

REQUEST FOR PROPOSAL

REQUEST FOR PROPOSAL (RFP)

**Capital Landscape study and De-Risking
Instrument to Unlock Investments in Health
Facility Electrification**



Odyssey Energy

Solutions

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1 Introduction

According to the World Health Organization (WHO), one in four health facilities in Sub-Saharan Africa (SSA) has no electricity access. Only 28 percent of facilities have reliable electricity access. Ensuring sustained access to electricity services in health centers requires a significant increase in investment from public and private sources. And understanding what solutions are being implemented, where, how much, and other relevant data points are relevant building blocks to providing long-lasting solutions. Most of the current powering healthcare programs have been donor-supported, mainly focusing on the procurement and ownership of solar photovoltaic (PV) assets for the period the funding is programmed. This means that operations and maintenance (O&M) funding stops when the donor project ends, affecting the sustainability of these programs.

The result is that most installed electrical systems become defunct within five (5) years due to the lack of continued O&M budget support, leading to waste of the limited funds. On the other hand, energy companies that are best suited to provide ongoing energy services struggle to serve publicly funded health centers due to payment risks, among other challenges. Financing flows from donors and governments need to incentivize private sector solutions such as energy-as-service models to emerge.

While switching to a service-based model improves system sustainability through continued O&M and eliminates premature system failures, the model must overcome many barriers to be viable in powering social infrastructure. Some of these barriers include the public sector's ability to pay for energy services and ensure sustained budget allocations, the ability/willingness of the private sector to raise capital for these interventions due to the latter, etc.

To help address these barriers, Shell Foundation and Sustainable Energy for All (SEforALL), in partnership with Odyssey Energy Solutions, propose to investigate the capital landscape of the powering healthcare market and conceptualize and design a financing facility aimed at de-risking investments in health facility electrification. Investigating the capital landscape of powering healthcare will, among other things, quantify the risk for a private sector solution. This will, in turn, inform what de-risking instruments (e.g., guarantee) would be suited to the unique needs of innovative business models (e.g., energy-as-a-service) to ensure unhindered progress in powering healthcare programs.

The Partners (Shell Foundation, SEforAll, Odyssey) will test, co-design, and validate the de-risking instrument with possible funders and governments and incorporate their feedback. After that, a final concept report outlining the proposed facility's objectives, positioning, investment strategy, organizational set-up, governance, investment process, impact measurements, financial model,

term sheet, etc., will be produced. The de-risking instrument will be available to the growing number of private energy companies seeking to electrify healthcare facilities (e.g., UNDP Solar for Health, World Bank ROGEAP, Differ Community Power, GreenStreet Africa, etc.).

1.1 About Odyssey Energy Solutions

Odyssey (www.odysseyenergysolutions.com) is a software and power engineering firm with over 30 staff in Africa, Europe, and the United Kingdom, registered and headquartered in Colorado, United States. Odyssey is the only technology platform built specifically to manage all phases of distributed renewable energy (DRE) programs initiated by donors, governments, development finance institutions, investors, and other private sector companies. Odyssey has successfully built the DRE sector's only investment management platform leveraging the power of data, network, and technology along the life cycle of mini-grid projects. It will be slow, inefficient, expensive, and impractical without scaling up the mini-grid sector and other DRE solutions to meet the energy access challenge. Odyssey is used to conduct standardized and data-driven feasibility analyses of large portfolios of sites (including on-the-ground field surveys for demand estimation), manage tenders and results-based financing initiatives, and rigorously monitor and evaluate mini-grid performance programs. Managing more than \$1B of financing facilities on its platform, Odyssey is the only digital platform being used extensively in large-scale DRE programs globally and has been developed to meet the ever-changing needs of these programs. Some key capabilities of the Odyssey platform include: mobile-based field data collection, demand estimation, automated mini-grid technical and financial analyses, e-tendering application management, claims processing for results-based financing, workflows for managing reported connections, and automated M&E/impact measurement based on all mini-grid data submitted in the tender process.

