

SOL-514-15-000003 - Rural Financial Services (RFS)
QUESTIONS & ANSWERS DOCUMENT II
Bidder's Conference
January 30, 2015

Note: Questions submitted in Spanish were translated to English and the official response will be provided in English as part of this document. Questions submitted in English are shown below as formulated.

TECHNICAL

1. *Los oferentes deben cumplir alguna figura política particular?*

Do offerors need to play any particular role in politics?

The question is not clear. The offeror is expected to facilitate policy dialogue under component 3 in order to prioritize the agenda for specific regulatory changes.

2. *Han dicho que “nuevos clientes” son gente que nunca ha tenido servicios financieros formales. Eso implicaría que excluye todas las personas que ya son reportadas en el sistema financiero, es realmente así?*

It has been mentioned that “new clients” are people that have never had formal financial services. This means that it excludes all people that are already reported in the financial system, is this really the case?

The “At least 200,000 new clients in marginalized rural areas of Colombia...”, result requested in the solicitation refers to a combination of clients that have never been reported in the CIFIN system and clients that although have had some form of formal financial services are no longer active in the system; this depends on the specific region and the type of product/service that the offeror refers to. This will also be part of the monitoring plan and will be fine-tuned during the implementation phase with the Contracting Officer Representative (COR) assigned to the contract.

3. *Qué se entiende por cliente nuevo?*

What is meant by new client?

Please see the answer to question No. 2 (Technical).

4. *En la propuesta se debe entregar detallado la operacionalización de los 10 instrumentos financieros?*

Is it necessary to detail in the proposal the operationalization of the 10 financial instruments?

As mentioned in section C of the RFP the 10 new or improved products is an expected result by the end of the program. Please refer to Section L.11 for instructions for the

preparation of the technical proposal.

5. *Cómo definen nuevo producto? crédito corto plazo (capital de trabajo) para maíz, papa, algodón, son tres productos? Crédito mediano plazo (para equipamiento) uno con tasa fija y otro con tasa variable, son dos productos?*

How is new product defined? Short term loan (working capital) for corn, potato, cotton, are three different products? Midterm loans (for equipment) one with fixed interest and other with variable interest, are two different products?

What counts as a new or improved product will vary depending on the type of financial intermediary, geographic region and population. This aspect will be agreed upon between the contractor and the Contracting Officer Representative (COR) during implementation.

6. *A qué se refieren con 10 nuevos productos? Es importante aclarar debido a que por ejemplo se crea un producto denominado "forward sobre cacao", como solución específica a una necesidad de cierta zona. Pero en Colombia aún no se desarrolla el mercado de forwards, lo cual genera la ambigüedad ya que es un nuevo producto, responde al objetivo del programa, pero llevarlo al mercado tiene unas implicaciones regulatorias y tardaría además un buen tiempo. Entonces, que representa para ustedes "nuevos productos"?*

What does USAID mean by 10 new products? It is necessary to have clarity in this aspect because for example if a new product is developed say "forward contract" for cocoa as specific solution for one region but in Colombia the market for forward contracts is not yet developed, then the new product will not achieve any goal. Then, what is new product?

Please see the answer to question No. 5 (Technical).

7. *Para permitir mayor flexibilidad se podría no presentar un listado de 10 productos específicos, sino que explicar el proceso y criterios para el desarrollo de dichos productos con algunos ejemplos ilustrativos?*

In order to allow greater flexibility could it be possible not to present a list of 10 specific products, but explain the process and criteria for the development of these new products with some illustrative examples?

Please review the instructions in section L.11 of the RFP.

8. *Seguros: se contempla el valor asegurado como crédito en el cumplimiento de las metas, o sea valor asegurado más créditos desembolsados deben alcanzar \$500 M?*

Insurance: is the insured value counted as credit in order to meet the \$500M target, that is to say the insured value plus credit should add up to \$500M?

The \$500 million target in mobilization of formal financial services must be at least 90% in different types of credit.

9. *Apoyo al sistema financiero? Se trabaja con las comunidades campesinas, pero el sistema financiero en muchos casos los bloquea por falta de garantías y respaldo financiero. Qué mecanismos se pueden desarrollar o activar para que realmente los recursos financieros*

lleguen directamente a las personas necesitadas que en muchos casos han sido reportadas en centrales de riesgo?

Support to the financial system? One may work with communities of farmers but the financial system in many cases blocks them because of lack of guarantees and financial back-up. What mechanisms can be developed or activated so that financial resources actually reach marginalized groups that in some cases have been reported in the credit risk system (DATA CREDITO)?

