rwanda

Part 1: Proposal Procedures

1.1 SECTION 1: INSTRUCTIONS TO PROSPECTIVE BIDDERS

Preparation of Proposals: You are requested to submit separate technical and financial proposal, as detailed below. The standard forms in this Request for Proposal may be retyped for completion but the Consultant is responsible for their accurate reproduction.

You are advised to carefully read the complete Request for Proposals. An electronic copy of the Request for Proposals shall be considered as the original version.

Technical Proposals: Technical proposals should contain the following documents and information:

1. The Technical Proposal Submission Sheet in this Part;
2. An approach and methodology for performing the services;
3. A detailed work plan, showing the inputs of all key staff and achievement of deliverables;
4. Copies of previous contracts - at least 3 for similar projects
5. CV's of key staff;
6. A summary of your experience in similar assignments;
7. The documents evidencing your eligibility, as listed below.
8. The consultant's comments or suggestions on the TORs and appreciation of the assignment – the objectives, tasks and deliverables

Financial Proposals: Financial proposals should contain the following documents and information:

1. The Financial Proposal Submission Sheet in this Part;
2. A copy of the breakdown of Lump Sum Price form in this Part for each currency of your proposal, showing all costs for the assignment, broken down into professional fees, reimbursable and miscellaneous costs. The costs associated with the assignment shall be in US Dollars for foreign firms and Rwandan Francs for local firms.

Validity of Proposals: Proposals must remain valid for 90 calendar days.

Submission of Proposals: The technical and financial proposals should be submitted separately, both clearly marked with the Procurement Reference Number above, the Consultant's name, AFR and either "Technical Proposal" or "Financial Proposal" as appropriate.

Proposals (both technical and financial) should be emailed to: procurement@af.rw with clear subject line: **"Consultancy to provide transaction advisory services" and submitted by 15th February 2019.**

Language of the tender and mode of communication

The medium of communication shall be in writing. The bid, as well as all correspondence and documents relating to the bid exchanged by the Bidder and AFR, shall be written in English.

Amendment to the tender document

Part 1: Proposal Procedures

At any time prior to the deadline for submission of bids, AFR may amend the tender document by issuing an addendum. Any addendum issued shall be part of the tender document and shall be communicated in writing via the AFR website.

To give prospective Bidders reasonable time in which to take an addendum into account in preparing their bids, AFR may, at its discretion, extend the deadline for the submission of bids; in which case all rights and obligations of AFR and Bidders previously subject to the deadline shall thereafter be subject to the deadline as extended.

Late bids

AFR shall not consider any bid that arrives after the deadline for submission of bids. Any bid received by AFR after the deadline for submission of bids shall be declared late, rejected, and returned unopened to the Bidder.

Part 1: Proposal Procedures

1.2 SECTION 2: ELIGIBILITY CRITERIA

Eligibility Criteria: You are required to meet the following criteria to be eligible to participate in the procurement exercise:

1. have the legal capacity to enter into a contract;
2. not be insolvent, in receivership, bankrupt or being wound up or subject to legal proceedings for any of these circumstances;
3. not have had your business activities suspended;
4. have fulfilled your obligations to pay taxes and social security contributions;
5. have the nationality of an eligible (defined in the proceeding section) country;
6. not to have a conflict of interest in relation to this procurement requirement; and

Documents Evidencing Eligibility: Consultants are requested to submit copies of the following documents as evidence of your eligibility and sign the declaration in the Technical Proposal Submission Sheet:

1. Certificate of Incorporation
2. A copy of the Bidder's Trading licence or equivalent and a copy of the Bidder's Certificate of Registration;
3. Evidence of statutory compliance such as a tax clearance certificate (RRA Certificate)
4. RSSB Certificate
5. Power of attorney with a specimen signature of authorised representative
6. Any other relevant documentation.

NOTE: Failure to submit the above required documents will lead to disqualification from Technical and Financial

Nationality of Personnel: All personnel employed under any resulting contract shall have the nationality of an eligible country to conduct business in Rwanda.

