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**Local consultancy for the development of an SME Rating System–
Request for Proposal**

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A. INTRODUCTION

Business Center Corporation (BCC) is a state-owned enterprise (SOE) incorporated in 2017 to coordinate and oversee the management of regional business development service centers (BCs) established, by the Ministry of Economic Development, under the SME Act (6/2013).

The purpose of the Business Centers (BCs) is to contribute to the establishment of an enabling business environment to support inclusive economic growth by providing and building capacity for sustainable, demand-driven business development services and to facilitate market access which will serve the growth needs of the micro, small and medium-sized enterprise (MSME) sector in the Maldives.

B. PROJECT BACKGROUND

The Sustainable Economic Empowerment and Development for SMEs (SEEDS) project, with financial support of the Government of Japan, aims to provide economic rehabilitation in order to mitigate the negative impacts of the COVID-19 crisis in the Maldives. The project has the objective of increasing agriculture production and promoting food security through an approach of building entrepreneurship amongst farmers and creating a new generation of agri-businesses that are innovative, productive and practices environment-friendly agriculture. The project will also provide technical support and capacity to the Government of Maldives to conduct support services for MSMEs to adapt to the “new normal”.

The project will be implemented through partnership with the United Nations Development Programme (UNDP) in Maldives, the Ministry of Economic Development, Ministry of Fisheries, Marine Resources and Agriculture (MoFMRA), Agro National Corporation (AgroNat), Maldives Fund Management Corporation (MFMC), the Business Center Corporation (BCC) and Housing Development Corporation (HDC).

C. SCOPE OF WORK

Micro, Small and Medium Enterprises (MSMEs) plays a major role in the creation of jobs and in the economic growth. SME development is crucial for the national equity and prosperity given its strategic role in the economy. Limited access to finance due to the high information asymmetry between lenders and borrowers is one of the biggest challenges and constraints to the SME development. Quality information and reliable data are of paramount importance for the optimization of MSME’s access to finance. In order to address the issue of information asymmetry, BCC would like to engage services of a local consultant to develop an SME Rating System (SRS) for Maldives. Below are the key objectives of the SRS.

- Provide comprehensive and reliable information to stakeholders
- Facilitate the flow of funding from lenders
- Improve the market credibility and wider recognition
- Provide a self-benchmarking tool to improve the performance



Scope of work includes but not necessarily limited to the following.

- Desk review of similar systems globally
- Conduct consultative session with stakeholders
- Methodology – best fit for Maldives
- Eligibility criteria for the SMEs/MSMEs to be rated under SRS
- Indicators
 - Financial and non-financial
 - Quantitative and qualitative
- Analytical process (framework), verification process, approval process
- Rating Scale and Peer Benchmarking
- Required templates with SOPs
 - Data Entry
 - Data Analysis
 - Risk Assessment
 - Rating Report
 - Rating Certificate
- Develop System Requirements Specification of the SRS
- Develop TOR for the SRS system developer
- SRS business model
- Recommendation on the composition of Rating Approval Committee and a TOR for the committee
- Recommendation on revision(s) to relevant regulations and laws (if any)
- Stakeholder meetings where required
- Staff training on methodology and implementation of SRS

D. MINIMUM REQUIREMENTS

1. EDUCATION

The project team must consist of at least two members – this is to ensure that the project plan is executed within the timeframe. The team should be comprised of members that meet the below minimum academic requirements;

- A bachelor's degree in Computer Science or a related field

And

- A bachelor's degree in Mathematics / Statistics or
- A bachelor's degree in Econometrics / Quantitative Economics / Financial Economics
or
- A bachelor's degree in Mathematical Finance / Quantitative Finance



2. EXPERIENCE

In order to allow the maximum number of parties to apply for this consultancy, applications from both registered entities and non-registered qualified individuals will be accepted. However, in both cases, there must be a dedicated team consisting of minimum two members to carry out the consultancy.

I. Registered Entities (firms)

Firms have the following two options to evidence their work experience.

Option 1 – Firm Experience: The firm may demonstrate up to three years of cumulative work experience in economic research, finance, economic development, data analysis, financial/econometric modeling, software/system development or in a related field and/or, provide document evidence of similar work conducted.

Option 2 – Team Leader Experience: The team leader of the project from the firm may demonstrate up to three years of cumulative work experience in economic research, finance, economic development, data analysis, financial/econometric modeling, software/system development or in a related field; or the team leader must provide document evidence of similar work conducted.

In this case, the team leader must have worked in the firm for at least one year by the deadline of the bid submission.

