

CLARIFICATIONS AND ANSWER TO CONSULTANTS No. 2

RFP Title: Implementation of “Alianza para el Corredor Seco” Activity (ACS-USAID)

RFP No.: RFP/ACS/USAID/QCSB/01-2014

Issued: October 16, 2014

1. **Question:** Do the totals in FIN-3 and FIN-4, when added up, constitute the "total price of financial proposal" found in FIN-2?

Answer: No, the TECHs in question indicate the following:

- **FIN-3**, *“Information to be provided in this Form shall only be used to establish payments to the Consultant for possible additional services requested by INVEST-H and/or for the purpose of verification of the market reasonableness of the prices offered”*
- **FIN-4**, *“Information to be provided in this form shall only be used to establish price reasonableness and to establish payments to the Consultant for possible additional services requested by INVEST-H”*

2. **Question:** Can INVEST-H confirm that “home office” staff are those that are physically located at the consultant’s headquarters office, and “field office” are the staff that are located in the country offices in Honduras?

Answer: As stated in the FIN-4 of Section 4B refer to Staff (Key Professional Personnel and other Personnel listed in forms Tech-8 and 9) located in Honduras.

3. The RFP states “The consultant must specify the platform (hardware, software, structure, etc) of the system upon which (they) will construct and implement the database. The Platform will be approved by INVEST-H.” Does this mean the platform must be identified in the proposal or after award? And is there any possibility of taking over pieces or all of the ACCESO database system, assuming it's already meeting many of the technical requirements sought by USAID?

Answer: The Consultants may address in a general sense the platform (hardware, software, structure, etc) of the system within their technical proposal, during contract negotiations and Activity implementation specific characteristics will be addressed. Regarding the ACCESO Database System, INVEST-H does not expect anything (other than data) to transfer to the ACS-USAID platform.

4. P. 111 states “The Consultant is expected to revise the preliminary M&E Plan prepared by INVEST-H and submit a final version within the first 90 days after mobilization (generally at the same time as an approved work plan) and before major implementation actions begin.” Would it be possible to receive a copy of the INVEST-H M&E plan so that potential consultants know what to expect and can plan accordingly?

Answer: Please, read the Amendment 2.

5. **Page 7, Section 1.14 Source of Funds; IL Terms and Conditions**, says the IL and its related documents are available at www.mcahonduras.hn.
- a. **Question:** We cannot find the documents on the website. Would you provide the exact URL where these documents can be found within the site?

Answer:

- No, in the site that you referred you will find the amendment No. 1 (For this particular issue), this Amendment indicate the link to download the IL and related documents.
 - The link: <https://www.dropbox.com/sh/1dqpy5mly8dlff3/AABj6sdy7nMRM3F69INVzgLea?dl=0>
6. **Page 17, Section 2., Proposal Data Sheet, ITC 3.3(b)**, states “estimated cost for this procurement is USD 40.0 Million over five years, of which up to USD 20.0 Million will be set aside ... under the Grants mechanism established in Section 6 Terms of reference.”
- Question:** Please confirm that the funds available for both grant activities and non-grant activities are fungible between the Grants mechanism pool and the full value of the program, for example: may the Consultant propose to distribute \$10M through the Grants mechanism and conduct \$30M in other activities for a maximum \$40M for the program.

Answer: Please read answer to query 33 of “Answers & Clarifications No. 1”.

7. **Page 20, Feasibility**, states that the Consultant will be scored on the “feasibility and rigor of the year one work plan”. Yet on **Page 9 section 3.4(c) Technical Proposal Format and Content**, it is unclear whether consultants are required to submit a work plan for only year one, or for all five years of the program.
- Question:** Please confirm that a five year work plan for the entire program is required on which the Work and Deliverable Schedule will be based.

Answer: Please refer to Amendment 1, consultants are expected to propose the technical approach, methodology and work plan for duration of the ACS-USAID Activity.

