Request for Proposals (RFP)

For the financial planning & business plan support for an East African coffee-focused SME

# Information about the RFP

| **Summary** | South Pole Carbon Asset Management Ltd (South Pole) invites interested and eligible offerors (Offerors) to submit a proposal for the preparation of: (i) financial modelling and investment structuring analysis pertaining to an East African coffee-focused SME; (ii) an investor pitch deck, and (iii) a financial reporting template and accounting support, on the terms and conditions of this RFP. |
| --- | --- |
| **RFP Reference** | RFP-LRF GEF-2023-004 |
| **Date of Issuance** | January 29, 2024 |
| **Due Date of Questions** | February 12, 2024 |
| **Response to Questions** | February 19, 2024 |
| **Closing Date** | February 26, 2024 |
| **Estimated Decision Date** | March 4, 2024 |
| **Estimated Start Date** | March 11, 2024 |
| **RFP question and submission contact details** | [landscaperesiliencefund@southpole.com](mailto:landscaperesiliencefund@southpole.com) |

# Background

South Pole Carbon Asset Management Ltd (South Pole) is the Executing Agency for the Global Environmental Facility (GEF) funded Project # 10436, “Investment Readiness for the Landscape Resilience Fund”[[1]](#footnote-0).

The Landscape Resilience Fund (LRF)[[2]](#footnote-1) is a foundation under Swiss law, managed by South Pole Carbon Asset Management Ltd (South Pole), that promotes climate change adaptation and sustainable development in developing countries. To achieve this, the LRF:

* Provides loans to adaptation SMEs to scale or replicate their business model
* Facilitates pre-investment capacity building for SMEs
* Takes part in development of the *landscape* through multi-stakeholder platforms and local community engagement with the objective of increasing the region’s/sector’s climate resilience

The objective of the ‘Investment Readiness for the Landscape Resilience Fund’ GEF Project is to catalyse private sector investment in SMEs with climate-resilient practices, by providing pre-investment services for investment readiness to adaptation SMEs.

South Pole is providing pre-investment support to an SME (the Company) that buys, prepares (washing and drying) high quality green bean coffee from East Africa, and exports to developed markets. The Company currently has operations in two countries and now plans to expand into Kenya.

The Company operates its own model farms, and also deploys a network of field scouts to work directly with smallholder producers, expanding farmer supply, providing farmer training and advice, and collecting impact data.

The LRF team, South Pole, and the Company agree that pre-investment support is needed to attract investor interest in the expansion. The Company needs to develop a funding proposition for its expansion plans, including structuring advice, financial model and investor marketing materials. The Company also requires discrete support on financial reporting and specific accountancy support for its new Kenya business.

The Selected Offeror will be required to sign a Non-Disclosure Agreement (NDA) with South Pole, after which South Pole will share further information on the business and its expansion plans and make introductions to the Company.

# Scope of Work

## Place of Performance

Other than desk-based remote work, all services required under this solicitation will be performed in East Africa.

## Contract and Period of Performance

To regulate the provision of the services and deliverables contemplated under this RFP, a consultancy agreement will be executed between South Pole and the Selected Offeror (Agreement). The duration of the Agreement will be agreed between the Selected Offeror and South Pole but in any case, shall be no longer than 4 months after the Agreement is fully executed. All Offerors are required to provide a Statement of Availability for all staff included in their proposal as set out in Section III.

## Scope of Work

South Pole has conducted an initial desk-based review of the Company and designed a pre-investment support work plan with eight activities that it believes need to be conducted in order for the Company to access adequate finance, according to its needs. This request for proposals focuses on three of those eight activities that relate to financial planning and business plan development.

The methodology for developing each of the activities described below must be provided by the Offerors participating in this RFP and will be evaluated according to the scoring guidelines in order to select the consultant to be hired for this work.

Offerors are permitted to apply for Activity 3 only, where relevant experience can be demonstrated. However, preference will be given to Offerors that can deliver all three activities set out below.

The description of the activities and their main deliverables are as follows.