1.2 Purpose of the RFP

Odyssey is the program manager for the joint-funded Shell Foundation and SEforALL Powering Healthcare Financing Facility (PHF+) development program. Odyssey is seeking to select a consulting firm (s) capable of performing one or both of the following tasks:

- Task A: Study the capital landscape of the powering healthcare market and quantify the financial risk to be mitigated.
- Task B: Investigate and design the most suitable financial product for de-risking investments in powering healthcare.

Odyssey will select the firm that fully meets the requirements identified in this RFP and may elect to award a contract according to the RFP. Firms may choose to submit a proposal for a single task or both of the tasks mentioned above. Responses to this RFP will be used to qualify firms for the final evaluation and price negotiations.

1.3 Statement of Objectives and Research Questions

- **Purpose:** This RFP aims to answer questions under these two tasks (A & B);
 - A. Because of data gaps, funding institutions find it very difficult to understand where the financing bottlenecks are and what role they can play to optimize their funding for powering healthcare. Task A reveals, at a minimum, the source, type (concessionary or commercial), and amounts of capital being deployed, committed, by whom, and potentially available for financing powering healthcare projects, particularly those that promote long-term operational sustainability. Task A also examines the results and lessons from various 'powering healthcare' pilots and assesses different stakeholders' financial risks. In doing so, the study will help illuminate the realities and limitations of financing the electrification of healthcare facilities, as well as the broader opportunities of capital in the sector, including climate finance and de-risking financial mechanisms. This will help the Partners build an evidence-based approach to support a new financing solution.
 - B. Task B will assess the feasibility and relevance of the de-risking instrument, roles of the different Partners, potential funding sources, and design of an investment strategy. Firstly, task B assesses the options and feasibility of different de-risking instruments/solutions. Including evaluating the potential funding sources for the various solutions. The task should conclude with a recommendation about the most appropriate and feasible de-risking instrument. Secondly, it will conceptualize/design the selected instrument. This will include clarifying the instrument's objectives, positions, investment strategy, organization setup, governance, investment process, impact measurements, financial model, term sheet, etc.
- **Scope:** The study is limited to the powering healthcare sector. All aspects of this study will include the nexus between health and electrification. Electrification for healthcare facilities may have but is not limited to renewable energy sources through mini-grids, standalone systems, grid-tied, and hybrid systems. The assignment will be focused on SSA and Asia, with some country-specific deep dives - at least two (2) country deep dives in West Africa, 2 in East Africa, 2 in Central and Southern Africa, and 2 in Asia.
- **Period and Place of Performance:** Odyssey anticipates this assignment will cover approximately eight (8) months for both tasks.
- **Performance Objectives/Questions:** The statement of objectives, grouped under tasks A and B, requires firms to be innovative in proposing approaches to delivering on the objectives and questions. Firms should use the performance objectives and questions below to determine the best solution(s) to achieve the assignment's goals. Firms should provide their solutions in

the form of a detailed scope of work as an integral section of the proposal. Note that these objectives/questions are not exhaustive and may be improved upon on or before award, and firms are encouraged to build on them to achieve the overall purpose.

- *Task A*

The statement of objectives/questions requires firms to propose approaches to delivering data to analyze the level and type of financing coming into the powering healthcare sector. Odyssey seeks firms to propose how this will be achieved or answered. The following preliminary questions are not exhaustive and have been identified; firms must build on them to perform the overall purpose;

- How much capital - including type, source (Ministries of Health and Finance, donors, private sector, etc.) - has been deployed in the last five (5) years to electrifying health facilities? What has this capital been used for (e.g., CAPEX, OPEX, etc.)?
- The type of health facility and models (financial and business models) that have received these capital deployments?
- How much is committed, by whom, and what type of powering healthcare program?
- How much can be attracted and by whom?
- What potential developers identify as the best capital type (s) to propel entry into the powering healthcare market?
- What models have shown promise in sustainability, scalability, and replicability?
- Which powering healthcare programs have not received much funding and investigate why?
- Country-level deep dive assessment of the capital landscape (public and private sector funding).
- Assessment to quantify the financial risks of the different stakeholders.
- What is the public sector's ability to pay gap? How are their budgets formulated, and does it impact energy service payment risks?
- Deliver a shortlist of different types and options of de-risking instruments being used and appropriate for application in powering healthcare (either used in powering healthcare or in general to off-grid solutions).

