Australian Government

AusAID

# ADDENDUM 2

Date: 5 May 2010 Pages: 1

Subject: Addendum 2 to the Request for Tender (RFT) for the **Market Development Facility (MDF)** of 13 April 2010.

The market is advised of the following:

## ***(A) Amendments to the Request for Tender Capability Statement:***

1. Part 1, Clause 1: Add in contact details of the independent probity adviser for this MDF tender process, as follows (after Contact Person)

   Independent Probity Adviser:

   Keith Lingard
   Stantons International Pty. Ltd.
   Level 1, 1 Havelock St.
   West Perth, WA
   Australia

   Email: klingard@stantons.com.au

   Phone: +61 8 9481 3188
   Fax: +61 8 9321 1204

   Prospective Tenderers may contact Mr. Lingard at any point through this tender process to discuss any process or probity issues they don't want to raise directly with AusAID, or any other concerns relating to this procurement.

2. Part 4, Clause 2: Re-label Selection Criterion "(B) Experience" as "(C) Experience".

## ***(B) Questions asked and additional information provided at the MDF Tender Briefing in Canberra on Wed. 28 April 2010:***

Additional Information provided to the forum by AusAID at the briefing:

1. In addition to the countries listed in the Program Design Document (PDD), in future the MDF may also include Pakistan, Samoa and Tonga (and potentially other countries). However, there is no guarantee of this. At this stage bids should be solely on the basis of the PDD and Request for Tender (RFT) documentation.

2. The 2 step process AusAID is running for this Market Development Facility (MDF) will involve a slightly different approach to the market with Step 2 being a Request for Proposal (RFP), rather than a standard Request for Tender (RFT). As highlighted in the briefing materials (Attachment 2 to this Addendum 2). AusAID will require shortlisted bidders from Step 1 to provide a proposal response based on provided criteria, in response to the PDD.

   Further information will be provided to shortlisted parties following Step 1, but the preferred organisation's costed proposal response will be used as the basis of a Scope of Services (SOS) and Basis of Payment (BOP) in a standard form of contract with AusAID.

3. Bidders should note that AusAID is not necessarily seeking a traditional large-scale aid consultancy organisation to undertake this program. AusAID stresses the importance of the particular 'niche' skill sets required to implement the MDF effectively. AusAID encourages organisations to think 'out of the box' with regard to how they propose to implement the MDF, including around any arrangements or agreements with other parties. The suggestion of a niche organisation partnering with a relatively general 'back office' service provider to implement the MDF was posed for consideration, at the briefing.

<u>Briefing Questions and Answers:</u>

1. (to the AusAID Rural Development Adviser) **What did you mean in your briefing when you talked about "crowding in"? Is it the same as "crowding out?"**

**Answer:** No it is totally different to crowding out. "Crowding in" is when an intervention in a market system extends a market frontier, and opens up opportunities for other market players to enter the market and offer additional services or products. For example, if an intervention with a leading cocoa firm results in the extension of a cocoa supply chain to 1000 new small cocoa growers, this might create opportunities for financial service providers to offer savings or insurance services to those small cocoa growers. In this case, the financial service providers have been 'crowded in' resulting in a greater array of services and products available to poor people.

2. **In the slide presentation a sample portfolio approach was demonstrated in slides 7 and 8 with a graph. This showed how some interventions might succeed and others fail, and to different degrees within a portfolio. Is AusAID going to provide the market with some quantitative indication of what success or failure of each market intervention could be measured as?**

**Answer:** It is not appropriate for AusAID to do this. The graph was intended only as a general representation as to how various market interventions might develop over time. The scale on the Y axis is for illustrative purposes only and we cannot provide quantitative criteria as to what may be termed a "success" or a "failure". Some will be quick wins that may not be sustainable in the long term, whilst others might initially be slow to succeed, but lead to systemic change in the long term. While quick wins will be important to ensure the AusAID Posts see progress, AusAID is interested in organisations that can keep their 'eyes on the prize'; of sustainable wins for the poor.

3. **Is it intended for the MDF to formalise a relationship with ACIAR and/or take advantage of the market research work they have already completed?**

**Answer:** AusAID and ACIAR communicate regularly on the ACIAR-led Pacific Agribusiness Research for Development Initiative (PARDI). The PDD (including the Fiji Country Annex) clearly notes the importance of MDF complementing other initiatives in enterprise and market development such as PARDI. It will be expected that the MDF coordinate with PARDI and other related Australian Government market initiatives at the appropriate time. MDF could similarly complement work of the Timor Leste 'Seeds of Life' program as outlined in the PDD. It is important to note however that ACIAR looks primarily at the 'researchable' constraints to market systems. However, unlocking research constraints is only part of the problem to promoting pro-poor market development, and might not necessarily be an area MDF chooses to focus upon in any target country.

4. **Can analytical data coming from the Seeds of Life program be accessed or made available?**

**Answer:** The mention of analytical data from the Seeds of Life program in the tender briefing presentation was merely to alert attendees to the type of analytical work being done. What will be important for the MDF is that it operates in close relationships with Posts, to share knowledge and ideas on an ongoing basis.

