



LAGOS STATE GOVERNMENT

LAGOS STATE EMPLOYMENT TRUST FUND (LSETF)

REQUEST FOR PROPOSALS

**FOR THE ENGAGEMENT OF CONSULTANTS TO
PROVIDE BUSINESS DEVELOPMENT SERVICES TO
LSETF/LAGOS C.A.R.E.S. GRANT BENEFICIARIES**

LSETF/S-C/QCBS/01/23

SEPTEMBER 2023

Deadline for Submission: 5th October 2023

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SECTION I - REQUEST FOR PROPOSAL

REQUEST FOR PROPOSALS FOR THE ENGAGEMENT OF CONSULTANT TO PROVIDE BUSINESS DEVELOPMENT SERVICES TO LSETF/LAGOS C.A.R.E.S. GRANT BENEFICIARIES.

LSETF was established by the Lagos State Employment Trust Fund Law of 2016 to provide financial support to residents of Lagos State. Its primary mandate is to prepare Lagos State residents for entrepreneurship and employment opportunities through the acquisition of skills to get better jobs, tackle unemployment and enable wealth creation. LSETF also focuses on promoting entrepreneurship by improving access to finance and strengthening the institutional capacity of micro, small and medium enterprises and formulating policies designed to improve the business environment in Lagos State.

In furtherance of its mandate, LSETF is requesting for **submission of proposals (Technical and Financial) from Business Development Support Partners** to strengthen the capacity of Micro, Small and Medium Enterprises (MSMEs) in Lagos State. More details on the Services are provided in the Terms of Reference.

For this purpose, you will find:

- detailed instructions relating to the submission of your proposal in Section II of this document; and
- sample forms for the submission in Section III of this document

You are requested to complete and submit the Proposal in Section III no later than **5th of October 2023** at the close of business, in a sealed envelope labelled « **“Consultancy Service to Provide Business Development Services to the LSETF/LAGOS C.A.R.E.S. Beneficiaries”** » to the following address:

LSETF
3rd Floor,
Synergy Place,
16 Billings Way,
Oregon, Ikeja,
Lagos, Nigeria.

However, an online submission is also permissible. Your proposals can be submitted on this link: <https://lsetf.ng/content/upload-your-file-now> in these formats:

1. Technical Proposal (PDF)
2. Financial Proposal (EXCEL)
3. Supporting Documents (PDF)

Your Proposal shall, among other things, clearly indicate the information set out in Section II of this document.

Requests for clarification can be made to Kehinde Adewale via her contact details set out below, on or before **4th October, 2023**.

Contact No. +234 805 788 8950

Email: kehinde.adewale@lsetf.ng

This RFP is solely for preparing and submitting a Proposal and confirmation of your ability to provide the required services. All information, both written and oral, which is obtained or provided in connection with this RFP is confidential.

Yours truly,
Omolara Adewumi
Ag. Executive Secretary

SECTION II – INSTRUCTIONS TO TRAINING ORGANIZATIONS

A. INTRODUCTION

1. **General** This RFP is issued for submission of proposal to provide business development services for the LSETF loan beneficiaries.
2. **Definitions**
 - «Day» means calendar day;
 - «LSETF» means the Lagos State Employment Trust Fund;
 - «BDSPs» means Business Support Development Providers;
 - «Project Name» means “Request for Proposal for the Engagement of Business Development Support Providers for the LSETF/LAGOS C.A.R.E.S. Grant Beneficiaries”;
 - «Proposal» means a Proposal submitted by a Consulting firm, pursuant to this RFP;
 - «RFP» means this Request for Proposal;
 - «TOR» means the Terms of Reference, setting out the detailed scope of work required from the consulting firm, which is enclosed herewith, as an Annexure;

B. REQUEST FOR PROPOSAL

3. **Contents of the Request for Proposal**
 - 3.1. This RFP describes the procedure, terms, qualifications, requirements and conditions for the submission of a Proposal. This RFP consist of the following:
 - ❖ The Letter of Request for Proposal in Section I
 - ❖ Instructions to Training Organizations in Section II
 - ❖ The TOR enclosed as Annexure to this RFP

- 3.2. The Consultant shall examine the instructions, sample documents and specifications provided in this RFP and adhere to all instructions and requirements herein, in submitting a Proposal.

