



Zambia Development Agency

TENDER NO. ZDA/ORD/004/2017

**TENDER FOR THE PROVISION OF
CONSULTANCY SERVICES IN DEBT
RESTURING FOR THE ZAMBIA EXPORT
DEVELOPMENT FUND (ZEDEF)**

Financing Agency: Zambia Development Agency

**Zambia Development Agency
Nasser Road
Privatization House
P.O. Box 30819
Lusaka
Zambia
Tel No. +260-211-220177**

September, 2017

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Section 1: Letter of Invitation

ZDA/ORD/004/2017: TENDER FOR THE PROVISION OF CONSULTANCY SERVICES IN DEBT RESTRUCTURING FOR THE ZAMBIA EXPORT DEVELOPMENT FUND (ZEDEF)

The Zambia Development Agency (ZDA) has provided funds under its budget and intends to apply part of the funds to engage a consultant to carry out a debt restructuring exercise for the Zambia Export Development Fund.

The Agency now invites credible consultants to submit proposals for the provision of consultancy services in debt restructuring for ZEDEF.

Objective of the Assignment

The overriding objective of engaging a debt restructuring consultant is to attain the following specific objectives:

1. To review the ZEDEF loan portfolio;
2. To review the ZEDEF non-performing loans for individual association members;
3. To develop a loan restructuring plan approved by ZEDEF; and
4. Debt Restructuring Plan successfully executed by the Consultant, effectively and successfully restructure all and total non-performing loans and recovered within the agreed time frame or at least 60% of the loans recovered.

Contract Duration

The contract will be for a period of six (6) months.

Interested eligible bidders may obtain further information from and inspect the Bidding Document at Zambia Development Agency Offices, Privatisation House on Nasser Road, Lusaka. The telephone numbers are +260-211-222858 or +260-211-237384. The Bidding Document can also be accessed on the Zambia Development Agency Website; <http://www.zda.org.zm>.

The bids must be appropriately bound; sealed and clearly bold labeled “**ZDA/ORD/004/2017 – Tender for the Provision of Consultancy Services in Debt Restructuring for ZEDEF**” and must be deposited in the Tender Box at the Zambia Development Agency Offices, ground floor, Privatisation House, Nasser Road, Lusaka on or before **Thursday 5th October, 2017 at 10:30 hours** local time.

Bids will be opened soon after closing on **Thursday, 5th October, 2017 at 10:30 hours local time** in the Boardroom on the 2nd Floor, Privatisation House, Nasser Road, Lusaka in the presence of bidders or their representatives who choose to attend. **LATE AND ELECTRONIC BIDS SHALL NOT BE ACCEPTED.**

Nyadiyondi C. Moyo
Manager – Procurement & Supplies
For/ Director General
nyadiyondi.moyo@zda.org.zm

Section 2. Instructions to Consultants

DATA SHEET

Name of the Client: Zambia Development Agency
Method of selection: Quality and Cost Based Selection (QCBS)
Financial Proposal to be submitted together with Technical Proposal: Yes
Name of the assignment is: Provision of consultancy services in debt restructuring for the Zambia Export Development Fund.
A pre-proposal conference will be held: No
The Client's representative is: Director – Export Development, Zambia Development Agency, Privatisation House., Nasser Road, and P.O. Box 30819, Lusaka.
Proposals must remain valid 90 days after the submission date.
Submit : Certificate of Registration with PACRA and valid Tax Clearance Certificate
Clarifications may be requested not later than 5 days before the submission date.
The address for requesting clarifications is: Manager – Procurement & Supplies Unit- Secretary Procurement Committee, Zambia Development Agency, P.O. Box 30819, Lusaka
Proposals shall be submitted in the following language: English
The format of the Technical Proposal to be submitted is: Full Technical Proposal (FTP)
Training is a specific component of this assignment: No
<ol style="list-style-type: none"> 1. Amounts payable by the Client to the Consultant under the contract to be subject to local taxation: No 2. If affirmative, the Client will reimburse the Consultant for any such taxes paid by the Consultant.
Consultant to state local cost in the national currency: Yes

Consultant must submit a total of **six (6)** copies of each proposal, 1 original and 5 copies and sealed in an outer envelope containing separately sealed **Technical** and **Financial** Proposals clearly marked “**TECHNICAL PROPOSAL**” and “**FINANCIAL PROPOSAL**” respectively.