Note: The Partners may facilitate access to data custodians and sources where feasible and possible.

- *Task B*

Odyssey expects firms to use insights from Task A to design a suite of suitable instruments required to support private-public sector partnerships for health facility electrification. Firms shall propose identifying the most effective instrument (s) that could be deployed through

either an existing or new de-risking instrument or a financing facility. The following statement of objectives is not exhaustive. Firms are strongly encouraged to explore other innovative approaches to achieve the overall objective.

Objectives B.1:

- Assess the feasibility and relevance of a de-risking instrument applicable at regional and country levels (e.g., MIGA) for powering healthcare.
- Co-design the best-fit de-risking instrument with key funders based on the findings above and develop an investment strategy for the chosen instrument/option.
- Identify the different roles and responsibilities in the chosen instrument/option (e.g., co-investor, outcome funder, platform partner).
- Test the design of the de-risking instrument with possible funders and incorporate feedback.
- Number of priority countries based on a set of pre-determined set criteria to support powering healthcare programs.

Objectives B.2:

- Design the de-risking instrument structure (legal and commercial) for borrowers & fund investors.
- Develop investor materials for internal and external use (Investor pitch, Teaser, Investment Memo, Target Investor List, etc.).

● **Deliverables / Schedule:**

Task	Deliverable	Objective	Due Date
A&B	Inception report	Defining the responsibilities, timeline, risks, and milestones of contract objectives	No later than ten (10) business days after contract award
A	First draft report	Report documenting draft study report	Two (2) months after contract award
	Final report	Report including an executive summary	Four (4) months after contract award
	Seminar/Workshop presentation slide deck	Slide deck to present the final report including, but not limited to demand-side and supply-side analysis including the type of capital flow, key stakeholders involved, and assessment of relevant projects in	Four (4) months after contract award

		SSA. The audience for this report will be potential facility investors – largely concessionary and project financiers – commercial	
B	First draft presentation (PowerPoint)	Draft slide deck showing outputs for objective B.1 under the performance objectives	Five (5) months after contract award
	Final draft presentation (PowerPoint)	Draft slide deck showing final outputs for objective B.1 and draft output for objective B.2	Six (6) months after contract award
	Final presentation (PowerPoint)	Slide deck to present the final facility design (and structure) to be made available to potential facility investors (largely concessionary and project financiers – commercial). Including internal and external versions as well as detailed and summary versions.	Eight (8) months after contract award

2 Firm's Instructions

2.1 Background

This RFP has been issued to organizations that will respond satisfactorily to the RFP dated July 22, 2022. The RFP identifies Odyssey's requirements sufficiently to identify a preferred firm.

2.2 General Instructions

Firms are requested to consider the following instructions when preparing their responses:

- Firms must address all items specified in this RFP. Failure to adhere to the specified format may disqualify a firm from further consideration.
- Firms' responses must be valid nine (9) months from the submission date.
- Firms must be technically and financially bound to their response.
- Firms must address all matters raised in this RFP.
- Any item not included in the cost estimate must be identified in response to the RFP.

Submission of proposals shall constitute evidence that the firm has made all the examinations mentioned above and is free of any uncertainty for conditions that would affect the execution and completion of this project.

2.3 RFP Changes, Binding Bid Process

Odyssey reserves the right to negotiate any or all RFP terms and conditions and to cancel, amend or resubmit this RFP in part or in entirety at any time. This RFP has been issued exclusively to provide adequate information about PHF+ for Odyssey and its funders to receive a proposal from firms.

