Tender brief for consultancy services to develop Investment Materials, investment memorandum and associated financial model.

# Background

Reall is a UK-based international development organisation that is building an affordable homes movement which will improve the life chances of 100 million people in urban Africa and Asia by 2030. Reall’s strategy is to get affordable homes built at scale by targeting investments, generating ideas and championing evidence. This accelerates the flow of capital and the availability of end-user finance, leading to catalytic commercial, economic, and socially sustainable change. To date Reall’s main funders have been the UK government through FCDO (formerly DfiD) and the Swedish Government through SIDA. Further details of Reall our work and mission can be found at www.reall.net.

Reall’s core ambition is to prove that affordable housing for the bottom 40% of the income pyramid is a commercially viable proposition. To achieve our ambition, Reall plans to raise significant funding from DFIs and impact investors. Reall has held preliminary discussions with different potential investors and wishes to submit detailed investment proposals to these organisations by the end of the financial year. We are therefore looking to engage the services of an experience service provider to assist Reall in developing its investment proposition and facilitating access to capital for us to progress our mission.

The chosen service provider will work with Reall to develop a range of investment materials and a detailed financial model to support future investment. Having a comprehensive financial model that enhances Reall’s investment proposition is critical to ensure a successful fundraising programme. A financial model will also help progress ongoing discussions with our cornerstone funder SIDA.

# Purpose of the Consultancy

The purpose of this consultancy is to contract an organisation to assist Reall in developing its investment proposition and facilitating access to capital. In particular the service provider will work with Reall to:

1. Develop a comprehensive financial model that incorporates financial/cashflow statements
2. Draft relevant investment proposition materials (“pitchdeck”) to attract potential investors
3. Produce an investment memorandum targeted to third party investors.

# Deliverables and methodology

Reall requires that the selected organisation will work with Reall to develop the outputs listed below in a generic form that will provide Reall with templates and tools required. This will enable Reall to modify and adapt these materials to produce targeted proposals for a range of potential donors/investors. Reall will retain ownership of the direct relationship with the potential investors.

The selected organisation will deliver the following outputs:

| **Objective** | **Deliverables** | **Quantitative Measure/Standard** | **Qualitative Measure/ Standard** | **Target date** |
| --- | --- | --- | --- | --- |
| 1. **Financial Model:** (i) Work with Reall team to develop a multi-year financial and impact forecasts consistent with corporate strategy and plan and Reall capital requirements.   (ii) develop capital structure and terms for fundraising against business forecasts | Excel-based financial model with appropriate financial forecasts  Initial investment structure with relevant investment vehicles & indicative terms for each option  The model should be capable of being maintained by Reall on an ongoing basis. | Financial & impact inputs / outputs over 5 - year and 10-year periods  Defined investment vehicles with terms | N/A | 04th Dec 2020 |
| 1. **Develop high level financial templates based**   **on key financial and risk assumptions** | High-level strategy and related high-level financials and cashflow statements | Financial inputs and outputs over 5 - year and 10 -year periods | N/A | 04th Dec 2020 |
| 1. **Create an Excel-based scenario planning tool for financial risks** | Integrated scenario tool incorporated in |  |  | 04th Dec 2020 |
| 1. **Develop appropriate marketing materials for investors** | Draft Investment Memorandum and PowerPoint Presentation; Factsheet templates that can be modified based on target donor / Q&A; other materials as required |  | Marketing materials are in place and able to be circulated | 19th Dec 2020 |

# Timeframe

The timeframe for delivery of this consultancy/work assignment is the period of 30th October 2020 to 18th December 2020 with the project milestones below agreed.

|  |  |
| --- | --- |
| Undertake proposal evaluation and complete agreement with selected provider | 30th October 2020 |
| Validate methodology and workings, current portfolio data (financial terms, repayment schedule, investment amounts) | 06th November 2020 |
| Validate and document all key financial assumptions, including interest rates, financial structure, FX, excepted ROI for Reall, partner organisations and potential investors | 13th November 2020 |
| Review and agree most appropriate financial structures with specific scenarios in line feedback with Reall model, strategy and preliminary from potential investors | 13th November 2020 |
| Draft Excel financial model templates/reporting formats, glossary and summarised model structure completed ***(mid-point review)*** | 27th November 2020 |
| Updated financial model templates/formats with latest information, incorporating feedback from lawyers included investment structure. | 04th December 2020 |
| Review of marketing materials: fact sheet, structure and contents for Investment memo, investment proposal templates | 04th December 2020 |
| Final review and feedback on completed financial model information, templates, model structure and operating manual | 11th December 2020 |
| Reall Financial Model and supporting marketing materials | 18th December 2020 |

# Qualifications

The successful advisors will have:

* Experience of capital raising in emerging markets.
* Experience of raising capital to enable delivery of scalable social impact.
* Experience of DFIs and their investment processes.
* Strong Financial Modelling capability.
* Ability to develop high quality investment ‘pitch’ materials.

# Budget

The tender response should provide a fixed all-inclusive fee (excluding VAT) for the deliverables set out in section C of this tender document together with proposed rates for future advisory services for additional tasks to be undertaken after completion of the deliverables set out in section C above. The proposed budget for the work should show an estimated number of days itemised against each deliverable (likely broken down into sub-deliverables for clarity); a total cost. If the proposal consists of more than one consultant, then separate costs should be listed for each individual.

# Form of Response

Responses should by in MS Word or pdf format and should be no longer than 5 sides of A4 (excluding a cover page). Tender responses should be sent to Carol-Jean Chinya at [carol-jean.chinya@reall.net](mailto:carol-jean.chinya@reall.net) by no later than 5pm on Monday 26th October 2020. Responses sent after this time will not be opened.

Tender responses should include the following information:

* + Detailed understanding of the main aspects of the task.
  + A work plan and timetable demonstrating your ability to meet our required timescales.
  + Details of your and/or your organisation’s experience in delivering similar pieces of work (including the names of past clients).
  + References for similar work.
  + A proposed all-inclusive fee (excluding VAT) for the completion of the work as set out in section F above, showing daily rates of staff, their expected number of workdays and details of any other expenses.
  + Declaration that you/ your organisation has the capacity and resources to deliver the contract as set out in the tender brief.
  + Declaration that you/ your organisation embraces non-exploitation and respect for human rights and working conditions\*.

Please direct any questions regarding the tender brief content or process to Carol-Jean Chinya at [carol-jean.chinya@reall.net](mailto:carol-jean.chinya@reall.net). You should not contact other Reall personnel unless directed to do so by Carol-Jean. Reall reserves the right to disqualify and reject proposals from suppliers who do not comply with these guidelines. All questions should be submitted in writing either by post or to the email address above by 9am on Friday 16th October and an FAQ document will be sent out to all the applicants on Tuesday 20th October. No further questions may be submitted past this date and any questions submitted after this date will not be included in the FAQ document.

Only communications made to our named representatives will be taken into account during the pre-contract tender period.

As part of this tender process Reall makes no obligations in any way to:

* pay any vendor for any Tender response; or
* award the contract with the lowest or any bidder; or
* accept any invitation to tender information received from vendors; or
* include vendors responding to this Tender, in any future invitation; or
* any other commitment to vendors whatsoever.

Please note that all proposals will be rejected, and contracts terminated, where the tenderer or candidate has been found to engage in corrupt, fraudulent, collusive, or coercive practices.