8. **Page 21, Section 3, Qualification and Evaluation, ITC 5.7**, states the formula for the financial scoring. If funds are not fungible between the Grants mechanism (up to \$20M) and the remaining portion of the program, a Consultant might arbitrarily reduce the amount of Grants funds (ie., \$15M) included in its Financial Proposal (effecting a \$5M reduction in total price) which would result in an unfair assignment of numerical value to the Financial score.
- Question:** Please confirm that the full value of the Grants mechanism proposed by each Consultant will be excluded from the financial evaluation formula.

Answer: Please read answer to query 33 of “Answers & Clarifications No. 1”

9. **Page 27, Section 4A, Form TECH-3, Organization of the Consultant** requests the organization chart of the firm.

Question: Please confirm that the organizational chart does not count towards the 10 page limit of Form TECH-3?

Answer: The only exception expressed in the instructions of TECH-3 is:

“Maximum 10 pages, not counting the CV of home-office Activity director”

10. **Page 39, Section 4B, Form FIN-2**, identifies lines to insert a price for a base year, a Grants Mechanism, and two option years.

Question: Please confirm that the base year is meant to refer to the total five year program price less the Grants Mechanism and the option year lines are not applicable.

Answer: Please refer to answer No. 84 of “Answers & Clarifications No. 1”

11. **Page 50, Section 5: Contract Forms, Provision 2.2 Effective Date and Commencement of Services**, does not provide an actual effective date.

Question: To aid in the creation of the budget and work plan documents, may the Client provide the anticipated date for commencement of the Services?

Answer: Is not possible to provide an anticipated date for commencement, in Section 5, III Special Conditions of Contract, GCC 2.1 set:

“This Contract shall enter into force on the date of signing of the Contract by both parties.”

Until then will be defined the Effective Date.

12. **Page 60, Section 5, Contract Forms, Provision 3.12** states that the Consultant, unless otherwise instructed by the Client in writing, shall insure property purchased with Client funds in an amount equal to their full replacement value plus fifteen percent (15%). This creates a moral hazard when a vehicle is insured at a value greater than its cash value.

Question: Consultant respectfully requests the waiver be provided to insure property, equipment, and vehicles, in an amount equal to their cash value.

Answer: Please refer to Amendment 3

13. **Page 62, Section 5, Contract Forms, Provision 6.3, Terms, Conditions and Mode of Billing** and Payment addresses the methods of payment for the resultant contract.

Question: The Consultant respectfully requests the Client to consider a letter of credit for the Grants Mechanism funds of the program.

Answer: Please refer to answer 31 of “Answers & Clarifications No. 1”

14. **Page 63, Section 6.2 Currency of Payments**, states that payments shall be made in Lempiras (Local currency). Concurrently, Page 17, section ITC 3.8, in the PDS requires the offer to be submitted in USD.

Question: Please confirm that payments to a US Consultant will allow payments in USD to reflect the price offered.

Answer: Please refer to answer 4 of “Answers & Clarifications No. 1”

15. **Page 66, Section 5, Contract Forms, GCC 3.6**, states requirements for worker's compensation insurance.

Question: Please confirm that the Client may make the Consultant eligible for the USAID-preferred DBA insurance rate of 2% or if Consultants must procure DBA insurance on the commercial market.

Answer: Defense Base Act compliance is mandatory for all American contractors working overseas to protect workers compensations rights. INVEST-H suggest Consultants the use of the preferred rate of 2%, any change within this rate will need to be cleared by INVEST-H with USAID concurrence.

16. **Page 74, Appendix E, Breakdown of Contract Price in Local Currency**, implies that local currency is expected within the Consultant's proposal. Several citations within the RFP confirm that the proposal shall be submitted in USD.

Question: Please confirm that appendix E is not to be submitted and no currency other than USD will be referenced.

Answer: Please refer to answer No. 41 of "Answers & Clarifications No. 1"

17. **Page 77, Appendix F – Additional Provisions, (f) Marking and Public Communications under USAID-Funded Activities** provides general USAID marking guidance. In addition, Annex 17, provides a specific "Alianza para el Corredor Seco Project Branding and Marking Plan USAID | INVEST-Honduras 2014-2018".

Question: Please clarify when the USAID specific guidelines should be used vs. the joint USAID/ INVEST-H guidelines.