### Activity 1 - Financial Modelling & Investment Structuring

Objectives: Investment structuring analysis based on the company’s current financial position and expansion goals, plus an internally published and working financial model suitable for both company management and external audiences:

* **Deliverable 1:** Financial Modelling. The primary output of this scope is a fully-integrated 3 statement financial model presenting historical and projected performance of the company in line with its business plan. Development of the financial model, including:
  + Review of company existing modelling (including verification of all inputs) and business plan documentation.
  + Analyse in particular the Company’s use of working capital vs cash, ensure the reality is reflected accurately in the model.
  + Build a dynamic and robust financial model with verified inputs, including (but not limited to) the following features:
  + Integrated income statement, balance sheet and cash flow statements with separate presentation of individual group companies and consolidated group view.
  + Inclusion of 3 years of historical financials and operating performance.
  + Summary metrics including (but not limited to) historical and projected:
    - operational performance (volumes, price assumptions, etc);
    - profitability;
    - liquidity;
    - asset cover and other similar debt investor KPIs.
    - Sensitivity analysis against key operational and financial inputs for example, sales price / growth / margins, currency & inflation.
  + The ultimate currency of the model should be in millions of US Dollars.
  + The model should follow financial modelling best practice (e.g. FAST standard) including separation of all inputs into a separate tab.
* **Deliverable 2:** Investment Structuring Analysis. The purpose of this scope is to recommend to company management some potential investment structuring options for an incoming investor. Assessment of viable investment structures, considering:
  + Current and projected financial position of the Company as it relates to the size of the business, cashflow affordability and expected returns implied by the business plan;
  + The specific group entity which will receive financing;
  + Available sources of collateral and other security;
  + Sources and conditions of existing Company funding;
  + Inherent risks of the business;
  + Company’s own preference on type of capital to raise;
  + Company’s own preference on type of investor; and
  + The Offerer’s own knowledge and experience of investors active in the East Africa region with appetite to fund such a business.

The Offer should present at least three (3) proposed investment options, outlining detailed rationale for each.

### Activity 2 - Investor Pitch Deck

The objective of this activity is to produce a pitch deck setting out a comprehensive description of the business to expedite an incoming investor due diligence process. The selected consultant should complete the following:

* **Deliverable 1:** Pitch Deck. Using information gathered from management, author an investor pitch deck covering all aspects of the business and their growth plans. What is to be covered in the pitch deck will largely be up to the discretion of the consultant/s and company management but the Fund will also guide the work on request. The investor pitch deck shall include:
  + Executive summary.
  + Introduction.
  + Company operations and logistics.
  + Governance & management team.
  + Market strategy & competitor analysis
  + Financial performance and projections.
  + Investment ask and structuring proposal for incoming investors (from focus points above).
  + ESG credentials.
  + Impact performance.
  + Explanation of company legal structure.

### Activity 3 - Financial Reporting & Accounting Support

The objective of this activity is to produce a key stakeholder reporting pack template easily operationalised by the company, plus finance team support for the company’s new Kenya unit.

* **Deliverable 1:** Financial Reporting Template. Informed by a review of the Company’s internal financial reporting processes and key company operational and financial KPIs, the output from this scope is a reporting template that allows for timely, accurate and actionable management and investor information on company performance. Reporting template including:
  + Creation of a management and investor dashboard with at least the following features:
    - Presentable monthly within 2-3 weeks of month end;
    - Clear presentation of monthly P&L, cash flow statement and balance sheet; operational performance (e.g. sale volumes, etc); impact performance (e.g. number of smallholder suppliers, etc).
    - Clear comparison of actual performance against budget and previous years.
    - Forecasting mechanism for the current financial year to allow comparison against the annual budget.
  + Analysis of how this template maps onto existing information flows through the business, from operating sites on the ground through to senior management.
* **Deliverable 2**: Accountancy Support. The output from this scope is a signed accountancy support agreement between the company and the consultant, on terms agreed between the relevant parties including:
  + Full financial controller activities for the company’s Kenya subsidiary, reporting to the group CFO, including but not limited to:
    - Managing all day to day accounting operations, ensuring all transactions recorded and filed accurately;
    - Preparing and publishing of monthly financial statements;
    - Preparation of management accounting reports, budget and financial forecasting and variance analysis, including CFO support on board and investor reporting;
    - Making sure reporting meets compliant standards with statutory law and financial regulations in Kenya;
    - Documenting business processes and accounting policies to maintain internal controls;
    - Coordinating the management of cash flow, debt and debt collection.
  + Oversight responsibility of accounting functions for the company’s Burundi and Uganda subsidiaries.
  + Services to cover specifically financial years 2024 & 2025 (both January - December)[[3]](#footnote-2), including post-period overseeing of the annual financial audit and liaising with external auditors. Prior to the start of activities under Deliverable 2, the company may elect to engage the consultant directly on a temporary basis, in any case for a maximum period of two months, to ensure team fit and suitability for the full role.