The Proposal submission address is: The Director General, Zambia Development Agency, Privatisation House, Nasser Road, P. O Box 30819, Lusaka.

Proposals must be submitted no later than the following date and time: **Thursday, 5th October, 2017 at 10:30 hours local time**

Criteria, sub-criteria, and point system for the evaluation of Full Technical Proposals are:

Points

- | | |
|--|-------------|
| (i) Experience of the Consulting Firm relevant to the assignment (<i>Some indication of the magnitude of assignments undertaken in the recent past</i>): | [15] |
| (ii) Adequacy of the proposed methodology in responding to the Terms of Reference:
Technical approach and methodology | [50] |
| (iii) Personnel/staffing assigned to the assignment | [10] |
| (iv) Key professional staff qualifications assigned to the assignment
(provide curriculum vitae using the attached template) | |
| a) Team Leader | [15] |
| b) Other Consultant | [10] |
| Total points for criterion (iv): | [25] |

Total points for the four (4) criteria: **100**

The minimum technical score St required to pass is: **70 Points**

The single currency for price conversions is: **official exchange rate at time of tender opening**

The source of official selling rates is: **Bank of Zambia**

The date of exchange rates is: **Tender opening date Thursday, 5th October, 2017**. Technical Proposals shall be opened immediately thereafter in the presence of bidders' representatives.

The formula for determining the financial scores is the following:
 $S_f = 100 \times F_m / F$, in which S_f is the financial score, F_m is the lowest price and F the price of the proposal under consideration.

The weights given to the Technical and Financial Proposals are:
 $T = 0.8$, and
 $P = 0.2$

Expected date and address for contract negotiations: **TBA**

Expected date for commencement of consulting services: **TBA**

Section 3. Terms of Reference

1. BACKGROUND

The Zambia Export Development Fund (ZEDEF) is a Fund managed by the Zambia Development Agency (ZDA) on behalf of the National Authorising Office of the European Development Fund, Ministry of Finance. The fund, which currently has twelve (12) Producer Associations' beneficiaries, is a culmination of the conclusion of the second EU funded Export Development Programme (EDP) II which run for five years and was concluded on 31 December 2007.

The three (3) million Euros loan portfolio Fund was handed over to ZDA through the signing of two Memoranda of Understanding. The first memorandum was between the Delegation of the European Community in Zambia and the National Authorising Office (NAO) of the European Development Fund at the Ministry of Finance and National Planning, and the second one between the Zambia Development Agency and the Ministry of Finance and National Planning.

The overall objective of ZEDEF is to contribute to the expansion of Zambia's Non-Traditional Exports (NTEs) through provision of low interest loans to exporting and export ready companies. The EDP 2 loans were not secured with collateral while the ZEDEF loans were secured with physical collateral as well as personal guarantors.

The fund has however not grown due to high levels of default for both categories of loans without and with collateral under EDP2 and ZEDEF respectively. In order to recover the loans, a number of measures key among them foreclosures have been commenced in some instances. Therefore in order to comprehensively recover the loans, ZEDEF seeks to engage a loan restructuring expert to undertake a comprehensive loan recovery of all loans non-performing.

2. OVERALL OBJECTIVE OF THE EXERCISE

The main objective of engaging a loan restructuring Consultant is to ensure recovery of all or at least 60% of the non-performing ZEDEF loans within the agreed timeframe.

3. SPECIFIC OBJECTIVES

- 1) To review the ZEDEF loan portfolio;
- 2) To review the ZEDEF non-performing loans for individual association members;
- 3) To develop a loan restructuring plan approved by ZEDEF including:
- 4) Action plan developed for the restructuring of non-performing loans;
- 5) Determined maximum debt repayment capacity of the companies in short, medium and long-term perspective; and
- 6) Debt Restructuring Plan successfully executed by the Consultant, where all and total non-performing loans are effectively and successfully restructured and recovered within the agreed time frame or at least 60% of the loans recovered.

4. SCOPE OF SERVICES

The role and scope of works for the Consultant will include the following:

- a) Develop an Action plan – model, way, steps for restructuring and recovery of all ZEDEF non-performing loans for all individual members of producer associations;
- b) Determination of maximum debt repayment capacity of the companies in short, medium and long-term perspective;
- c) Recover all or at least 60% of the ZEDEF non-performing loans;
- d) To devise a monitoring and evaluation framework for the purpose of tracking the loan recovery efforts;
- e) To review the current loan procedures and operations manual to prevent future recovery challenges; and
- f) To provide advice/recommendations on the best credit practices and client selection and appraisal criteria.