All countries are eligible, unless as a matter of law or official regulation, the Government of Rwanda prohibits commercial relations with that country or by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Government of Rwanda prohibits any import of Supplies from that country or any payments to persons or entities in that country.

Part 1: Proposal Procedures

1.3 SECTION 3: EVALUATION OF PROPOSALS

Evaluation of Proposals: The evaluation of Proposals will use the **Quality Cost Based** methodology as detailed below:

1. Preliminary examination to determine eligibility (as defined below) and administrative compliance to this Request for Proposals on a pass/fail basis;
2. Detailed Technical evaluation will contribute 70%;
3. Financial scores will allocated 30% to determine the best evaluated bid.

Proposals failing any stage will be eliminated and not considered in subsequent stages.

Technical Criteria: Proposals shall be awarded scores out of the maximum number of points as indicated in below.

Evaluation Criteria	Marks
<i>Specific experience of the Consultancy Firm</i>	<i>10</i>
<i>Key Personnel</i>	<i>30</i>
<i>Technical Approach and methodology</i>	<i>15</i>
<i>Work plan</i>	<i>10</i>
<i>Knowledge Transfer</i>	<i>5</i>
Grand Total	70

Minimum technical score: The mark required to pass the technical evaluation is 56% which is 70% of the Technical Score

Financial Criteria:

Pricing information should not appear in any other section of the proposal other than the financial proposal.

Financial scores shall be determined by awarding a maximum of 30 points to the lowest priced proposal that has passed the minimal technical score and giving all other proposals a score which is proportionate to this.

Total scores: Total scores shall be determined using a weighting of 70% for technical proposals and a weighting of 30% for financial proposals.

Currency: Proposals should be priced in **US Dollars for foreign firms and Rwandan Francs for local firms.**

Best Evaluated Bid: The best evaluated bid shall be the firm with the highest combined score and shall be recommended for award of contract.

Right to Reject: AFR reserves the right to accept or reject any proposal or to cancel the procurement process and reject all proposals at any time prior to contract signature and issue by AFR, without incurring any liability to Consultants.

AFR reserves the right, at its sole discretion, to reject all proposals received and seek fresh proposals, to negotiate further with one or more of the bidders, to defer the award of a contract or to cancel the competition and make no contract award, if appropriate.

Part 1: Proposal Procedures

1.4 SECTION 4: TECHNICAL PROPOSAL SUBMISSION SHEET

[Complete this form with all the requested details and submit it as the first page of your technical proposal, with the documents requested above attached. Ensure that your technical proposal is authorised in the signature block below. A signature and authorisation on this form will confirm that the terms and conditions of this RFP prevail over any attachments. If your proposal is not authorised, it may be rejected.]

Proposal Addressed to:	Access to Finance Rwanda
Date of Technical Proposal:	
Procurement Reference Number:	
Subject of Procurement:	

We offer to provide the services described in the Statement of Requirements, in accordance with the terms and conditions stated in your Request for Proposals referenced above.

We confirm that we are eligible to participate in public procurement and meet the eligibility criteria specified in Part 1: Proposal Procedures of your Request for Proposals.

We have signed and undertake to abide by the Code of Ethical Conduct for Bidders and Providers attached during the procurement process and the execution of any resulting contract;

Our proposal shall be valid until _____ *[insert date, month and year]* and it shall remain binding upon us and may be accepted at any time before or on that date;

I/We enclose a separately sealed financial proposal.

Technical Proposal Authorised By:

Signature: _____ Name: _____

Position: _____ Date: _____
(DD/MM/YY)

Authorised for and on behalf of:

Company: _____

Address: _____

Part 1: Proposal Procedures

CODE OF ETHICAL CONDUCT IN BUSINESS FOR BIDDERS AND PROVIDERS

1. Ethical Principles

Bidders and providers shall at all times-

- (a) maintain integrity and independence in their professional judgement and conduct;
- (b) comply with both the letter and the spirit of-
 - i. the laws of Rwanda; and
 - ii. any contract awarded.
- (c) avoid associations with businesses and organisations which are in conflict with this code.