Answer: The Consultant is expected to follow the guidelines stated in the USAID / INVEST – H Branding and Marking Plan during the implementation of the ACS-USAID Activity.

18. **Page 80, Section 5(n) International Travel and Air Transportation**, states that "except as USAID may otherwise agree in writing all travel costs must be consistent with those normally allowed in ...non-USAID-funded activities."

Question: Please clarify when the USAID specific guidelines (Fly America) should be used vs. the joint USAID/ INVEST-H guidelines (corporate policy).

Answer: Consultants are expected to follow USAID guidelines regarding International Travel and Air Transportation. This has been stated in the Section 5: Contract Forms Appendix F Additional Provisions (n) International Travel and Air Transportation.

19. **Page 83, Section (r), Local Compensation Plan**, is provided for use by the Consultant s in preparing reasonable local salary rates.

Question: This FSN scale apparently is from 2010 (as provided in MERCADO RFP) and is effectively 4 years old; please provide an updated FSN scale which will provide more reasonable estimated salary ranges.

Answer: Please refer to amendment 3.

20. **Page 83, Section (r), Local Compensation Plan**, is based on an exchange rate of Lps. 20,42 = \$1USD.

Question: Please confirm that this exchange rate between lempiras and USD should be used uniformly to ensure fair and equal cost presentation?

Answer: Please refer to amendment 3.

21. **Page 101, Section 6. Terms of Reference, provision 4.3, “Relationship with other ACS Investors”**, states that the GOH has pledged \$40 million towards achieving ACS goals, of which \$10-15 million is committed to implement water access and healthy household elements of this contract.”

Question: Please confirm that this reference to water access and healthy household elements are not referring to the anticipated activities under this RFP Grant mechanism.

Answer: The Government of Honduras acting through INVEST-H intends to apply a portion of the GOH funding to eligible payments under the ACS-USAID Activity

22. **Page 113, Section 7.1 Key Personnel**, states the education requirements for key personnel, requiring a Master’s degree for three positions – including the Chief of Party, the Deputy Chief of Party and the Senior Nutrition Advisor – and Post Graduate Studies for the Gender Advisor. The advanced degree requirement can render ineligible highly qualified candidates that lack advanced degrees but bring many more years of relevant hands-on work experience and technical knowledge, and are potentially better suited for the position. This flexibility in the requirements is therefore crucial for implementers to identify the best possible candidates for certain key positions.

Question: The Consultant respectfully requests that INVEST-H/USAID allow additional years of experience in lieu of a Master’s Degree or Post Graduate Degree for all key positions.

Answer: Please refer to answer to query 30 of “Answers & Clarifications No. 1

23. The RFP states “The consultant must specify the platform (hardware, software, structure, etc) of the system upon which (they) will construct and implement the database. The Platform will be approved by INVEST-H.” Does this mean the platform must be identified in the proposal or after award? And is there any possibility of taking over pieces or all of the ACCESO database system, assuming it's already meeting many of the technical requirements sought by USAID?

Answer: These issues will be discussed after award during contract negotiations.

24. P. 111 states “The Consultant is expected to revise the preliminary M&E Plan prepared by INVEST-H and submit a final version within the first 90 days after mobilization

(generally at the same time as an approved work plan) and before major implementation actions begin.” Would it be possible to receive a copy of the INVEST-H M&E plan so that potential consultants know what to expect and can plan accordingly?

Answer: Please see Amendment 2.

25. **Page 17, Section 2., Proposal Data Sheet, ITC 3.3(b)**, states “estimated cost for this procurement is USD 40.0 Million over five years, of which up to USD 20.0 Million will be set aside ... under the Grants mechanism established in Section 6 Terms of reference.”

Answer to Question 33 in Answers 1 Document, provided October 1, 2014 indicated that: funds less than \$20M shall be reprogrammed as part of the lump-sum contract.

Question: Please confirm that the total price to be proposed by all consultants is \$40M, and that any amount less than \$20M in the grant fund SHALL be reprogrammed as part of the \$20M for all other project costs.

Answer: Confirmed.