5. REPORTS AND DELIVERABLES

1) Inception report

The **Inception Report** shall be submitted within thirty (30) days after the execution (signature) of the Consultancy Contract. The Inception Report will provide a management overview of the development of the Consultancy Contract and will address organizational and technical aspects of the Consultancy Contract implementation, including any anticipated problems, with recommendations for their solution. The Inception Report shall contain highlight of the first insights, identified by the Consultant and shall not be a sole repetition of the Consultant's views already provided with the Technical offer.

2) Interim report

The **Interim Report** shall be submitted three (3) months after the execution of the Consultancy Contract. The Inception report will include the following deliverables:

- **Elaborated Debt Restructuring Plan, including but not limited to:**
 - ✓ Action plan for an effective restructuring of non-performing loans;
 - ✓ Provide a summary of the techniques and approaches used to restructure loans (Observed and tested as part of the loan portfolio review) and identify potential credit Risk (if any) in the overall re-structuring process, highlighting the quality and depth of internal analysis made to assess repayment capacity of the borrowers post-restructuring; and
- M&E Framework for loan recoveries.

3) Final Report

Loan Restructuring Plan execution- Effective loan restructuring report

The **Effective Loan Restructuring Report** shall be submitted six (6) months after the execution of the Consultancy Contract or no later than four (4) months after the approval by the ZEDEF of the Loan Restructuring Plan. The Effective Loan Restructuring Report will **demonstrate the successful implementation of the Loan Restructuring Plan by the CONSULTANT**, with all or at least 60% of the non-performing loans portfolio recovered.

6. RESULTS TO BE ACHIEVED BY CONSULTANT

- 1) Elaborated, approved and successfully executed Debt Restructuring Plan with:
 - ✓ Successfully conducted negotiations with individual members of various producer associations on restructuring of existing loans and agreements with all the borrowers signed; and
 - ✓ Recovery of all or at least 60% the non-performing loans.

7. CONTRACT DURATION

The contract will be for the duration of six (6) months.

8. QUALIFICATIONS, COMPETENCIES AND EXPERIENCE REQUIRED

The Consultant shall propose a Team of experts (Key and Other Experts) with the necessary skills and experience, including, but not limited to the following:

- 1) Due Diligence investigation and assessment;
- 2) Allocation and evaluation of Assets and Liabilities;
- 3) Financial models for companies after restructuring;
- 4) Financial and economic (operation) modeling of current and future comprehensive income of companies;
- 5) Debt restructuring experience;
- 6) Experience in negotiations with existing borrowers throughout the debt portfolio review process;
- 7) Practicing certificate;
- 8) Proof of similar works done;
- 9) A minimum of at least 10 years professional experience;
- 10) Minimum Master's degree in a finance/economics or related field; and
- 11) Professional qualification such as ACCA, CIMA, ACA.

9. LANGUAGES

English will be used as the official language of reporting and communication.

10. RESULTS TO BE ACHIEVED BY CONSULTANT

Payments under the Consultancy Contract will follow timely submission and approval by the ZEDEF of the requested reports and deliverables. Below is the proposed payment schedule:

Task	% to be Paid	Duration
Inception report	10% Down Payment	Submitted within 30 days of signing of contract
Interim report	30% Payment	2 Months (from date of inception report)
Effective Loan Restructuring Plan execution report (with a minimum recovery of 50% of non-performing loans)	60% Payment	6 Months (4 months from date of interim report)

Section 4. Sample Forms

A - Consultant's Experience

[Using the format below, provide information on each assignment for which your firm, and each associate for this assignment, was legally contracted either individually as a corporate entity or as one of the major companies within an association, for carrying out consulting services similar to the ones requested under this assignment.]

Assignment name:	Approx. value of the contract (in current US\$ or Euro):
Country: Location within country:	Duration of assignment (months):
Name of Client:	Total N ^o of staff-months of the assignment:
Address:	Approx. value of the services provided by your firm under the contract (in current US\$ or Euro):
Start date (month/year): Completion date (month/year):	N ^o of professional staff-months provided by associated Consultants:
Name of associated Consultants, if any:	Name of senior professional staff of your firm involved and functions performed (indicate most significant profiles such as Project Director/Coordinator, Team Leader):
Narrative description of Project:	
Description of actual services provided by your staff within the assignment:	

C - Format of curriculum vitae (cv) for a proposed professional member of staff

Proposed position: ___

Name of firm: _____

Name of staff: _____

Profession: ___

Date of birth: .

