

**MANAGEMENT SCIENCES FOR HEALTH
REQUEST FOR PROPOSALS**

RFP No.: RFP-HS4TB-2022-4

RFP Title: HS4TB India – Scoping Activity for a Revolving Fund

Project: Health Systems for TB (HS4TB)

Contract No.: Task Order # 7200AA18D00025/7200AA20F00009

Issuance Date: December 23, 2022

Closing/Submission Date and Time: January 5, 2023, 5 pm IST

Submit Proposals to: solicitations@msh.org and emacken@msh.org

Management Sciences for Health, Inc. (MSH) is a non-profit organization engaged by the United States Agency for International Development (USAID) as Prime Contractor to implement the Health Systems for TB (HS4TB) Project under Task Order 2. The objectives for the HS4TB project are to 1) increase the ability of health system actors to use health financing to drive effective achievement of improved TB outcomes; and 2) increase the effectiveness of TB governance in-country, including the provision of solutions for countries with decentralized governance, investment and allocation strategies that align with the local political landscape and meet the needs of modern TB service delivery, and improvements in the coherence and communication between different actors. MSH seeks proposals from consulting firms with the experience to undertake work in accordance with the Terms of Reference (Attachment B).

If your organization has interest in this work, please submit the following documents by 5 pm Indian Standard Time (IST) on January 5, 2023, or sooner if possible:

1. Technical Proposal
2. Detailed Budget using MSH template (Attachment C);
3. Budget Narrative (Attachment D);
4. Company's Legal Entity Status Certificate;
5. References;
6. UEI Number;
7. Biographical Data Forms for all named personnel and consultants (Attachment E);

Proposals must contain the documents and information required in Attachment A and submitted by the due date indicated on this RFP. The selection process will take place in January 2023. Activities are expected to begin in late January 2023, pending successful completion of negotiations, receipt of USAID approval (if required), the results of the pre-award evaluation, and the checking of references.

Receipt of these documents does not constitute an award commitment on the part of MSH nor does it commit MSH to pay for costs incurred in their submission. Upon review and acceptance of the requested documents, MSH intends to issue a Fixed Price Subcontract for technical services. MSH reserves the right to stop the activities dependent on performance, availability of funds, change in the scope, indicators, or objectives of the Prime Contract Agreement, and continuation of the Project.

ATTACHMENT A
LIST OF REQUIRED DOCUMENTS

1. Technical Proposal

The Technical Proposal must include the following sections

1. Section 1: Cover Page
2. Section 2: Experience and Past Performance
3. Section 3: Proposed Approach
4. Section 4: Management – Implementation

2. Detailed Budget (Please see Attachment C for required template)

- All costs in the budget shall be presented in USD.
- Please budget by the following project periods:
 - Phase 1
 - Phase 2
- The budget should break down the quantity and unit cost of all budgeted items. Any lump sums should be accompanied by a breakdown of such costs on a separate detailed tab within the budget template.
- Salaries must be budgeted using the current base salary or personnel rates for services charged to the general public for similar services for all named individuals. These rates must be substantiated by your organization's price list for professional services.
- For any TBD positions, rates must be proposed in accordance with your organization's HR practice and price list.
- The base rate should not include fringe calculations, benefits, or other allowances.
- Fringe and indirect cost rates must be itemized and budgeted in the appropriate sections, if applicable.
- Any proposed Fringe rates must be itemized and supported by copies of your personnel policies and procedures, if applicable.
- Any proposed Indirect Cost Rates must be supported/validated by audited financial statements. If an Indirect Cost Rate is proposed, please provide the 3 most-recent audited financial statements as well as detail on how the calculation was determined and confirmation that the rate is applied consistently across all funders.

3. Budget Narrative (Please see Attachment D for a template)

The budget narrative should contain the following information:

- Description of what is included in each budgeted line item.
- Description of rationale for item costs.

4. Company's Legal Entity Status Certificate

5. References

Please provide three (3) past performance references for your organization for similar services. MSH reserves the right to obtain past performance information from sources other than those listed below.

Contact (Name and Title)	Organization	Telephone and Email	Services Provided	Dates

6. Unique Entity Identifier Number

A Unique Entity Identifier (UEI) is a number issued by the U.S. Government and is a requirement for receiving any USG funding. For information on how to obtain a UEI Number, please [click here](#). The UEI number will be required for the selected offeror.

7. Contractor Employee Biographical Data Sheets (Please see Attachment E for the form.)

These are required for all named personnel and consultants. Please note that the annual salary amounts must be indicated in the salary history and the proposed salary must match the salary indicated in the budget. Both the proposed individual and the prospective subcontractor in the appropriate spaces must sign these. Please note that base salaries cannot include benefits and must be based on current compensation.