This is part of the contextual information that potential bidders will need to gather and analyze in order to submit their proposals.

10. *Cuál es el rol de los municipios dentro del programa?*

What role are municipal governments expected to play within the program?

The program is intended to work with financial intermediaries and the national government. It is not anticipated that municipal governments will play a substantial role given the scope of the solicitation.

11. *Los recursos asignados a los proyectos productivos son responsabilidad de la ONG? Y la asistencia técnica involucra un acompañamiento social y empresarial durante el tiempo en que el usuario sea beneficiario?*

Are funds allocated to productive projects the responsibility of the NGO? Does technical assistance involve social and entrepreneurial accompaniment over the entire time when the beneficiaries receive assistance?

Allocation of funds for productive projects is not within the scope of this program. Technical assistance and entrepreneurial accompaniment is something that potential bidders will need to analyze in order to submit their proposals.

12. *El diseño de una plataforma tecnológica puede considerarse como uno de los productos? O los productos son considerados únicamente como productos financieros?*

Can the design of a technology platform count as one of the products? Or are products considered against the expected results only financial products?

Only financial products will count under the “At least ten (10) new or improved financial products or services...” expected results of the RFP.

13. *Les agradecería que aclararan la diferencia entre los dos fondos de subvención en cuanto a las actividades financiadas. Las descripciones de los dos en los términos de referencia hablan de apoyos para la innovación.*

Please clarify the difference between the two grant funds in terms of the illustrative activities. The description of both types of grants in the solicitation refers to support to innovation.

Both grant funds can support innovative activities. The difference of both grant mechanisms and illustrative examples can be found in section C.4.2 of the RFP.

14. *Educación a los campesinos? Parte de la propuesta? Alianzas estratégicas?*

Education for farmers? Is this part of the proposal? Strategic alliances?

This is part of the contextual information that potential bidders will need to gather and analyze in order to submit their proposals.

15. *Existe alguna restricción para trabajar con Banco Agrario en el logro de las metas?*

Is there any restriction to work with Banco Agrario to meet the goals of the program?

Banco Agrario is a public bank. In exceptional circumstances, Grants under Contract (GUCs) to partner government entities may be authorized if they meet the conditions, requirements, and approvals specified in ADS 302.3.4.13. Providing technical assistance under the scope of the solicitation to meet the program goals has no limitations.

16. Please confirm that Banco Agrario is considered as a financial institution with which we can work under all 4 components

Please see the answer to question No. 15 (Technical).

17. *Existen limitantes para trabajar con la población que no está en las “zonas vulnerables” identificadas en los términos de referencia?*

Are there any limitations to work with populations that are not in the “vulnerable zones” identified in the solicitation?

The geographic focus of this program is outlined in section C.3.3 of the solicitation.

18. *Cómo podemos mitigar el problema de los rechazos a personas reportadas en los sistemas de riesgo como Datacredito?*

How can we mitigate the problem of people being rejected because they are reported in the risk systems such as DATACREDITO?

This is part of the contextual information that potential bidders will need to gather and analyze in order to submit their proposals.

19. *Expectativa sobre el rol del operador en procesos de fusión?*

What is the expected role of the awardee in processes of merging?

This depends on market opportunities and existing demand of the financial intermediaries.

20. *Expectativa del rol del operador en el diseño y estructuración de instrumentos de mercado de capitales?*

What is the expected role of the awardee in the design and structuring of market capital instruments?

This depends on existing market opportunities. This is also part of the contextual information that potential bidders will need to gather and analyze in order to submit their proposals.

21. *Existirá una potencial distribución de los \$500 millones por tipo de producto?*

Is USAID going to make a specific allocation of the \$500 M target by type of product?

Please see the answer to question No. 8 (Technical).

22. *Podrían definir el término “consolidación del sector rural” desde el objeto del proyecto? Se puede contemplar la posibilidad por la dinámica geográfica y la sectorialización de áreas de consolidación en que se divida la actual licitación en varias según regiones?*

Could you define the term “consolidation of the rural sector” from the Project’s goal point of view? Can you analyze the possibility of splitting up the solicitation due to the geographic dynamics and the sectorial division of consolidation territories?

The U. S. Government anticipates awarding one contract as a result of this RFP.

23. *Which zones are covered by the Project?*

Please see the answer to question No. 17 (Technical).

24. *Can the executer choose the conflictive areas to execute this project?*

Please see the answer to question No. 17 (Technical).

25. *Which ones are the financial entities?*

This is part of the contextual information that potential bidders will need to gather and analyze in order to submit their proposals.