While one or more firms may be selected as candidates, and Odyssey may negotiate a firm Contract with one or more respondents, Odyssey reserves the right to reject any or all of the responses received and to decline to negotiate and sign a firm contract with any firms responding to the RFP regardless of whether any firm's response is partially or wholly accepted or rejected or contains the highest or lowest mark, and irrespective of any other matter.

Odyssey further reserves the right to negotiate with any firm that does not receive this RFP. Accordingly, responses should be submitted in the terms most favorable to Odyssey. Odyssey will consider the firm's responses as binding offers by the firm.

2.4 Disqualification

Statements known to be or subsequently found to be inaccurate or misleading may disqualify the vendor from further participation in the evaluation process.

2.5 Structure of the Technical Proposal

All proposals must follow the structure given below and **shall not exceed 25 pages**, excluding CVs and firm experiences:

- Executive Summary
- Company Profile (Describe your organization's core businesses, products, services, markets, awards, etc.)
- Similar Experiences with client references
- Understanding of Statement of Objectives (Please illustrate that you have understood our requirements)
- Firm qualifications and experience (as per section 3 of RFP)
- Comments / Suggestions to the Statement of Objectives
- Description of proposed solutions/response to the Statement of Objectives
- Study Approach / Methodology
- Project Plan / Timelines
- Project Management Approach (Please illustrate your project management approach in terms of proposed team structure, communication plan, risk register, and any other relevant information)

2.6 Schedule of Events

Event	Date
Release date of RFP	7/22/2022
Written Confirmation of Firms with Bid Intention	7/31/2022
Questions from Firms about scope or approach due	8/2/2022
Responses to Firms about scope or approach due	8/5/2022
Proposal Due Date	8/17/2022
Target Date for Review of Proposals	8/29/2022
Negotiation of the contract with selected firm	9/5/2022
Anticipated decision and selection of Firm	9/9/2022
Anticipated commencement date of work	9/16/2022
Anticipated completion of work	6/27/2023

2.7 Contacts and Proposal Submission

Any questions concerning technical specifications or the Statement of Objectives (SOO) or contractual terms & conditions must be directed to the following person, not later than **August 2, 2022**:

Name	Kwabena Adom-Opare
Email	kobe@odysseyenergysolutions.com

Responses to the RFP are due by **August 17, 2022**. Please submit your response in soft copy (PDF or MS Word formats only) to:

Name	Kwabena Adom-Opare
Email	kobe@odysseyenergysolutions.com

2.8 Evaluation Criteria

Any award to be made pursuant to this RFP will be based upon the proposal with appropriate consideration given to technical, cost, operational and management requirements. The offer evaluation will be based on the firm's responsiveness to the RFP and the total price quoted for all items covered.

Proposals must address all the items identified in the Request. Odyssey shall carry out its evaluation, applying the evaluation criteria and point system specified below. Each responsive proposal shall be attributed a technical score, and firms scoring less than 70 points shall be rejected. All proposals will be evaluated based on the following criteria:

- Completeness of proposal
- Firm's experience and past performance relevant to the statement of objectives assignment
- Soundness of solutions to statement of objectives and methodology
- Key personnel/team
- Initial cost

Odyssey does not represent that these are the sole criteria and reserves the right to adjust selection criteria at any time.

The points given to the evaluation criteria are:

Criteria	Weight
Completeness of proposal	5%
Firm's experience/qualifications and past performance relevant to this assignment	20%
Soundness of solutions to statement of objectives and methodology	35%
Key personnel/team	30%
Initial cost	10 %
Total	100 %

The minimum qualifying score is 70%.

2.9 Awarding of Contract

Prior to the expiration of proposal validity, Odyssey shall notify the top-ranked responsive firm/consortia in writing by registered email and invite them to negotiate the contract framework. The aim is to agree on all points, including a discussion of the technical proposal, the proposed methodology, staffing, and any suggestions that may have been made to improve the statement of objectives and initial cost. The negotiations shall be concluded with a review of the draft contract. Odyssey and the selected firm (s) shall finalize the contract to conclude negotiations.

After negotiations, a contract shall be awarded to the selected firm (s). Upon successful completion of negotiations, Odyssey shall promptly inform the other firms that their proposals have not been selected.