## Deliverables

Delivery deadlines will be established according to the dates included by the Selected Offeror in its proposal. All deliverables shall be submitted electronically to [landscaperesiliencefund@southpole.com](mailto:landscaperesiliencefund@southpole.com), unless otherwise agreed to.

| **Activity** | **Deliverable** |
| --- | --- |
| Activity 1 - Investment Structuring & Financial Modelling | 1. Investment Structuring Analysis |
| 1. Development of an integrated financial model |
|
| Activity 2 - Investor Pitch Deck | 1. Development of an investor pitch deck |
| Activity 3 - Financial Reporting & Accounting Support | 1. Financial Reporting Template |
| 1. Accountancy Support |

## Timeline

Following the execution of the Agreement, the work will begin with a kickoff meeting where all parties, the Selected Offeror, the Company, and South Pole will participate. It will allow for introducing all people involved in the process, establishing the official focal points and ways of communicating with each party, how often the parties will meet, and setting clear rules for the submission, review, and approval of deliverables.

The Company’s focal point will be responsible for providing all the information needed and agreed upon in a timely manner (under 24 hours). It will also inform in a timely manner if any information will take longer to obtain and share.

The work will be split into three stages, with a recommended phasing of activities as presented below.

| **Stage** | **Activity 1 - Investment Structuring & Financial Modelling** | **Activity 2 - Investor Pitch Deck** | **Activity 3 - Financial Reporting & Accounting Support** |
| --- | --- | --- | --- |
| **1** | Development of an integrated financial model for the company group for use internally and for external investor discussions (*Activity 1, Deliverable 1*). | - | - |
| **2** | Structuring options proposal for incoming investors (*Activity 1, Deliverables 2*). | Production of an investor pitch deck to support incoming investor discussions and progressed due diligence (*Activity 2, Deliverable 1*). | Development of an investor reporting template usable for ongoing monitoring and reporting of business performance to internal and external audiences (*Activity 3, Deliverable 1*). |
| **3** | - | - | Ongoing financial controller support for the Kenya subsidiary and oversight for Burundi & Uganda reporting to the company group CFO (*Activity 3, Deliverable 2*). |

## Consultant’s capacity Requirements

Qualification required for Offerors:

* The Offeror must be a consultant with at least 10 years of working experience and a proven track record in consultancy work, with a focus on agri-business/sustainable forest management, procurement, operations, and/or supply chain-related field.
* At least one member of the Offeror’s team must have a University degree in agriculture, economics, accounting, business, finance or a related field; an advanced degree is desirable.
* Priority is given to Offerors with significant experience working with agricultural/forestry SMEs in rural East Africa, and in particular coffee value chains.
* Fluent in English.
* The Offeror must have no conflict of interest regarding an interest in and exposure to the Company, or any affiliate.
* The Offeror must demonstrate internationally a recognised accounting qualification, plus at least 5 years relevant experience in financial controller or senior accountant roles.

# IV. Submission Instructions

## Submission of Questions

All questions or clarifications regarding this RFP must be in writing and submitted to [landscaperesiliencefund@southpole.com](mailto:landscaperesiliencefund@southpole.com) no later than January 29, 2024. Questions and requests for clarification, and the responses thereto, will be circulated to all RFP recipients who have indicated an interest in this RFP.

## Technical Proposal

The technical proposal in response to this RFP must address how the Offeror intends to carry out the statement of work, separated by deliverable. It should also contain a clear understanding of the work to be undertaken and the responsibilities of all parties involved. Please note that technical proposals will be evaluated based on the evaluation criteria set forth in Section V. Offerors shall provide all documentation in English. The technical proposal should be in font size 10, Lexend, single spacing. Proposals should not exceed ten (10) pages. Please note that technical and cost applications should be separate files.