4. Amendment of RFP

- 4.1. At any time prior to the deadline for submission of Proposals, the LSETF, may for any reason at its own initiative or in response to a clarification requested by a consultant, modify the RFP.
- 4.2. All Firms that have received/access the RFP will be notified in writing or by standard electronic means of any amendments to the RFP.
- 4.3. In order to afford the firms reasonable time in which to take the amendments into account in preparing their Proposals, following a request for clarification LSETF may, at its discretion, extend the deadline for submission of Proposals.

C. PREPARATION OF PROPOSAL

5. Language

The Proposal and all related correspondence shall be in English.

6. Contents of Proposal

6.1. The Proposal shall comprise of the Technical Proposal and the Financial Proposal.

6.2. The Financial Proposal shall consist of the following documents:

❖ A written letter signed by the authorized representative of the Firm; and

❖ The **detailed breakdown** of the estimated cost i.e. summary of cost and breakdown of prices

6.3. The Technical Proposal shall consist of the following documents:

❖ The Profile of the Firm, setting out its organizational structure, relevant experience, its resource plan and the proposed methodology, work plan and team composition clearly indicating the team leader, and other key experts.

❖ Any other information which the firm reasonably believes is necessary, having reference to the contents of the TOR.

- 6.4. The **Technical Proposal shall not** contain any pricing information whatsoever. Pricing information shall be separated and only contained in the Financial Proposal.
- 6.5. Any information which the Firm considers confidential shall be clearly marked as such and shall be treated accordingly.

7. **Currency of the Proposal** The prices in the **Financial Proposal** should be quoted in **Naira**. Payment will be budgeted and disbursed as Naira.
8. **Validity of the Proposal** The validity period of this Proposal shall be **90 days**.
9. **Cost of Preparation of Proposal** The Firm shall bear all costs associated with the preparation and submission of its Proposal. LSETF shall in no case be responsible or liable for any costs associated with submitting Proposals, regardless of its conduct or the outcome of the Proposal. The LSETF reserve the right to annul the Proposal process at any time prior to awarding the contract, without thereby incurring any liability to the Firm.

D. SUBMISSION OF PROPOSAL

10. **Sealing and marking of Proposal** The Firm shall place the Technical Proposal (and its supporting documents), and the Financial proposal (and its supporting documents) in separate sealed envelopes, marked as such, and in a sealed outer envelope containing all two sealed envelopes. Please include, in addition to the original, three copies of all documents, or preferably an **online submission** on this link: <https://lsetf.ng/content/upload-your-files-here> in these formats:
1. Technical Proposal (PDF)
 2. Financial Proposal (EXCEL)
 3. Supporting Documents (PDF)
- 10.1 The sealed envelopes shall indicate the name and address of your **Organization**, the **name and address of LSETF**, the **Project Name** and **reference number of the Proposal** as indicated in the Letter of Proposal.

- 11. Deadline for the Submission of Proposal.**
- 11.1. Proposals must be received by the LSETF at the address or preferably the online link specified in Section I on or before the close of business on **5th October 2023**.
- 11.2. Any Proposal received by LSETF after the deadline for the submission specified in paragraph 11.1 shall be returned unopened to the Firm.
- 11.3. LSETF may, at their sole discretion, extend the deadline for the submission of Proposals by amending this RFP in accordance with the terms and conditions hereof.
- 12. Clarifications**
- 12.1 A Firm requiring additional clarification of any part of this RFP, may notify the LSETF via the contact details provided in Section I. The LSETF will respond in writing, or by standard electronic means to any request for clarification of the RFP that it receives no later than **5th October 2023** and may send written copies of the response (including an explanation of the query but without identifying the source of inquiry) to all Firms. If LSETF deem it necessary to amend the RFP because of a clarification, it shall notify any firm that has submitted a Proposal prior to such amendment.
- 13. Modification/ Withdrawal of Proposal:**
- 13.1. A Firm may withdraw its Proposal after the submission, provided that written notice of the withdrawal is received by LSETF prior to the deadline prescribed for submission of Proposals.
- 13.2. No Proposal may be modified subsequent to the deadline for submission of Proposals without prior approval from the point of contact specified in Section 1.