26. *Logistical support and policy of complementation of security is commanded by the contractor?*

This question is unclear.

27. Can USAID re consider the definition of new clients as “active clients”? Many potential clients of new financial products at one point have been “touched” by the formal financial system (i.e. those with savings accounts from Familias en Accion) but these accounts are totally inactive after the customer takes out the GOC subsidy. Another example is the small farmer who is forced to open an account in a bank to apply for a loan, but is eventually rejected by the financial institution for the loan, and 90 days later, the account is closed for lack of use. Also, a restrictive definition of “new clients” could automatically exclude all potential clients who are now outside the formal financial system due to poor past experience with credit.

Please see the answer to question No. 2 (Technical).

CONTRACTUAL

1. *La licitación en el componente 2 estipula por lo menos 10 acuerdos de donación "incentivo" con un mínimo de 1:3 apalancamiento: y también 10 donaciones "desafío" con 50% de costos contrapartidas. Entendemos que según las definiciones de USAID el apalancamiento (leverage) se refiere a fondos de terceros (y no así del donatario/grantee), mientras los "costos compartidos" (cost share) se refiere a fondos u otros aportes del mismo donatario/grantee. En base a la experiencia con el sector financiero, entendemos que podría ser más factible que las mismas entidades financieras/donatarios aporten recursos (costos compartidos) en vez de apalancar recursos de terceros. Se puede tener flexibilidad para estas metas respecto a la fuente del aporte, el beneficiario o un tercero?*

Component 2 of the RFP requires at least ten incentive grants that will be leveraged on a 1:3 ratio and ten challenge grants with a 50% cost share. We understand that according to USAID's definitions, leverage refers to resources from third parties (and not to resources from the grantee), while cost share refers to resources from the grantee. Based on our experience with the financial sector, we understand that it could be more feasible that the financial entities/grantees provide funds (cost share) instead of leverage resources from third parties. Can there be flexibility on this goal with regards to the source of funding, the beneficiary or a third party?

In accordance with 2 CFR 200.29, cost sharing or matching means the portion of project costs not paid by Federal funds (unless otherwise authorized by Federal statute) and that meet the criteria in 2 CFR 200.306(b). Leveraging represents all of the non-USAID resources that are expected to be applied to a program and includes resources that third-parties bring to the program without necessarily providing them to the recipient of the USAID assistance award. These parties may include the host government, private foundations, businesses, or individuals. The recipient is not responsible for meeting the leveraging amounts/resources and leveraging is not subject to audit. However, if the award includes cost share, the recipient is required to meet the cost-share amount and the cost-share is subject to audit.

In order to provide more flexibility, the references to cost share in Component 2 of the RFP will be eliminated through an amendment of the RFP and will be replaced for leverage. The requirement will be to have at least 10 incentive grants leveraged on a 1:3 ratio and at least 10 challenge grants leveraged on a 1:1 ratio.

2. *Assessing leverage in a financial sector development project of this type is critical. Could USAID/Colombia consider providing its on-going interpretation of what counts as leverage, particularly from financial institutions that may be interested in providing capital or credit as its contribution?*

Please see the answer to question No. 1 (Contractual).

3. *Como debe aportarse la contrapartida? Va para créditos o se puede invertir en acompañamiento?*

How should the leverage be incorporated? Is it directed to credit or can it be invested in technical assistance?

This depends on the offeror's technical approach.

4. *Cómo se debe o cuál es la contrapartida que debe aportar el proponente?*

What should be the counterpart funds provided by the offeror?

Please see the answer to question No. 1 (Contractual).

5. *Es viable para USAID enfocar la propuesta en tenderos con los programas: a) Tiendas de paz y b) Tenderos de camino al progreso que incluye apoyo al tendero durante 4 meses en temas técnicos y oferta de ss en financiación?*

Is it possible for USAID to focus the proposal on small retailers with the programs a) Retailers for peace and b) Retailers on the path to progress that includes support to the retailer during four months in technical aspects and supply of “ss” on financing?

This depends on the offeror’s technical approach. The focus of this program is outlined on section C of the RFP.

6. *Otras fuentes de cooperación son tenidas en cuenta como contrapartida?*

Are funds from other donors considered cost share?

Funds from other donors are considered cost share if they meet the requirements in 2 CFR 200.306 Cost sharing or matching. Please note that per the answer to question No. 1, cost share will be replaced by leverage in the RFP. However, funds from other donors that “will help reduce risk and offset transaction cost and capital costs”(pg. 19 of the RFP) do count as leverage.

7. *Que porcentaje es “cash” y que porcentaje especie en la contrapartida?*

What percentage of the leverage is “cash” and what percentage in kind”?