2. Standards

Bidders and providers shall-

- (a) strive to provide works, services and supplies of high quality and accept full responsibility for all works, services or supplies provided;
- (b) comply with the professional standards of their industry or of any professional body of which they are members.

3. Conflict of Interest

Bidders and providers shall not accept contracts which would constitute a conflict of interest with, any prior or current contract with AFR. Bidders and providers shall disclose to all concerned parties those conflicts of interest that cannot reasonably be avoided or escaped.

4. Confidentiality and Accuracy of Information

- (1) Information given by bidders and providers in the course of procurement processes or the performance of contracts shall be true, fair and not designed to mislead.
- (2) Providers shall respect the confidentiality of information received in the course of performance of a contract and shall not use such information for personal gain.

5. Gifts and Hospitality

Bidders and providers shall not offer gifts or hospitality directly or indirectly, to staff of AFR that might be viewed by others as having an influence on a government procurement decision.

6. Inducements

- (1) Bidders and providers shall not offer or give anything of value to influence the action of a public official in the procurement process or in contract execution.
- (2) Bidders and providers shall not ask a public official to do anything which is inconsistent with the Act, Regulations, Guidelines or the Code of Ethical Conduct in Business.

7. Fraudulent Practices

Bidders and providers shall not-

- (a) collude with other businesses and organisations with the intention of depriving AFR of the benefits of free and open competition;
- (b) enter into business arrangements that might prevent the effective operation of fair competition;
- (c) engage in deceptive financial practices, such as bribery, double billing or other improper financial practices;
- (d) misrepresent facts in order to influence a procurement process or the execution of a contract to the detriment of AFR; or utter false documents;
- (e) unlawfully obtain information relating to a procurement process in order to influence the process or execution of a contract to the detriment of the AFR;
- (f) withholding information from the Procuring Disposing Entity during contract execution to the detriment of the AFR.

Part 1: Proposal Procedures

I agree to comply with the above code of ethical conduct in business.

AUTHORISED SIGNATORY

NAME OF CONSULTANT

Part 1: Proposal Procedures

1.5 SECTION 5: FINANCIAL PROPOSAL SUBMISSION SHEET

[Complete this form with all the requested details and submit it as the first page of your financial proposal, with the documents requested above attached. Ensure that your proposal is authorised in the signature block below. A signature and authorisation on this form will confirm that the terms and conditions of this RFP prevail over any attachments. If your proposal is not authorised, it may be rejected. The total price of the proposal should be expressed in the currency or currencies permitted in the instructions above.]

Proposal Addressed :	AFR
Date of Financial Proposal:	
Procurement Reference Number:	
Subject of Procurement:	

The total price of our proposal is: _____.

We confirm that the rates quoted in our Financial Proposal are fixed and firm for the duration of the validity period and will not be subject to revision or variation.

Financial Proposal Authorised By:

Signature: _____ Name: _____

Position: _____ Date: _____
(DD/MM/YY)

Authorised for and on behalf of:

Company: _____

Address: _____

Part 1: Proposal Procedures

Breakdown of Lump Sum Price

[Complete this form with details of all your costs and submit it as part of your financial proposal. Where your costs are in more than one currency, submit a separate form for each currency. Authorise the rates quoted in the signature block below.]

Procurement Reference Number: _____

CURRENCY OF COSTS: _____

FEES				
Name and Position of Personnel	Input Quantity	Unit of Input	Rate	Total Price
TOTAL:				

REIMBURSABLE AND MISCELLANEOUS COSTS				
Description of Cost	Quantity	Unit of Measure	Unit Price	Total Price
TOTAL:				

TOTAL LUMP SUM PRICE IN CURRENCY: _____

Breakdown of Lump Sum Price Authorised By:

Signature: _____ Name: _____

Position: _____ Date: _____
(DD/MM/YY)

Authorised for and on behalf of:

Company: _____

2.0 TERMS OF REFERENCE

TERMS OF REFERENCE (TOR) FOR INVESTMENT TRANSACTION ADVISORY SERVICES

1.0 Introduction

In its drive to reduce poverty and develop the economy, Rwanda as a nation, set the goal of becoming a financial services center by the year 2020.¹ In order to achieve this, there is a focus to develop financial institutions, markets and the supporting infrastructure by putting in place a safe, reliable and efficient payment system. The National Payment System Framework and Strategy, whose key objectives are to: promote economic growth, a cashless economy, financial inclusion, an enabling environment for innovation and a robust payment system identified the need for a fully interoperable payment system. Such a system would support innovative implementation of affordable and user friendly services that allow for seamless flow of funds between different customer accounts.²

2.0 Background

The Rwandan payments industry – including private sector players, government agencies, and regulators –agreed on the need for an interoperable, digital retail payment system. With the support of the National Bank of Rwanda (BNR) and Access to Finance Rwanda (AFR), the industry has worked together throughout 2018 to achieve consensus on the key design features of an interoperable retail payment system called the Rwandan National Digital Payment System (R-NDPS). The design of the R-NDPS is detailed in the Business Plan for the Rwandan National Digital Payment System, which the industry validated and accepted in September 2018. The industry has also pledged its commitment to contribute to the efforts needed to implement the R-NDPS as laid out in the business plan and implementation roadmap.³

The R-NDPS, through the implementation of one scheme and technology platform, will support the following use cases:

1. Person to Person (sending money and request to pay)
2. Person to Government (collections)
3. Person to Business (merchant payments)
4. Bulk disbursements (B2P)
5. Business to Business payments
6. Cash-in and Cash-out at off-us agents

The technology platform will have a set of components, as illustrated in the high level architecture in Figure 1, that will allow it support the above use-

¹ <http://www.minecofin.gov.rw/index.php?id=171>

² https://www.bnr.rw/fileadmin/AllDepartment/paymentSystem/Vison_and_Strategy_RNPS_2018-2024.pdf

³ https://www.bnr.rw/fileadmin/AllDepartment/paymentSystem/Interoperability_Blueprint_Rwanda_2018.pdf

cases.