26. **Page 20, Feasibility**, states that the Consultant will be scored on the “feasibility and rigor of the year one work plan”. Yet on **Page 9 section 3.4(c) Technical Proposal Format and Content**, it is unclear whether consultants are required to submit a work plan for only year one, or for all five years of the program.

Question: Please confirm that a five year work plan, consistent with Form Tech-10, is required. Specifically, Year One by month, Years 2 – 5 by quarterly.

Answer: We confirm, the consultants shall to present a work plan for the entire life of Program (Five years), this shall be consistent with Work and Deliverables Schedule of Form Tech-10.

27. **Page 27, Section 4A, Form TECH-3, Organization of the Consultant** requests the organization chart of the firm.

Question: Please confirm that the organizational chart does not count towards the 10 page limit of Form TECH-3?

Answer: Please proceed as stated in the refereed Form.

28. **Page 27, Section 4A, Form TECH-5, References of the Consultant**, requires references. **Answer to Questions 27 and 48 in Answers 1 Document, provided October 1, 2014** gave conflicting guidance on whether subcontractor references are required or not.

Question: Please confirm that Form Tech-5 applies only to a prime, whether a single entity or a joint venture.

Answer: Confirmed, please proceed as stated in answer No. 48 of the “Answers and Clarification No. 1”.

29. **Page 50, Section 5: Contract Forms, Provision 2.2 Effective Date and Commencement of Services**, does not provide an actual effective date.

Question: To aid in the creation of the budget and work plan documents, the Client is kindly asked to provide the anticipated date for commencement of the Services?

Answer: Please refer to answer No. 11 of this “Answers and Clarifications No. 2”.

30. **Page 60, Section 5, Contract Forms, Provision 3.12** states that the Consultant, unless otherwise instructed by the Client in writing, shall insure property purchased with Client funds in an amount equal to their full replacement value plus fifteen percent (15%). This creates a moral hazard when a vehicle is insured at a value greater than its cash value.

Question: Consultant respectfully requests the waiver be provided to insure property, equipment, and vehicles, in an amount equal to their cash value.

Answer: Please, refer to Amendment 3.

31. **Page 63, Section 6.2 Currency of Payments**, states that payments shall be made in Lempiras (Local currency). **Question 4 in Answers 1 Document, provided October 1, 2014** states that payment will be made in Lempiras to the designated local bank account specified in the contract.

Question: Please confirm that there will be no restriction on conversion of Lempira to USD and no restriction on repatriation of those funds to the United States for U.S.-based consultants.

Answer: Once payment in Lempiras is disbursed by INVEST-H, to the Consultant Bank Account, the Consultant is entitled to proceed as convenient.

32. **Page 63, Section 6.2 Currency of Payments**, states that payments shall be made in Lempiras (Local currency). **Answer to Question 4 in Answers 1 Document, provided October 1, 2014** states that regarding the exchange rate, INVEST-H will follow USAID’s exchange rate policy.

Question: Could INVEST-H provide the applicable USAID policy on exchange rate in Honduras?

Answer: We have not access to that policy, exchange rate is received periodically from USAID, and it is the one applied for INVEST-H to make any payment.

33. **Page 63, Section 6.2 Currency of Payments**, states that payments shall be made in Lempiras (Local currency). **Answer to Question 4 in Answers 1 Document, provided October 1, 2014** states that payment will be made in Lempiras to the designated local bank account specified in the contract. Regarding the payment in Lempira and the exchange rate, INVEST-H will follow USAID's exchange rate policy.

Question: Please confirm that in response to the risk associated with contract type (fixed price lump sum) of this program and the volatility of both the exchange rate and the

inflation rate in Honduras, that INVEST-H will incorporate an economic price adjustment to the contract as can be found in FAR 16.203-4. Economic Price Adjustment?

16.203-4. Economic Price Adjustment

Adjustments based on cost indexes of labor or material. The contracting officer should consider using an economic price adjustment clause based on cost indexes of labor or material under the circumstances and subject to approval as described in paragraphs (d)(1) and (d)(2) of this section.