II. Non-registered individuals or team

The team leader of the project may demonstrate up to three years of cumulative work experience in economic research, finance, economic development, data analysis, financial/econometric modeling, software/system development or in a related field; or the team leader must provide document evidence of similar work conducted.

The scoring method for experience is explained in Section G – Scoring Criteria.



E. DELIVERABLES

Setting the eligibility criteria for the SMEs/MSMEs to be rated under SRS
Desk Review
Methodology
Required indicators
Templates and SOPs
Analytical process (framework), verification process, approval process
Rating Scale and Peer Benchmarking
SRS business model
Recommendation on the composition of Rating Approval Committee and TOR
Develop System Requirements Specification of the SRS
TOR for the SRS developer
Recommendation on revision(s) to relevant regulations and laws (if any)
Stakeholder meetings where required
Staff training and consultancy (Trainings should be conducted within the contract period)

F. CONTRACT DURATION:

- The duration of the assignment is 60 calendar days. This **does not** include the buffer period(s) for discussions held with the corporation.

G. SELECTION CRITERIA:

Price	40%
Qualification(s)	20%
Experience	40%

Price: The lowest price will be set as the benchmark against which the remaining bid applications will be scored.

Qualification(s): Full marks will be awarded for the qualification if the team leader holds a bachelor’s degree or equivalent in a related field.

Experience: Marks will be awarded if the applicant can prove the successful completion of similar projects and/or has necessary experience to undertake the consultancy through reference letters and/or work portfolio. If the applicant has not had undertaken a similar contract work in the past, then similar work experience will also be considered. However, the work must involve undertaking similar research, report writing and/or data collection. The corporation may request additional documentation should it become necessary as part of evaluation.



H. DOCUMENTS REQUIRED:

- Bid Submission Form in *Appendix 1* – **must be password protected**
- Evidence of previous work – Mandatory
- Reference letter(s) – Mandatory (where necessary)
- Employment letter(s) – optional
- CVs of the project team – minimum two required
- Identification document(s) for the project team – for all team members

Refer down below and the checklist in Appendix 2 for more information.

I. Registered Entities (firms)

Option 1 – Firm Experience

Under this option, the firm must elect either (1) **duration** or (2) **reference letters** as evidence for work experience.

a. Duration (Method 1)

If the firm selects duration, then the firm must provide a self-declaration in form of a letter stating the below. The letter may be addressed to the procurement of this corporation.

- i. **Commencement date:** The firm may state the date they started work. We require this date because firm registration date and actual work start date might be different in some cases [no points awarded for this part but without this, the letter will not be accepted].
- ii. **Scale of the work:** the firm may explain whether they provide consultancy services for individuals, entities or government organizations [05 points].
- iii. **Scope of the work:** The firm may explain the type of work (e.g. economic research, data collection, surveying, tax consultancy, auditing etc....) they are engaged in with examples [05 points].
- iv. **Statement:** The firm may explain how their past and current scale of work and scope of work, and any projects they have been engaged in would help them complete this consultancy successfully. They may explain certain expertise, skills and strength of the firm when elaborating [05 points].

The total score will be adjusted on a pro rata basis to the total duration the firm experience. This score will be calculated using the below formula.



$$\text{Score for Experience} = \frac{\text{Points obtained}}{15} \times 40$$

b. Reference Letters (Method 2)

If the firm chooses this option, then each reference letter will receive a **maximum** of Ten points. Therefore, a reference letter may receive 5 or less than 5 points each for scope of work and scale of work. The following matrix will be used in awarding points to reference letters.

Scope of work	5 (max)
Scale of work	5 (max)
Referee contact details provided	must provide

Reference letters that do not provide referee contact details will **not** be accepted.

The maximum score for experience under this option is also 40 points. Firms will **not be** allowed the option to use both duration and reference letters as the work duration for the project(s) for which reference letters are also provided may be included in the duration (under duration method) for which the firm may have already claimed points. Hence it raises the possibility of double counting.

Option 2 – Team Leader Experience

Under this option, the firm must select either (1) **duration** or (2) **reference letters** or (3) **both** as evidence of work experience of the team leader. However, the firm **can only** opt for this option if the team leader has been working in the firm for **at least** 12 months. The firm will need to submit a letter confirming the employment period of the team leader with the firm, should the firm chooses option 2.

a. Duration – Job Experience (Method 3)

Under this method, the team leader must provide documents to prove their employment (past and/or current). They may provide **any** of the following documents to evidence this in the following order.