There is not a set percentage.

8. *What is the extent of the contract? How can the contractor guarantee some obligations that are beyond his/her direct control?*

The scope of the contract is outlined in section C of the RFP. The Contractor must provide the deliverables or outputs described in Sections C and F in accordance with the performance standards specified in Sections C and F.

9. *Section C states that the RFS project will “coordinate closely with the connecting producers to markets” (CPM) project. When is the CPM project anticipated to start? Is award of the RFS project expected before CPM RFP release?*

The CPM project is still under design.

10. *Que se entiende por contratos “similares” en relación al past performance? Tienen que ser exclusivamente de microfinanzas y bancarización? O pueden ser proyectos relacionados con procesos con población vulnerable en Colombia?*

11. What do “similar” contracts mean with regards to past performance? Is it exclusively related to micro finance and banking? Or can it be projects related to processes with vulnerable populations in Colombia?

It means previous programs that are comparable in content, magnitude and complexity to the one solicited through this RFP. Considering this information is required for the offeror and each major subcontractor (one whose proposed cost exceeds US \$1,000,000.00), this information must be consistent with the role and size of the organization in the proposal.

12. *Se notifica por correo electrónico la recepción de la propuesta a tiempo?*

Would offerors get an e-mail acknowledging timely receipt of the proposal?

Yes, USAID/Colombia will send an e-mail acknowledging receipt of the proposal.

13. *Agradecemos publicar las presentaciones del día de hoy.*

Please publicize the presentations from the bidder’s conference.

The presentations are uploaded to www.fbo.gov and USAID/Colombia’s website.

14. *Por favor precisar si hay requerimiento de activos de la organización proponente con respecto al valor del contrato.*

Please specify if there are any asset requirements for the offerors with regards to the value of the contract.

In accordance with the Federal Acquisition Regulation, FAR Part 9.104-1(a)-(g) the Contracting Officer must make an affirmative responsibility determination prior to award that the prospective contractor is responsible. To be determined responsible, a prospective contractor must—

(a) Have adequate financial resources to perform the contract, or the ability to obtain them (see 9.104-3(a));

(b) Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and governmental business commitments;

(c) Have a satisfactory performance record (see 9.104-3(b) and Subpart 42.15). A prospective contractor shall not be determined responsible or nonresponsible solely on the basis of a lack of relevant performance history, except as provided in 9.104-2;

(d) Have a satisfactory record of integrity and business ethics (for example, see Subpart 42.15).

(e) Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them (including, as appropriate, such elements as production control procedures, property control systems, quality assurance measures, and safety programs applicable to materials to be produced or services to be performed by the prospective contractor and subcontractors). (See 9.104-3(a).)

(f) Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them (see 9.104-3(a)); and

(g) Be otherwise qualified and eligible to receive an award under applicable laws and regulations (see also inverted domestic corporation prohibition at 9.108).

15. *Que tipos de garantía deben respaldar 1) la propuesta y 2) el contrato?*

What kind of guarantees must back up 1) the proposal and 2) the contract?

Please see the answer to question No. 14. No other guarantees are required.

16. *El reporte de salarios debe ser bajo las leyes de USA?*

Must salaries be reported under USA labor laws?

Salaries for Cooperating Country Nationals (CCNs), in this case Colombians are limited to the U.S MISSION COLOMBIA LOCAL COMPENSATION Plan (Attachment 4 of the RFP) which is based in Colombian Labor Law. Offerors can review the USAID Acquisition Regulation (AIDAR) PART 722 – Application of Labor Laws to Government Acquisition for further information (http://www.usaid.gov/sites/default/files/documents/1868/aidar_0.pdf).

17. *Cuando se habla de garantía DCA a que se refiere?*

When DCA is mentioned, what does it mean?

DCA stands for Development Credit Authority. For further information about USAID DCA guarantees please visit the following link <http://www.usaid.gov/what-we-do/economic-growth-and-trade/development-credit-authority-putting-local-wealth-work>.

18. *El contratista es el responsable de obtener los fondos?*

Is the contractor responsible of obtaining the funds?

Please see the answer to question No. 14.

19. *Las alianzas estratégicas, uniones temporales y otras figuras deben presentarse legalmente constituidas en el momento de presentar la propuesta?*

Must the strategic alliances, consortiums and other teaming arrangements be legally constituted when the proposal is submitted?

Please review section L.9(4) and L.12(7) of the RFP.

20. *Which are the judicial features (and talking about experience), what's requested by contractor?*

Please review section L.11 of the RFP under past performance.