ATTACHMENT B: TERMS OF REFERENCE
Health Systems for TB (HS4TB) Project
HS4TB India – Scoping Activity for a Revolving Fund

Background:

Management Sciences for Health (MSH) is a global non-profit advisory organization that provides governments, health organizations, and the private sector with the strategies, tools, and management support to deliver high-functioning health systems effectively and efficiently. MSH is implementing a project in India called 'Health Systems for TB' ('HS4TB'), funded by the United States Agency for International Development (USAID).

In 2012, the Government of India (GoI) endorsed contracting Private Provider Support Agencies (PPSAs) as intermediaries to engage private providers. Despite the enormous potential and initial successes of contracting PPSAs, there are key challenges that need to be addressed to ensure sustainability of the program. Capital and cash flow problems for participating NGOs, due to the requirement for upfront bonds for the contract, the structure of results-based payment (i.e., with the first payment milestone months after contract initiation), and long payment delays, threaten both PPSA financial viability as well as the willingness of new actors to participate in the program bidding process for RFPs.

After analyzing various financing instruments to bridge the financing gap, HS4TB proposes to pilot a Revolving Fund. The rationale for setting up a revolving fund is to provide a funding mechanism which has a business orientation (functioning like a line of credit) for the provision of goods and/or services on a commercial or quasi-commercial basis. Under HS4TB specifically, the revolving fund would provide Bridge Financing to the Private Provider Support Agencies (PPSA) and enable them to deliver on the national mandate of eliminating tuberculosis.

Capital for the revolving fund is raised to create a pool of money that is made available to the same users more than once. 'Revolving' indicates that the fund's resources circulate between the Fund and the Users.

To set up a Revolving Fund, some key considerations include assessing the options for its legal status and determining the regulatory compliance requirements; estimating the costs of administering the fund and creating a plan for sustainability; and establishing the modalities, governance and management system.

MSH seeks to avail tax and regulatory services from the Firm in relation to setting up of the Revolving Fund, and hence, approached the firm in this regard. The detailed scope of work is provided below.

Scope of Work:

Specific activities may include the following:

Phase 1

In Phase 1, the contractor is expected to evaluate the following two (2) options:

- Option 1: Direct funding from USAID to MSH USA to support PPSAs

Under this option, USAID shall enter into an arrangement with MSH USA, who will subgrant/SLA with MSH India to provide bridge funding to PPSAs in India to implement the agreed outcomes towards eliminating tuberculosis. MSH India would sign contract with PPSAs and provide zero interest loan for a defined period and add a management fee.

Based on the above understanding, there is a need to evaluate the feasibility of the proposed structure. The evaluation will be based on the following parameters:

- Understand the agreement/arrangement between MSH USA and USAID and MSH USA and MSH India, and advice on statutory compliances for MSH India to utilize the funds in India.
- Advise MSH India on regulatory implications for providing zero percent interest loan to PPSA and charging of management fee.
- Understand contracts that PPSAs have with the State government and their deliverables.
- Evaluate the feasibility of the instruments under which funding would be provided to the PPSA and returned to MSH. The contractor's scope of work would be limited to analysis of following instruments:
 - Loans (zero percent interest loan)
 - Service arrangements/level agreements with PPSAs
 - Returnable grants
- The evaluation would be undertaken keeping in mind the following:
 - Permissibility to receive the funds (vis-à-vis the applicable statute) including returnability
 - Income-tax implications at the time of receiving the funds and at the time of exit, if any – Compliance requirements, if any
- Evaluate the role of MSH India in the proposed transaction and the tax & regulatory implications on the same, if any

Based on the above evaluation, the contractor will prepare a report highlighting the feasibility of the proposed structure and associated risks, if any.

- Option 2: Setting up a fund for India

With this option, the Revolving Fund would be housed in a separate entity (Fund Holding Agency) wherein MSH US would receive the funds from USAID, and the funds would subsequently be deployed to PPSAs for agreed purposes. In this regard, the scope of work for structuring of the fund / setting-up of the Fund include the following:

- Evaluate the nature / form of the hosting entity, whether it should be:
 - For-profit organization such as development consulting organizations, microfinance organization, or Charitable organization and or/academia.
- The contractor's evaluation would be based on following indicative parameters:
 - Objective of setting-up of the fund
 - Nature of funders over long term (local donations, Foreign Contribution Regulation Act (FCRA) donations, corporate social responsibility (CSR) grants, service arrangements, etc.)
 - Nature of beneficiaries
 - Permissibility vis-à-vis the applicable statutes
 - Registration status of the stakeholders
 - Governance mechanism
 - Ease of implementation
 - Cost of administering the fund
 - Compliance requirements etc.
- With respect to the above forms of entity, analyze the tax and regulatory implications for the funding to be received (and returned to) by the Fund Holding entity. This will include the following:
 - Implications and compliance requirements for all stakeholders