E. OPENING AND EVALUATION OF PROPOSAL

- 14. Opening of Proposals**
- 14.1 The LSETF shall only open Proposals received after the submission deadline with the Evaluation Committee only in attendance. **The Technical Proposals shall be opened and evaluated prior to the opening of the Financial Proposals.**

15. Evaluation of Proposals

15.1 The Evaluation Committee shall evaluate and compare the Proposals as follows:

- ❖ Examination of the Technical Proposal in order to confirm conformity with specifications contained in the RFP and the substantial responsiveness of each Technical Proposal to the RFP. For this purpose, a substantially responsive Proposal is one that conforms to all terms and conditions of the RFP without material deviations. LSETF's determination of a proposal's responsiveness is based on the contents of the Proposal itself without any recourse to extrinsic evidence.
- ❖ Upon examination of the Technical Proposals, the Evaluation Committee shall select the Technical Proposals that are substantially responsive and examine the Financial Proposals submitted with such Technical Proposals. In examining the Financial Proposals, the Evaluation Committee shall verify any arithmetical errors. For example, if the Proposal in figures is different from the Proposal in words, the amount in words shall prevail. If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail, and the total price shall be corrected.

16. Fraud and Corruption:

16.1. The LSETF and the consulting firm shall hold the highest ethical standards, both during the selection process and principle, and shall abstain at all times from corruption or fraudulent practices. Corruption and fraudulent practices are defined as follows:

- a) “*corrupt practice*” means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the selection process or in training program execution;
- b) “*fraudulent practice*” means a misrepresentation or omission of facts in order to influence a selection process or the execution of a training program;
- c) “*collusive practices*” means a scheme or arrangement between two or more Training Organizations with or without the knowledge of the LSETF, designed to establish prices at artificial, non-competitive levels;
- d) “*coercive practice*” means harming or threatening to harm, directly or indirectly, persons or their property to influence the grant application and/or selection process or affect the execution of a training program.

The LSETF shall reject a proposal for award if it determines that the firm recommended for contract award has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in applying for the proposal.

SECTION III
TERMS OF REFERENCE

REQUEST FOR PROPOSAL: PROVISION OF BUSINESS DEVELOPMENT SERVICE TO LSETF/LAGOS C.A.R.E.S. BENEFICIARIES.

1.0 BACKGROUND INFORMATION

These Terms of Reference (“**TOR**”) describe the tasks to be performed by the Business Development Service Providers (“**BDSPs**”) to provide KYC assessment/verification and monitoring of the Lagos State Employment Trust Fund (“**LSETF**”) Loan/Grant Programme Beneficiaries.

The Lagos State Employment Trust Fund (“**LSETF**” or “the Fund”) was set up by the Lagos State Government in 2016 to enable Lagos residents realize their aspirations by providing leverage and access to finance. LSETF seeks to engage the services of Business Development Service Providers (BDSPs) to provide the following services to LSETF loan/grant beneficiaries:

- 1) Verification of loan/grant applicants’ business details (KYC)
- 2) Business Advisory Services; and
- 3) Monitoring and Evaluation of the loan/grant beneficiaries with regards to the following;
 - a. Job Creation
 - b. Book-Keeping
 - c. Tax Compliance
 - d. High Growth potential
- 4) Support loan/grant beneficiaries to develop synergies and linkages with large enterprises, buyers and suppliers along the value chain.