1. **Proposal Cover Sheet:** The first page of the proposal must use the Proposal Cover sheet as per Annex 1. This section does not count against the page limit above.
2. **Capability Statement:** Provide a short description of the Offeror’s capabilities that qualify it to be chosen to conduct the scope of work. This should be one (1) page. In an annex to the technical proposal, you should provide a copy of registration or incorporation in the public registry, or an equivalent document from the government office where the Offeror is registered, a copy of company tax registration, or an equivalent document, a copy of a tax clearance certificate (not older than 3 months) or an equivalent document, confirmation of the Offeror’s beneficial ownership, confirmation of registered address of Offeror, and copy of trade licence, or equivalent document (if available).
3. **Technical Approach:** The technical approach should state clearly the Offeror’s understanding of the requirements in Section III as well as the proposed approach to accomplish the contract objectives and achieve results. Offerors should keep in mind the geography of the place of performance and any travel that may be required to accomplish the work. Clarity, completeness, and directness are imperative. Elaborate formats are not desirable. This section should be two (2) pages.
4. **Management and Staffing Plan:** Please describe how the proposed staff will work collaboratively to achieve the offeror’s proposed technical approach to the scope of work. The Offeror should include a management and staffing plan including both key and non-key personnel for activities along with details on the roles and responsibilities of the staff. CVs for key personnel may be included in an annex to the technical proposal and will not count against the page limit. This section should be one (1) page.
5. **Statement of Availability:** Provide a written statement that the proposed named staff listed in the Management and Staffing Plan is/are available to carry out the services relating to this RFP for the period initially envisaged in Section III. This section does not count against the page limit above.
6. **Detailed Work Plan:** Describe the key activities you will undertake under this contract. At a minimum, you must include a description of the activity, expected outputs, and estimated completion date. This section should be three (3) pages.
7. **Past Performance:** Describe the Offeror’s previous experience within the technical area for projects of the same or similar scope and size. Offerors must include details demonstrating their experience and technical ability, including those of proposed consortium members, in implementing the technical approach/methodology and the detailed work plan. This section should be two (2) pages.
8. **References:** Offeror shall list at least two major contracts the company has held over the past three (3) years for the same or similar work. This section should be one (1) page. Provide the following information for each contract:
   1. Customer's name, address, and telephone numbers of customer's lead contact and technical personnel;
   2. Date of the contract, place(s) of performance, and delivery dates or period of performance;
   3. Contract size and dollar value;
   4. Brief description of the work, including responsibilities;
   5. Comparability to the work required under this solicitation;
   6. A brief discussion of any technical problems and their resolutions;
   7. Brief discussion of any terminations (partial or complete) and the type (convenience or default) as well as any show cause notices or cure notices (provide explanatory details).

South Pole may require additional, more detailed technical information prior to confirming the selection of the Selected Offeror and/or issuing the Agreement.

## Cost Proposal

Cost proposals will be evaluated separately from technical proposals. The cost proposal shall include a detailed budget that reflects clearly the costs necessary to implement the proposed contract and must include all taxes that are required to provide the services requested. Costs should be represented in USD. The anticipated award will be an all-inclusive fixed-price contract. No profit, fees, taxes, or additional costs can be added after the award. The cost proposal must be valid for at least 90 days.

1. **Proposal Cover Sheet:** The first page of the proposal must use the Proposal Cover sheet as per Annex 1. This section does not count against the page limit above.
2. **Summary Budget:** The Offeror should present a summary budget for each deliverable.
3. **Detailed Budget:** For the detailed budget, the offeror should fill out the Cost Proposal Template as per Annex 2 for each deliverable, and include a breakdown of line items that they believe are realistic and reasonable for the work in accordance with the technical requirements outlined in Section III. Offerors must provide a detailed budget showing major line items, e.g. salaries, fringe benefits, travel costs, other direct costs, indirect rates, etc., as well as individual line items, e.g. salaries or rates for individuals, rent, utilities, insurance, etc. Offerors must show unit prices, quantities, and total price. The offeror should clearly identify indirect rates (including fringe rates), the base to which each indirect rate is applied, and the cost base.
4. **Budget Notes:** The Budget Notes should thoroughly explain the estimating methodology used to calculate the budget and any assumptions that may be made by the Offeror over and above the ones stated in this RFP that had a material effect on the resulting proposed cost. Offerors must clearly explain the basis of costs, meaning why and how Offerors are costing out certain figures for items or services, to establish the reasonableness of costs. The notes should include a clear and thorough explanation for each budgeted line item, reflecting the rationale for the quantity required. If a proposed benefit (e.g., local fringe) is an all-inclusive rate, notes must specify what benefits are included in the proposed rates.
5. **Supporting Documentation:** Additional supporting budget documentation (as necessary), including travel quotations, historical cost information, profit/fee policy, etc. to substantiate all proposed costs.