- High-level implications on the funders i.e. CSR donors, FCRA donors, high net worth individuals (HNIs), charitable organizations etc.
- Role of MSH USA and MSH India, if any
- Evaluate the feasibility of various financial instruments vis-à-vis the type of hosting entity, on the basis of which the bridge funding / support would be given to the PPSA. Examples of few instruments are:
 - Returnable grants
 - First loss risk guarantee – checks and balances in case of defaults
 - Pay for performance instruments including Impact Bonds/Success notes
 - Feasibility of introducing Invoice discounting / factoring, etc as one option
 - Service arrangements/level agreements
- The evaluation would be undertaken keeping in mind the following:
 - Fund flows between the stakeholders
 - Risk appetite / expectations of various stakeholders involved.
 - Implications on the stakeholders at the time of setting-up the instrument and at the time of actual funding under the identified instruments – exit mechanisms available.

Based on the above evaluation, the contractor will prepare a report highlighting the pros and cons for each of the entity forms, tax and regulatory implications on receipts and deployment of funds and comment on the most suitable form of entity to host the revolving fund.

Phase 2

Based on the option short-listed above, the scope of work under this phase shall include the following:

- Understand the feasibility of an existing entity, if any (to be identified by MSH) to act as the hosting entity
- Providing support on operationalization of the structure / revolving fund including advising on governance structure basis the nature of hosting entity shortlisted, comment on documentation requirements, comment on the roles and responsibilities identified for the stakeholders involved
- Preparation of a standard operating process document to facilitate ease of operationalization
- Analysis of specific transactions with the PPSA from a tax and regulatory perspective
- Provide mechanics of the instrument basis which funds would be deployed to PPSA

The detailed scope shall be discussed upon completion of phase 1

Management Responsibilities:

With respect to the scope of the contractor's services as described, MSH India will be solely responsible for reviewing and approving contents of the deliverables. The contractor shall explain the implications to enable MSH India to make an informed decision.

MSH India acknowledges and accepts full responsibility for all decisions made based on any advice/ comments provided by the contractor. The contractor's scope will only be limited to tax advisory services with regards to the same.

Period of Performance:

- Phase 1: Up to two (2) months, with an estimated start date in late January 2023.
- Phase 2: To be determined upon the successful completion of Phase 1.

Key Personnel and Essential Staff Requirements:

A senior leader with expertise in commercial finance and strong familiarity with finance and tax-related laws and regulations in India (covering, for example, Foreign Contribution Regulation, Income Tax, Goods and Services, CSR). This person should have a proven track record of providing tax and regulatory services and overseeing a team of analysts.

Note: Key Personnel include the senior leader and any other staff the Offeror shall designate in the proposal submission as essential to the successful completion of the work.

ATTACHMENT C: BUDGET TEMPLATE

(Page intentionally left blank. See attached Excel file)

ATTACHMENT D: BUDGET NARRATIVE TEMPLATE

<Name of Organization>
<Project Name>
<Contract Number>
Budget Notes
<Date>

Section I : Salaries and Wages:

The following positions have been budgeted:

- < The budget note explanation should state name and job title of the person responsible for each activity, the Level of Effort (LOE) and basis for unit cost for that particular line item>
- < For consultants, the budget note explanation should state name and technical area of the consultant for each activity, the Level of Effort (LOE) and basis for unit cost for that particular line item>
- < *Biographical Data Form; Attachment D, will be used as supporting documentation of proposed salaries for named individuals. Biographical Data Form must be signed by the employee of the organization and by an authorized official of the organization (i.e. Director of Personnel). for all personnel named in the budget*>

Section II: Fringe benefits

- <Provide list of benefits <if applicable, insert rate and method of calculation for benefit rate/amounts>

Section III: Consultants

- < The budget note explanation should state name and technical area of the consultant for each activity, the Level of Effort (LOE) and basis for unit cost for that particular line item>
- < *The Biographical Data Form will be used as supporting documentation of proposed rates for named individuals. The Biographical Data Form must be signed by the consultant and by an authorized official of the organization (i.e. Director of Personnel). for all personnel named in the budget*>