2.0 SCOPE OF WORK

2.1 PRE-DISBURSEMENT VERIFICATION (KYC)

- Carry out business and residential address verification on MSME applicants to confirm the client and business existence – KYC

2.2 POST DISBURSEMENT MONITORING

- Support Beneficiaries to develop synergies and linkages to grow market for their goods and services
- Support Beneficiaries to develop proper business structure i.e. Human Resources, Sales, Marketing, Accounting and Legal structures where applicable
- Monitor the financial performance of the Beneficiaries
- Monitor legal compliance of the Beneficiaries to – Tax, PAYE, Pension, HSE where applicable; and
- Monitor and report the job creation targets of the beneficiaries
- Closely monitor beneficiaries’ businesses and highlight red flags that can impact on business continuity and/or loan repayment
- Carry out monitoring on beneficiaries’ businesses to identify issues that might arise. Also

submit report on the monitoring exercise as the need arises.

3.0 KEY COMPETENCIES AND EXPERTISE REQUIRED

Each BDSP shall consider and demonstrate extensive expertise required for performance of its activities.

Related experience shall include the following:

- i) Minimum of 5 years providing any of the services required.
- ii) Thorough knowledge and prior experience of all aspects of providing BDSP support to MSMEs or significantly related to those stated in this TOR,
- iii) Possess adequate personnel and facilities necessary for the activities required,
- iv) Demonstrate the ability to provide support in different locations in Lagos; and
- v) Provide list of verifiable references.

3.1 REQUIREMENTS FOR EXPERIENCE AND QUALIFICATIONS OF CONSULTANTS

a) Minimum qualifications required:

- Cognate business / consultancy field experience – Consultant must demonstrate experience working with small businesses within the local market.
- Relevant certification and degree
- Fluency in English and another local language is required.
- Proficient computer skills including MS Office Word, and Excel.
- Submit a profile of all the Consultants in the firm for our screening.

4.0 METHODOLOGY

Based on the objectives and scope of work outlined above, the BDSP(s) are expected to undertake the following tasks during the engagement process:

1. BDSPs are allocated by LGAs/LCDAs and jurisdictions within those LGAs/LCDAs
2. Each BDSP Consultant upon assignment of beneficiaries/businesses must physically visit business and/or residential locations of assigned applicants to confirm details provided by applicants for pre-disbursement verification and post disbursement monitoring.
3. Produce BDSPs reports (KYC and Post Disbursement Monitoring) as prescribed by the Fund.
4. Adopt effective methods/best approaches to counsel beneficiaries.
5. Collaborate with LSETF to conduct periodic post-finance monitoring of the MSMEs
6. Encourage MSMEs to inculcate best practices;
7. Provide recommendations and business improvement suggestions that may be required.
8. Submit visitation and monitoring reports using agreed reporting template with LSETF.

5.0 DURATION OF ENGAGEMENT

The BDSP contract will run for a period of One (1) year. This Engagement may be renewed upon expiration, for a further period, at LSETF's discretion.

6.0 EXPECTED OUTCOMES AND DELIVERABLES

- Ensure Credit Loss Ratio of the assigned portfolio does not exceed 15%;
- Identify 'high growth' opportunities for Investors;
- Highlight problematic Businesses or Promoters as soon as possible
- Data collection to aid LSETF performance evaluation

7.0 PAYMENT TERMS FOR PRE-DISBURSEMENT VERIFICATION

- 100% payable upon completion of KYC

FOR POST-DISBURSEMENT MONITORING & EVALUATION

- 100% - payable within 30 days of submitting the monthly monitoring and evaluation report.

Commented [DJ1]: Is this necessary here since post-disbursement monitoring has been mentioned below?