South Pole may require additional, more detailed budget information prior to confirming the selection of the Selected Offeror and/or issuing the Agreement.

## Certifications

Offerors responding to this RFP must include the following disclosures and certifications as part of the proposal submission in an annex to the cost proposal.

1. Disclose any close, familial, or financial relationships with the Company, South Pole or project staff. For example, if an offeror’s cousin is employed by the project, the Offeror must state this.
2. Disclose any family or financial relationship with other Offerors submitting proposals. For example, if the Offeror’s father owns a company that is submitting another proposal, the offeror must state this.
3. Certify that the prices in the offer have been arrived at independently, without any consultation, communication, or agreement with any other Offeror or competitor for the purpose of restricting competition.
4. Certify that all information in the proposal and all supporting documentation are authentic, complete and accurate in all respects.
5. Certify that no applicable laws and regulations pertaining to anti-bribery and corruption were contravened in the preparation and submission of the proposal.
6. Certify that the Offeror has no conflict of interest.

## Submission of Proposals

The deadline for submission of proposals is February 19, 2024. Submissions must be forwarded in electronic format only (either PDF or Microsoft Word and Excel) to [landscaperesiliencefund@southpole.com](mailto:landscaperesiliencefund@southpole.com). Offeror’s proposals should not contain any unnecessary promotional material or elaborate presentation formats (black and white is preferred). Offerors must not submit zipped files. Those pages requiring original manual signatures should be scanned and sent in PDF format as an email attachment. The technical proposal and cost proposal must be kept separate from each other. Please reference the RFP Name in the email subject line. Offerors are responsible for ensuring that their offers are received in accordance with the instructions stated herein. Late offers may be considered at the discretion of South Pole. South Pole cannot guarantee that late offers will be considered.

# V. Evaluation Criteria

## Review Process

South Pole’s and the LRF’s technical reviewers will evaluate the technical proposals based on the Evaluation Criteria set forth in this Section. All technical reviewers will be free of any conflict of interest.

## Evaluation Criteria

The award will be decided on the basis of the criteria set forth below, as demonstrated in the Offeror’s proposal. Only proposals conforming to the RFP requirements will be considered. This RFP will use the tradeoff process to determine the best value. That means that each proposal will be evaluated and scored against the evaluation criteria and expectations below, which are stated in the table below. Cost proposals are not assigned points, but for overall evaluation purposes of this RFP, technical evaluation factors other than cost, when combined, are considered more important than cost factors. If technical scores are determined to be equal or nearly equal, cost will become the determining factor.

| **Evaluation Criteria** | **Score** |
| --- | --- |
| Technical Approach, Management & Staffing Plan, Detailed Work Plan (incl. Timeline) | 40 |
| Past Performances & References | 15 |
| Specific experience in transaction advisory, investment structuring and accounting support. | 25 |
| Specific experience working with smallholder farmers in the agricultural/forestry businesses, in the East African region, and in the coffee production space. | 20 |
| **Total available points** | 100 |