Section IV: Travel And Transportation

- <Please provide description of the calculation of in-country travel costs.>
- <Please provide a purpose for international trips.>
- <Insert how airfare (i.e. travel to/from city), per diem (i.e. Global Fund country rates for specific city) and any other travel rates have been estimated.>

Section V: Lower Tiered Subcontractors

- <If a lower-tiered subcontractor is proposed, the detailed budget must be completed following the same guidance as outlined here. A very strong justification will be required for the use of any lower-tiered subcontractors and is subject to approval by MSH and USAID.>

Section VI: Other Direct Costs

- <Explain any Home Office or Other Direct Costs that have been budgeted (for example, copying/printing, postage/shipping, etc) with a brief justification and the method/base of calculation.
- <Please provide a description of any supplies or equipment being purchased and the basis for unit cost >

Section V: Indirect Costs

- <If your organization has an indirect rate that has been included in the budget, please explain the basis of the calculation here and provide confirmation that the rate is applied consistently across all funders. Please submit a copy of your organization's Negotiated Indirect Cost Rate Agreement (NICRA) or ensure that 3 years of financial statements have been included with proposal.

ATTACHMENT E: CONTRACTOR EMPLOYEE BIOGRAPHICAL DATA FORM

OMB Control No: 0412-0520; Expiration Date: 11/30/2024

PRIVACY ACT STATEMENT**Authority:** Foreign Assistance Act, Pub. L. 87-165, as amended, and 48 CFR Ch. 7 - AIDAR.**Purpose:** To collect, use, maintain, and disclose information to determine the qualifications of an individual for a specific contract position and to determine the reasonableness of proposed salary or consultant rate for the services proposed under the contract. This form is only valid with an OMB Number displayed in accordance with 44 USC 3506(c)(1)(B)(iii)(V).**Routine Uses:** The personal information is used by USAID to maintain administrative records and to perform other administrative functions inherent to the administration of the contract. This information will be used by USAID Contracting Officers and will not be disclosed outside USAID.**Disclosure:** Contractor employees/consultants under USAID cost-reimbursement contracts must submit personal, employment history, and educational data, and the contractor must provide the basis and rationale for the proposed salary as specified in the form. Providing personal information is voluntary. However, failure to provide any of the requested information may delay or prevent approval of the individual proposed under the specific contract

1. Name (Last, First, Middle)				2. Contractor's Name			
3. Employee's Address (include ZIP code)				4. Contract Number		5. Position Under Contract	
				6. Proposed Salary		7. Duration of Assignment	
8. Telephone Number (include area code)		9. Place of Birth		10. Citizenship (If non-U.S. citizen, give visa status)			
11. Names, Ages, and Relationship of Dependents to Accompany Individual to Country of Assignment							
12. EDUCATION (include all college or university degrees)				13. LANGUAGE PROFICIENCY (see instructions on Page 3)			
NAME AND LOCATION OF INSTITUTION	MAJOR	DEGREE	DATE	LANGUAGE	Proficiency Speaking	Proficiency Reading	
14. EMPLOYMENT HISTORY (List last three (3) positions held by the individual)							
POSITION TITLE	EMPLOYER'S NAME AND ADDRESS POINT OF CONTACT & TELEPHONE #			Dates of Employment (MM/YYYY)			
				From	To		

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15. SPECIFIC CONSULTANT SERVICES (give last three (3) years). Continue on a separate sheet of paper, if required, to provide this information.

SERVICES PERFORMED	EMPLOYER'S NAME AND ADDRESS POINT OF CONTACT & TELEPHONE #	Dates of Employment (MM/YYYY)	
		From	To

16. RATIONALE FOR PROPOSED SALARY (Provide the basis for the salary proposed in Block 6 with supporting rationale for the market value of the position. Continue on a separate sheet of paper, if required) Salary definition – basic periodic payment for services rendered. Exclude bonuses, profit-sharing arrangements, commissions, consultant fees, extra or overtime work payments, overseas differential or quarters, cost of living or dependent education allowances.

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17. CERTIFICATION: To the best of my knowledge, the above facts as stated are true and correct.

Signature of Employee	Date
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18. CONTRACTOR'S CERTIFICATION (To be signed by responsible representative of Contractor)

Contractor certifies in submitting this form that it has taken reasonable steps (in accordance with sound business practices) to verify the information in this form. Contractor understands that USAID may rely on the accuracy of such information in negotiating and reimbursing personnel under this contract. Certifications that are false, fictitious, or fraudulent, or that are based on inadequately verified information, may result in appropriate remedial action by USAID, taking into consideration all the pertinent facts and circumstances, ranging from refund claims to criminal prosecution.

Signature of Contractor's Representative	Date
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