8.0 REPORTS

Below are the required activities and expected outputs, based on the objectives and scope of work stated above, respective timelines/deadlines and number of working days:

| Deliverable | Description | Timeframe |
|---------------------------|---|--|
| Verification Report | This report will include an initial evaluation on the beneficiaries assigned to the Consultant and confirmation report of the KYC metrics requested. | Within 2-4 working days after beneficiaries have been assigned to the Consultant |
| Post Disbursement Reports | This report as may be required by the LSETF requesting a visit to a beneficiary to confirm progress, challenges, recommendations and feedback. | As the need arises based on internal risk assessments. |
| Impact Assessment Report | <p>This will include detailed reports on job creation, challenges, recommendations on each assigned applications produced in MS Word Format.</p> <p>This report will highlight the performance and growth potential of the MSMEs supported by LSETF (A summary of all the businesses assigned until loan is confirmed paid down).</p> | Bi-annually |

9.0 DOCUMENTS TO BE INCLUDED WHEN SUBMITTING THE PROPOSALS.

Interested BDSPs must submit the following documents/information to demonstrate their qualifications:

1. Technical Proposal:

- (i) Explaining why they are the most suitable for the work.

- (ii) Provide a brief methodology on how they will approach and conduct the work.
- (iii) Provide information on the capacity of beneficiaries they can handle.
- (iv) Provide information on the loan category they can handle: SME, ME, MES or Nano.

2. Financial Proposal (which includes a breakdown of fees)

3. Personal CVs of Consultants (including previous experience in similar projects and at least 2 references)

4. Evidence of registration with Lagos State Public Procurement Agency

Note that only applications which include the above, will be considered.

10.0 Evaluation and Comparison of Proposals

Proposals will be evaluated based on a cumulative analysis taking into consideration the combination of the applicants' qualifications and financial proposal. The award of the contract should be made to the BDSP whose offer has been evaluated and determined as:

- Responsive/compliant/acceptable, and
- Having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation.

Only applicant(s) with successful technical evaluation will be considered for financial evaluation.

- Technical Evaluation – 70% (see i – iv below)
- Financial Evaluation – 30% (see v below)

10.1 Evaluation of the Technical Proposals shall be completed prior to the opening and evaluation of the Financial Proposals or Budget.

10.2 The Financial Proposal of firms shall only be eligible for evaluation if the firm's Technical Proposal receives the minimum technical score of fifty percent (50) of the obtainable score of seventy percent (70%) points in the evaluation of the Technical Proposals.

10.3 The Technical Proposal shall be evaluated on the basis of its responsiveness to the RFP and the TOR.

10.4 The Financial Proposal of all firm who have attained a minimum of fifty percent (50%) score in the technical evaluation will be reviewed and awarded points out of the obtainable score of thirty (30) points in the evaluation of the Financial Proposals.

10.5 Firm whose Technical Proposals have been determined to be substantially responsive and have cost-effective evaluated budgets in their Financial Proposals will be viewed favorably for the Fixed Amount Awards.

- A. **Technical expertise** – maximum points: 20
- | | |
|---|------------------|
| <i>Understanding of the TOR</i> | <i>10 points</i> |
| <i>Relevant professional experience</i> | <i>10 points</i> |
- B. **Proposed Work Plan & Approach** – maximum points: 30
- | | |
|---|------------------|
| <i>Technical approach and methodology</i> | <i>15 points</i> |
| <i>Work Plan</i> | <i>5 points</i> |
| <i>Organization and staffing</i> | <i>10 points</i> |
- C. **Knowledge and experience of MSMEs** – maximum points: 10
- | | |
|--|------------------|
| <i>Year of experience with MSME (min 5 year)</i> | <i>10 points</i> |
|--|------------------|
- D. **Previous working experience on similar assignments** – maximum points: 10
- E. **Financial Criteria – 30% of total evaluation** – maximum points: 30

| | |
|----------------------------|-------------------|
| <u>TOTAL POINTS</u> | <u>100</u> |
|----------------------------|-------------------|