# VI. Terms and conditions

## Disclaimers

* South Pole reserves the right to modify by written notice the terms of this RFP at any time in its sole discretion. The LRF may cancel the solicitation at any time
* South Pole may reject any or all proposals received.
* Issuance of RFP does not constitute award commitment by the LRF.
* South Pole reserves the right to disqualify any application based on the Offeror’s failure to follow the RFP instructions.
* South Pole will not compensate Offerors for their response to the solicitation.
* South Pole reserves the right to issue an award based on initial evaluation of applications without further discussion.
* South Pole may choose to award only part of the scope of work in the RFP or to issue multiple awards of the scope of work.
* South Pole reserves the right to waive minor proposal deficiencies that can be corrected prior to award determination to promote competition.
* South Pole may contact Offerors to confirm the contact person, address, and that the proposal was submitted for this RFP.
* South Pole may contact listed past performance references without notice to the offeror. South Pole also reserves the right to contact other past performance information sources that the Offeror did not list in the proposal.
* By submitting a proposal, the Offeror confirms they understand the terms and conditions.
* Information pertaining to and obtained from the Offeror as a result of participation in this RFP is confidential. The Offeror consents to the disclosure of the documents submitted by the Offeror to the reviewers involved in the selection process. Please note that all reviewers are bound by non-disclosure agreements.

## Standard Provisions

The Offeror agrees that in connection with this RFP, they will comply with the principles of the South Pole Third-Party Code of Conduct as amended from time to time in all material respects. An up-to-date copy of the Third-Party Party Code of Conduct can be viewed at:

https://www.southpole.com/uploads/media/south-pole-third-party-code-of-conduct.pdf

# Annexes

## Annex 1: Proposal Cover Sheet

## Annex 2: Cost Proposal Template

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## Annex 1: Proposal Cover Sheet

*Instructions: Please fill in the information requested highlighted in yellow below. This page should be the first page in your Technical Proposal Submission and in your Cost Proposal Submission.*

| RFP Title: | | The title of the activity of the RFP |
| --- | --- | --- |
| Submission Date: | | Month/Day/Year -Time AM/PM – Time Zone |
| Anticipated Performance Start Date | | Month/Day/Year |
| Offeror Contact information | Name | Insert here |
| Title | Insert here |
| Email | Insert here |
| Phone | Insert here |
| Address | Insert here |
| Type of Entity | Insert here |
| Persons authorised to negotiate for Offeror | | Insert Name, title, and contact information |
| Total Cost Proposed | | Insert total cost here |
| Total Pages submitted (include all annexes) | | Insert total pages here |
| Offeror Agreement | | |
| By signing this document, Offeror hereby certifies to the accuracy and completeness of all pricing information, technical data, delivery dates, representations and certifications included in their offer as well the acceptance of all of the terms and conditions set forth in the RFP/Solicitation. The Offeror confirms that all prices and delivery dates shall be valid for a period of ninety (90) days following the anticipated performance start date stated above, unless otherwise clearly specified by Offeror. | | |
| Signature: | | |
| Name and Title: | | |
| Date: | | |

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## Annex 2: Cost Proposal Template

The Offeror should include a breakdown of line items that they believe are realistic and reasonable for the work in accordance with the technical requirements outlined in Section II

| **1. Remuneration** | **Unit** | **Quantity** | **Unit Rate** | **Amount** |
| --- | --- | --- | --- | --- |
| 1.1 Team Leader |  | ... |  |  |
| 1.2 Expert 1 |  | ... |  |  |
| 1.3 Expert 2 |  | … |  |  |
| .. |  |  |  |  |
| Sub-total | | | |  |
| **2. Allowance, Accommodation, Complementary Travel Costs** | | | | |
| 2.1 Allowance, accommodation - Long-term staff |  | ... |  |  |
| 2.2 Allowance, accommodation - Short-term staff |  | ... |  |  |
| … |  |  |  |  |
| Sub-total | | | |  |
| **Travel & Transport Cost** | | | | |
| 3.1 Vehicle lease/rent |  | ... |  |  |
| 3.2 Other local transport (short-term, peak) |  | … |  |  |
| 3.3 Flights |  | ... |  |  |
| … |  |  |  |  |
| Sub-total | | | |  |
| **4. Reports and Documents** | | | | |
| 4.1 ... (Type of reports/documents to be stated) |  | ... |  |  |
| 4.2 ... |  | ... |  |  |
| Sub-total | | | |  |
| … | | | | |
|  |  |  |  |  |
|  |  |  |  |  |
| Total | | | |  |
| Taxes | | | |  |
| Grand – Total | | | |  |

1. https://www.thegef.org/projects-operations/projects/10436 [↑](#footnote-ref-0)
2. https://landscaperesiliencefund.org/ [↑](#footnote-ref-1)
3. Note: start date for 2024 controller services will be determined by actual activity start date. [↑](#footnote-ref-2)