- i. Employer Reference Letter: The team leader may provide a reference letter from the employer stating the title, duration and the nature of the work (preferable) of the employee.
- ii. Job Contract and/or Terms of Reference (TOR): If for any reason, the team leader is unable to get a reference from their employer, the leader may provide their employment contract with the TOR attached (preferable), and also attach one of the following documents along with a self-declaration letter. The letter must include all the details that is



required for the self-declaration letter under ‘Option 1 – Firm Experience’.

- a. Pension Contribution Statement for the duration of the employment and/or;
- b. Most recent salary slip and/or;
- c. Recent bank statement showing salary received from the employer(s).

The above documents are required for the following reasons.

- a. To allow as many qualified teams to apply for this consultancy as much as possible.
- b. To not put qualified teams at a disadvantage for unfortunate reasons such as the above.
- c. To allow the corporation a method to conduct proper due diligence for the applications with limited document evidence due to various reasons.

The total score will be adjusted on a pro rata basis to the duration of the leader’s job experience using the formula provided under ‘Option 1 – Firm Experience’

b. Reference Letters (Method 4)

If the leader chooses this option, only points for experience letters will be counted. The maximum points allowed for experience will be 40. The same scoring matrix that is used for firm experience letters will be used under this method. Please refer the matrix that is provided for reference letter method under ‘Option 1 – Firm Experience’.

c. Both - Duration and Reference Letters (Method 5)

If the leader chooses this option, then the total points scored for (a) duration – job experience and (b) reference letters will be added together and capped at 40.

However, under this option, the leader will receive a maximum of 20 points for duration and 20 points for reference.

E.g. The team leader submits an acceptable one reference letter and evidence of two years work experience. Then the leader will receive a maximum of 20 points for the two-year experience instead of 26.66 (2 years / 3 years x 40 max), and five points for the reference letter.



II. Non-registered individuals or teams

The document evidence requirement for non-registered individuals or teams are detailed down below.

a. Duration – Job Experience (Method 6)

Under this method, the team leader must provide documents to prove their employment (past and/or current). They may provide **any** of the following documents to evidence this in the following order.

- iii. Employer Reference Letter: The team leader may provide a reference letter from the employer stating the title, duration and the nature of the work (preferable) of the employee.
- iv. Job Contract and/or Terms of Reference (TOR): If for any reason, the team leader is unable to get a reference from their employer, the leader may provide their employment contract with the TOR attached (preferable), and also attach one of the following documents along with a self-declaration letter. The letter must include all the details that is required for the self-declaration letter under ‘Option 1 – Firm Experience’.
 - a. Pension Contribution Statement for the duration of the employment and/or;
 - b. Most recent salary slip and/or;
 - c. Recent bank statement showing salary received from the employer(s).

The above documents are required for the following reasons.

- d. To allow as many qualified individuals to apply for this consultancy as much as possible.
- e. To not put qualified individuals at a disadvantage for unfortunate reasons such as the above.
- f. To allow the corporation a method to conduct proper due diligence for the individuals providing limited document evidence due to various reasons.

The total score will be adjusted on a pro rata basis to the duration of the leader’s job experience using the below formula.

$$\text{Score for Experience} = \frac{\text{Total Experience in days}}{(365 \text{ days} \times 3)} \times 40$$



b. Reference Letters (Method 7)

If the leader chooses this option, only points for experience letters will be counted. The maximum points allowed for experience will be 40. The below scoring matrix that is used for firm experience letters will be used under this method.

Scope of work	5 (max)
Scale of work	5 (max)
Referee contact details provided	must provide

Reference letters that do not provide referee contact details will **not** be accepted.

c. Both - Duration and Reference Letters (Method 8)

If the leader chooses this option, then the total points scored for (a) duration – job experience and (b) reference letters will be added together and capped at 40.

However, under this option, the leader will receive a maximum of 20 points for duration and 10 points for reference.

E.g. The team leader submits an acceptable one reference letter and evidence of two years work experience. Then the leader will receive a maximum of 20 points for the two-year experience instead of 26.66 (2 years / 3 years x 40 max), and five points for the reference letter.

I. DISQUALIFICATION

A bid submission is deemed disqualified or invalid if **any** of the following occurs.

- Bid Submission Form is not submitted.
- Document(s) to support the educational qualification is not submitted.
- CVs of minimum two members (leader must be one) are not submitted.

Note: If document evidence is not provided for the experience, the applicant will receive zero for experience.



K. PAYMENT

The selected consultant will be paid subject to any deductions upon the successful completion of the report.

-END-