5. **With regards to the governance arrangements for the MDF, to what extent will the Facility Contractor have influence over the makeup of the Country Steering Committees (CSCs), particularly any private sector representation? Also, will AusAID use any new or existing guidelines in selecting the CSCs?**

**Answer:** Yes, Managing Contractors will have influence in forming the CSCs. Posts will also have opinions and recommendations on CSC membership so these should be taken into account. Country annexes in the PDD suggest some institutions from which CSC representatives might be sourced. AusAID will not be reverting to any specific guidelines to select CSCs.

6. **Will AusAID release any additional information about setting up of a "gender tool" as mentioned in the PDD (p.31 point 7)?**

**Answer:** No additional information will be provided. It is simply a way of saying a Contractor should set up whatever mechanism/tool they see appropriate to effectively integrate gender issues into MDF implementation.

7. **Would AusAID support market development interventions with positive high-level growth outcomes, which might not have a pro-poor focus, but would benefit the poor through trickle-down effects?**

**Answer:** The objective of the MDF is to undertake interventions that provide direct and indirect, measurable benefits to poor men and women. AusAID hopes a Contractor would not push for interventions that did not have the capacity to provide benefits to the poor as this consideration should be the fundamental underlying principle of all interventions.

8. **How has AusAID ensured gender is considered through this tender process for the MDF, from a policy level to an implementation level, and generally within AusAID programs?**

**Answer:** AusAID has overarching policies in many areas including Gender, that are relevant for all its tendered activities. (from the RFT document advertised on 13 April, see Part 2, Standard Capability Statement Conditions), Clause 19.7 (a)). This and other AusAID policies are available to review at the AusAID website: www.ausaid.gov.au. (The complete gender equality policy is available at http://www.ausaid.gov.au/publications/pdf/gender_policy.pdf ). AusAID believes the design of the MDF incorporates gender considerations appropriately and in considerable detail.

9. **Is the MDF intended to correct or better previous work conducted by AusAID, particularly program failures?**

**Answer:** No, this PDD was not explicitly intended to fix specific problems. A general challenge of the rural development portfolio to date has been the limited scale of impact and the questionable sustainability of some programs. This PDD is seeking to promote a different approach to provide sustainable benefits to large numbers of poor people.

10. **If an organisation designed interventions through the MDF that would disproportionately benefit either men, or women, would this be ok? Would it matter if some benefits for the poor from interventions only aid men and not women, or should a Contractor try to aid both men and women in every event?**

**Answer:** The PDD is clear with its requirement that market interventions undertaken provide benefits to the poor. Ideally this would be to both men and women, but any market initiative/intervention that provides benefits to the poor meets the needs of the PDD. How an organisation sees the opportunities there, and wishes to chase both short and long term “wins” is up to them to decide, and communicate to AusAID in their bid.

**11. To what extent will the successful Facility Contractor be expected by AusAID to work with Non Government Organisations (NGOs), either national or international, when undertaking this work?**

**Answer:** AusAID has no expectation with respect to the Contractor working with national or international NGOs during implementation. While NGOs are mentioned in the PDD, there are many other vehicles to assist the pro-poor other than working with NGOs, and organisations bidding should assess opportunity and effectiveness, and implement an approach to maximise benefits to the poor.

**12. Will there be any criteria as to what can or should be funded via the Imprest account mentioned in the PDD?**

**Answer:** No. There are no criteria beyond the objectives articulated in the PDD.

**13. Can you provide more information as to what kind of monitoring and evaluation (M&E) would be needed in the MDF?**

**Answer:** This is provided in detail in the PDD in many areas, note especially p.16.

**14. Can an organisation only be included in one consortium (and bid) during the first stage bidding process?**

**Answer:** No. Companies can be part of more than one consortium, and therefore on more than one bid. How organisations decide to arrange this is up to them.

**15. The duration estimated for Step 2 of the tender process, during the briefings, seems quite short (3-4 weeks). Would it be possible for this time to be extended?**

**Answer:** The information provided in the briefing was only an estimate. Shortlisted bidders will be advised the actual timeframe to be provided for response of Step 2 in the documentation they receive.

**16. Can organisations change consortium arrangements, if shortlisted, between Step 1 and Step 2 of the tender?**

**Answer:** No, organisational arrangements would need to stay the same as originally specified and assessed in Step 1. This is because 20% of Step 1 is assessed by criterion A-Management Capacity, and 40% of Step 1 is assessed by Criterion C- Experience, of the consortium bidding.

***(C) Other questions on the MDF RFT received via email:***

1. ***Regarding the format of the Capability Statement (Step 1), a) may past experience (project references) be included for all consortium partners, or should we only include project references for the lead organisation of the consortium?; and b) Is the Capability Statement Declaration required as part of the submission, only required from the lead organisation in a consortium, or by all partners also?***

**Answer:** a) See Part 1, Clause 5 of Annex 1 of the RFT: Past Experience forms. They may be submitted from any consortium partner as you decide most appropriate.
b) The Capability Statement Declaration must represent all consortium members.

***Attachments to this Addendum***

Attachment 1 *Briefing Agenda, 28 April 2010.*
Attachment 2 *Briefing Presentations, 28 April 2010.*

*All other information as set out in the RFT dated 13 April 2010 (and Addendum 1 dated 23 April 2010, remains unchanged.*