Years with firm/entity: _____ Nationality: __

Membership in Professional Societies: _____

Detailed tasks assigned: _____

Key Qualifications:

[Give an outline of staff member's experience and training most pertinent to tasks on assignment. Describe degree of responsibility held by staff member on relevant previous assignments and give dates and locations. Use about half a page.]

Education:

[Summarize college/university and other specialized education of staff member, giving names of schools, dates attended, and degrees obtained. Use about one quarter of a page.]

Employment Record:

[Starting with the present position, list in reverse order every employment held. List all positions held by staff member since graduation, providing dates, names of employing organizations, titles of positions held, and locations of assignments. For experience over the last ten years, also provide types of activities performed and Purchasers' references, where appropriate. Use about two pages.]

Languages:

[For each language indicate proficiency: excellent, good, fair, or poor in speaking, reading, and writing.]

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this data correctly describes my qualifications, my experience, and myself.

_____ Date: _

[Signature of staff member and authorized representative of the firm] Day/Month/Year

Full name of staff member: _____

Full name of authorized representative: _____

<p>11. Detailed Tasks Assigned</p> <p><i>[List all tasks to be performed under this assignment]</i></p>	<p>12. Work Undertaken that Best Illustrates Capability to Handle the Tasks Assigned</p> <p><i>[Among the assignments in which the staff has been involved, indicate the following information for those assignments that best illustrate staff capability to handle the tasks listed under point 11.]</i></p> <p>Name of assignment or project: _____</p> <p>Year: _____</p> <p>Location: _____</p> <p>Client: _____</p> <p>Main project features: _____</p> <p>Positions held: _____</p> <p>Activities performed: _____</p>
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12. Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications, and my experience. I understand that any wilful misstatement described herein may lead to my disqualification or dismissal, if engaged.

_____ Date: _____
[Signature of staff member or authorized representative of the staff] *Day/Month/Year*

Full name of authorized representative: _____

D - Bid Form

Date: _____

IFB N°: ZDA/ORD/004/2017

To: [_____]

Gentlemen and/or Ladies:

Having examined the bidding documents including Addenda Nos. *[insert numbers]*, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to provide *[description of services]* in conformity with the said bidding documents for the sum of *[insert commission rates where applicable]* or such other sums as may be ascertained in accordance with the Schedule of Prices attached herewith and made part of this Bid.

We undertake, if our Bid is accepted, to provide services in accordance with the delivery schedule specified in the Schedule of Requirements.

If our Bid is accepted, we will obtain the guarantee of a bank in a sum equivalent to __N/A__ percent of the Contract Price for the due performance of the Contract, in the form prescribed by the Purchaser.

We agree to abide by this Bid for a period of *[90]* days from the date fixed for the Bid opening and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Until a formal Contract is prepared and executed, this Bid, together with your written acceptance thereof and your notification of award, shall constitute a binding Contract between us.

We understand that you are not bound to accept the lowest or any bid you may receive.

Dated this _____ day of _____ 20_____.

*[Signature]*_____
[in the capacity of]

Duly authorized to sign the Bid for and on behalf of _____

E. Form of Bid-Securing Declaration

Date: _____
Bid No.: ZDA/ORD/004/2017

To:

We, the undersigned, declare that:

We understand that, according to your conditions, bids must be supported by a Bid-Securing Declaration.

We accept that we will automatically be suspended from being eligible for bidding in any contract with Government for the period of time of _____ starting on _____, if we are in breach of our obligation(s) under the bid conditions, because we:

- (a) have withdrawn our Bid during the period of bid validity specified in the Letter of Bid; or
- (b) having been notified of the acceptance of our Bid by the Employer during the period of bid validity, (i) fail or refuse to execute the Contract, if required, or (ii) fail or refuse to furnish the Performance Security, in accordance with the ITB.

We understand this Bid-Securing Declaration shall expire if we are not the successful Bidder, upon the earlier of (i) our receipt of your notification to us of the name of the successful Bidder; or (ii) twenty-eight days after the expiration of our Bid.

Signed: _____

In the capacity of _____

Name: _____

Duly authorized to sign the bid for and on behalf of: [insert complete name of Bidder]

Dated on _____ day of _____, _____

Corporate Seal (where appropriate)