Please note that Odyssey reserves the right at all points in the procurement process either not to select a candidate to go forward to the next stage or, following the Procurement process, not to award the contract.

Odyssey has prepared this RFP in good faith. To the extent that Odyssey is permitted by law, Odyssey excludes any liability (whether in contract, negligence, or otherwise) for any incorrect or misleading information contained in this RFP.

IMPORTANT NOTICE: This RFP is in part only, and there is the possibility of conducting multiple country deep-dives and other requirements within this scope. Hence, Odyssey reserves the right to renegotiate the terms and conditions of any initial award to include an additional scope and its subsequent cost to this RFP.

3 Minimum qualifications and experience criteria

The assignment requires an experienced consulting firm capable of managing teams, interacting and communicating effectively with central and local government officials, power service providers, donors, private sector, financial sector, and development agency representatives. Interested consultant firms should demonstrate their experience in the following minimum qualifications;

- The Firm is expected to have experience in developing or have developed market intelligence studies in both health and energy sectors in the African and Asian contexts, and/or the Firm is expected to have developed or raised innovative impact finance mechanisms and structuring financing facilities.
- The Firm should have experience working in the public, private, and donor sectors with specific experience in energy and/or powering health preferred.

- The Firm is expected to have substantial experience analyzing big data, including cross-sectional data on health and energy.
- The Firm is expected to have significant experience in developing or have developed investor pitch materials for off-grid and/or standalone system financing in Sub-Saharan Africa and/or Asia.
- The Firm should have conducted at least one (1) country/region-wide or sector-wide market intelligence study and/or a financing facility developed for a similar assignment in the past three (3) years.
- The Firm should also have engaged with Development Banks/commercial banks/investment companies/donors or similar clients on rural health facility electrification market assessments in Africa and/or Asia.
- In general, the Firm is expected to have substantial experience in responding to the statement of objectives mentioned in section 1.3 of the RFP.

While the consultant firm has the responsibility of proposing the team composition, the tasks in the assignment will require the involvement of at least;

- Team Leader
 - Minimum of 10 years of professional experience in the renewable energy capital financing landscape with demonstrable exposure to health facility electrification projects
 - Minimum 5 years experience in designing and/or implementing financing facilities with a focus on health and energy nexus
 - Experience in developing innovative impact finance mechanisms and structuring facilities
 - Ability to communicate effectively and proficiently in English
 - Demonstrated leadership, facilitation, and coordination skills, with the ability to manage technical teams, engage with stakeholders, and form strategic partnerships
 - Track record working on similar projects of SSA and/or Asia is required
 - Education: Masters in Business Administrations (MBA) with specialization in investment finance or economics or similar
- Senior Business Analyst / Finance Expert / Investment Expert / Renewable Energy Expert
 - Minimum 8 years of professional experience in designing and implementing different business modules in the renewable energy off-grid capital financing landscape
 - Minimum 5 years experience in designing and/or implementing financing facilities and conducting market intelligence studies with a focus on health and energy nexus
 - Track record working on similar projects of SSA and/or Asia
 - In-depth understanding of the capital landscape of health facility electrification and/or off-grid electrification programs, off-grid electrification demand and supply assessments
 - Proven knowledge and experience in designing and/or implementing innovative

impact finance mechanisms and structuring facilities; and/or knowledge and experience in conducting detailed market intelligence and rural electrification evaluations / studies

- Education: Masters in Business Administrations (MBA) / Masters in Finance/Investment Finance / Masters in Economics / Masters in Renewable Energy or Energy Economics or equivalent / or similar
- Experts on assessments of funding flows in the development finance and commercial lenders.
- Experts in the legal structuring of financing facilities.

4 Financial Proposal

All prices quoted by the firm must be fully itemized, expressed in US Dollars, and inclusive of all taxes and all expenses. The financial proposal must provide a budget for each task and a consolidated budget for all the tasks. Odyssey expects to contract with the firm on a Fixed Price basis for this assignment.