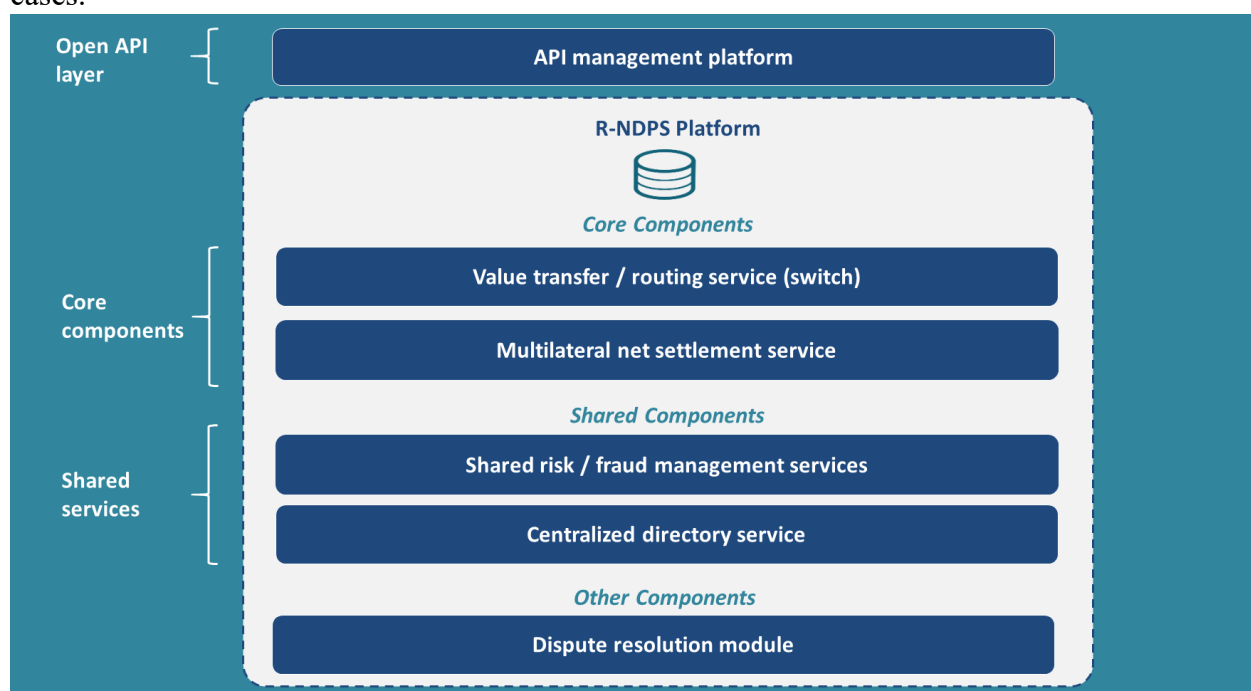


Figure 1 Extract from Business Plan For The Rwanda National Digital Payment System (R-NDPS)

2.1 About Access to Finance Rwanda (AFR)

AFR is a Rwandan not for Profit organization, established in March 2010 by the Governments of the United Kingdom (UK) and Rwanda, with support from the UK Department for International Development (DFID), and the World Bank. Existing funders of AFR include DFID, The MasterCard Foundation, Sweden and USAID.

AFR's strategic goal is to contribute to a deeper and more inclusive financial sector that supports the livelihoods and well-being of low income people in Rwanda. To achieve this, AFR works to remove the systemic barriers that hinder access to financial services by putting low income people, particularly the rural poor and women, at the centre of its interventions. To ensure long-term sustainability and consistency of its achievements, AFR supports the Government of Rwanda's development objectives and aligns all its interventions to the national policy frameworks such as the Financial Sector Development Program (FSDP) II, the Economic Development and Poverty Reduction Strategy (EDPRS) and the National Transformation Strategy (NTS) 2018-2024.

3.0 Objective of the Assignment

AFR would like to support the Rwandan financial services sector in the implementation of the R-NDPS. This would be in the form of an investment in the licensed Payment Service Operator ("the company") that will be responsible for implementing the interoperability scheme rules through a central technology platform, as defined in the R-NDPS business plan (see Figure 1). Consequently AFR is sourcing for a Consultancy Firm (applications are only open to Firms) that will:

- Perform a standard due diligence focused but not limited to the company's strategy, structure, Human Resources, operating model, profitability, financial model,

Part 2: Terms of Reference

- governance and risk management strategy to gauge if there are any risks to AFR's potential investment
- b. Review the company's business plan in light of the business opportunities presented by R-DNPS to understand how they will deliver these services sustainably
 - c. Review the business opportunity for the company with respect to the need for the services described in the R-NDPS business plan, the industries' drivers and incentives for joining the R-NDPS and forgoing their existing systems, if any, and the long term sustainability of the business
 - d. Analyze the current company structure, existing technology platform, operations and business model to understand its suitability to providing the services as defined in the R-NDPS business plan
 - e. Build a financial model for the company, appraising different funding models such as debt, equity, grant, concessional finance, and a combination of the last two, analyzing their effects on the final end-user pricing⁴ for the services delivered in the R-DNDP use cases

4.0 Methodology

The points outlined below are designed to act as a guide to the consultant(s). The consultant(s) should focus on providing the most complete overview of the effectiveness of the company in achieving the successful implementation of R-NDPS to meet the objectives of the Rwandan financial services sector as articulated in the RNDPS business plan. The consultant(s) should clearly assess the benefits and potential risks of an investment in the company by AFR. They should consider the following:

4.1 Specific Investment factors

- a) Business model and ability to scale
 1. Review the company's strategy including the proposed strategic direction, the identified resources to support realization of the envisaged objectives, the synergies and any other aspects that may assist to enhance the strategic fit and performance of the institution and the proposed organizational structures, and processes. The consultant(s) will recommend strategies to address any human resource, financial, ICT and regulatory issues.
 2. Analyze current business and legal obligations of the company that could affect the successful implementation of R-NDPS
 3. Review the list of key risks (financial, regulatory, organizational, fiduciary, cultural and other risks) and recommend mitigation measures to facilitate implementation of a successful investment process
 4. Review the company's business case and develop a financial model, including the development of financial performance parameters and projections. This should take into consideration the R-NDPS business case and different company funding models such as equity, debt, grant, concessional finance and a combination of the last two.
 5. Engage some key stakeholders from the financial services sector to understand:

⁴ End-user refers to the final consumer of the financial services offered by the Financial service providers e.g. the bank/SACCO/Mobile Money (MM) operator customer transacting between different types of FSPs (e.g. SACCO to MM) to make funds transfers and merchant payments

Part 2: Terms of Reference

- i. The effect of equity, debt, grant and concessional finance funding models on the final financial institutions' (e.g. banks, SACCOs, MNOs, MFIs) end customers, and accordingly advise on the best funding option for AFR, given its objective to support increased usage of affordable financial services by low income Rwandans. The consultant(s) will also compare this to others funding options for similar projects within the region and the globe, taking into consideration the environmental differences. Funding will strictly only be discussed with the entity and AFR.
 - ii. The factors that will ensure that the FSPs maintain service pricing that is affordable to lower income Rwandans as per R-NDPS objectives
 - iii. The factors that will ensure financial service providers sustain their commitment to using the RNDPS
6. Provide a detailed computation, analysis, and professional view of the risks associated with liquidity/ cash flow requirements vs the expected future cash flows from the completed project.
7. Advise on the implication of the project on the capital and financial performance of the entity.
8. In view of the above, provide advice on the following:
 - i. Mitigating measures on each of the above mentioned risks exposures.
 - ii. The implication of the project and debt on the accounting and reporting of the entity.
- b) Client perspectives on value and affordability of RNDPS services
 1. Engage potential FSP clients, through phone call interviews with assistance from AFR, to get their views on:
 - i. Their interest on using the services from the RNDPS uses-cases
 - ii. Their price sensitivity

The consultant(s) will use these results as input to 5.ii.
- c) Shareholders
 1. Engage current and potential co-investors to determine:
 - i. What has kept them from making investments in the project to date
 - ii. How a potential AFR investment would change their attitude towards the project
- d) Standard due diligence
 1. Carry out a standard due diligence of the company and its management team to cover all areas a typical due diligence would address, including but not limited to strategy, structure, governance, human resources, operations, financial performance portfolio review, risk management framework environmental and social performance management

5.0 Deliverables

The consultant (s) will provide the following deliverables:

1. A financial model that takes into consideration the different sources of funding such as equity, debt, grant and concessional finance, and their effect on the profitability of the company, break even and final end user pricing for all use cases.

Part 2: Terms of Reference

2. A detailed report, based on the aspects captured in sections 3.0 and 4.0, showing the following:
 - a) Capacity and ability of the company to deliver R-NDPS
 - b) Risks identified and corresponding mitigation strategies to be put in place by both the company, AFR and the Regulator to ensure the successful fruition of R-NDPS
3. A Summary presentation to AFR and the company of the findings of the assignment

6.0 Reporting and Feedback

The Consultancy firm will report directly to the Head Digital Financial Solutions in AFR.

All reports/documents should be produced in English. All detailed materials shall be attached in the Appendix.

7.0 Requirements

The consultancy firm must meet the following requirements:

4. Practical experience in advising companies on appropriate financing options such as equity, debt, grant, concessional finance.
5. Demonstrate a deep understanding of and experience working on digital payment systems that operate similar schemes and corresponding technology platforms
6. Demonstrate technical expertise to evaluate technology platforms for similar digital payment systems
7. Previous experience in providing transaction advisory services and carrying out due diligence exercises
8. Consultant(s) must have financial modeling experience
9. Consultant(s) must have the capacity to engage intensively with this assignment, with appropriate involvement of Senior Consultant(s) with a view to concluding the work within the stated duration
10. Consultant(s) must have a combined qualifications of at least a post graduate degree in business or finance, ICT and other related courses with experience of at least 5 years in digital financial services and payments infrastructures.

8.0 Duration of assignment

The consultant(s) will execute the assignment over a period of **15 working days**.