- (1) A clause providing adjustment based on cost indexes of labor or materials may be appropriate when—
 - (i) The contract involves an extended period of performance with significant costs to be incurred beyond 1 year after performance begins;
 - (ii) The contract amount subject to adjustment is substantial; and
 - (iii) The economic variables for labor and materials are too unstable to permit a reasonable division of risk between the Government and the contractor, without this type of clause.

Answer: Since the implementation letter is signed between USAID and the GOH, the “Consultant” will work under INVEST-H and not as a direct contractor of USAID, therefore FAR considerations do not apply. Nevertheless, INVEST-H has stated in section 5 Contract forms numeral 7.2 operation of the contract which specifies the following “The Parties recognize that it is impractical in this Contract to provide for every contingency which may arise during the life of this Contract, and the Parties hereby agree that it is their intention that this Contract shall operate fairly as between them, and without detriment to the interest of either of them, and that, if during the term of this Contract either Party believes that this Contract is operating unfairly, the Parties will use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness.” If extreme changes affect the exchange rate or the inflation rate INVEST-H would work with the Consultant towards a satisfactory Activity implementation.

- 34. Page 66, Section 5, Contract Forms, GCC 3.6,** states requirements for worker’s compensation insurance.

Question: Please confirm that the Client will ensure that the Consultant is eligible for the USAID-preferred DBA insurance rate of 2%.

Answer: Please read answer to query 15.

- 35. Page 80, Section 5(n) International Travel and Air Transportation,** states that “except as USAID may otherwise agree in writing all travel costs must be consistent with those normally allowed innon-USAID-funded activities.”

Question: Please confirm that the USAID specific guidelines for Fly America shall not apply to the ACS Program.

Answer: Please read answer to query 18

36. Page 83, Section (r), Local Compensation Plan, is provided for use by the Consultant s in preparing reasonable local salary rates.

Question: This FSN scale apparently is from 2010 (as provided in MERCADO RFP) and is effectively 4 years old; please provide an updated FSN scale which will provide more reasonable estimated salary ranges.

Answer: Please refer to amendment 3.

37. Page 83, Section (r), Local Compensation Plan, is based on an exchange rate of Lps. 20,42 = \$1USD.

Question: Please confirm that this exchange rate between Lempiras and USD should be used uniformly to ensure fair and equal cost presentation and evaluation?

Answer: LCP has been updated and available in Amendment 3, Consultants shall present their proposal in US Dollars to ensure fair and equal cost presentation.

38. Page 92, Section 6, Output 1.1: Improved Agricultural Productivity, Second Input, Improve productivity and facilitate crop diversification through irrigation (All ZOI) states that: "USAID funds cannot be used for anything beyond light construction."

Question: Please confirm the amount of grant funding that will be provided with USAID funding and is limited to "Light Construction"

Answer: Confirmed

39. Page 101, Section 6. Terms of Reference, provision 4.3, "Relationship with other ACS Investors", states that the GOH has pledged \$40 million towards achieving ACS goals, of which \$10-15 million is committed to implement water access and healthy household elements of this contract."

Question: Please confirm that this reference to water access and healthy household elements are not referring to the anticipated activities under this RFP Grant mechanism.

Answer: Please read answer to query 21.

40. Thank you for distributing the "Answers 1" document for reference in preparing our proposal. Can you please confirm that if a Consultant is engaging sub-consultants to subcontract any part of the Services, but not as part of a Joint Venture, that sub-consultants are not required to present form TECH-2?

Answer: That is correct, as referred to answer No. 48 of the Answers and Clarifications No. 1.

41. We have a clarification request concerning Form TECH-10. For Form TECH-10, can we modify the layout of the form to make the relationship between activities and deliverables clearer?

Answer: No, you cannot modify, please, proceed as stated in the referred Form.

- 42.** Thank you for distributing the "Answers 1" document for reference in preparing our proposal. Can you please confirm that if a Consultant is engaging sub-consultants to subcontract any part of the Services, but not as part of a Joint Venture, that sub-consultants are not required to present form TECH-2?

Answer: Confirmed, please proceed as stated in answer No. 48 of the "Answers & Clarifications No. 1".