



REPUBLIKA E SHQIPËRISË
MINISTRIA E FINANCAVE
DHE EKONOMISË

Approved by:

MINISTER

Anila Denaj

Request for Proposal

July 28th, 2021

Contacts

Ministry of Finance and Economy of Albania
“Dëshmorët e Kombit” Boulevard, No. 3; Tirana, Albania

For the attention of:

Mrs. Adela Xhemali

Director of Borrowing

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Any question related to this RfP should be addressed to Mrs. Adela Xhemali

Request for proposals*

We are pleased to invite you to submit a written proposal to act as a financial consultant for state debt management.

I. Context and objectives

Given the sensitivity of financial markets due to internal and external factors, the Ministry of Finance and Economy intends to receive financial advisory services related to public debt management, in order to provide the necessary borrowing funds, risk assessment and its cost, medium and long term, as well as the development of the government securities market, increasing its instruments and expanding the investor base. The value of the limit fund is 81 768 000.00 ALL, without VAT.

II. Services provided

The selected Financial Advisor will be responsible for providing, on behalf of the Republic, the following services:

A. Sovereign financing

Credit story and rating advisory in the context of a Eurobond issuance

Rating situation assessment

- i. Analysis of Albania's rating perception with S&P and Moody's through an in-depth criteria review and analysis of relevant sovereign peers;

Rating strategy definition and implementation

- i. Build a strong credit narrative and credit story for Albania, consistent with the government's economic strategy and recent policy developments;
- ii. Assist the Albanian authorities in the preparation of S&P and Moody's questions regarding the Eurobond issuance, ensuring agency analysts speak with briefed interlocutors best positioned to enhance agency perceptions, and reviewing reports;
- iii. Ensure all key messages have been sufficiently argued and conveyed, are understood by agencies and are being factored in the rating decision;

* This Request For Proposal ("RfP"), which is issued by Albania, represented by the Minister of Finance and Economy of Albania acting upon instructions of the **Decree of Cabinet** of Ministers of Albania No: 311 date: 27.05.2021, is for the exclusive use of the persons to whom it is addressed in connection with the Offering (as defined herein).

B. Financing advisory

- i. Debt management: prepare recommendations on the financing strategy to be implemented in the short and medium term, to ensure an optimal diversification and pricing for Albania, including optimal split between external and domestic debt, new instruments to be targeted in various currencies and lenders to be approached;
- ii. Map relevant issuance options for the considered instrument (nominal, currency, maturity, coupon,) within the framework of a debt sustainability analysis;
- iii. Identify solutions to mitigate the negative cost of carry attached to the prefunding of Albania's 2021-2022 financing needs;
- iv. Analyze risks and rewards attached to a proactive liability management exercise on existing Eurobonds;
- v. Eurobond transaction: assist the Ministry of Finance and Economy during the preparatory phase and advise on instruments structuring (terms and conditions and negotiations with book-runners) and during the execution of the transactions (including during pricing and allocation phases);
- vi. Depending on market conditions, identify, structure and implement alternative financing solutions should the Eurobond market not make up to the Ministry of Finance's funding needs;
- vii. Advise on potential swap agreements (interest rate and currency swaps) to minimize currency and credit risk, enhance Albania's access to international capital markets and optimize Albania's debt profile;
- viii. In preparation of the roadshow, assess the current risk perceptions of Albania from key financial investors, and identify government measures or communication needed to address any negative perception;
- ix. In preparation of the roadshow, assist Albania in the identification and approach of key financial investors and expand its international investor base.

III- Place and frequency of services

Place of performance of services, object of the contract: the financial advisor will assist Ministry of Finance and Economy, specifically the General Directorate of Public Debt and Foreign Aid Coordination, and anywhere else necessary, whenever and as often as the Ministry of Finance and Economy requests consultancy service regarding Public Debt Management.

Duration of the contract or time limit for completion: 12 months starting from the date of signing the contract.

IV- Proposal Content

A. The technical proposal includes:

- a. A detailed description of the proposed services and the methodology, which contains all the required information by this Terms of Reference document and which is sufficient for the Ministry of Finance and Economy, in order to stipulate if the proposed services meet the requirements specified herein;
- b. The Team including the description of the full team and Curriculum Vitae of Main Personnel;
- c. Graphic of Execution;
- d. Alternative technical proposal, if permissible;
- e. Conflicts of Interest: State any conflict of interests your company may encounter during the assignment;
- f. To ensure the offer in the amount of 2% of the contract limit fund;
- g. Miscellaneous (please add any other element you deem relevant).

B. Financial Proposal:

The technical proposal should be submitted along with a financial proposal (the “financial proposal”). All proposed prices shall be fixed and not subject to review. The Candidate must submit:

- a. The fee of the working time for a month for each person;
- b. Summary of direct and indirect costs and expenses, including taxes, fees, licenses, insurance and other costs associated with performing the Services;
- c. The total price without VAT proposal, and the amount of VAT if applicable.
- d. Any other information which additionally may be required by the Ministry of Finance and Economy.

V- Eligibility/qualification criteria

Selection criteria:

The criteria for selecting the winner are determined according to point 11 of Decree of Council of Ministers no. 311, dated 27.05.2021.

Regarding the importance:

Evaluation Criteria

Points

- | | |
|---|-------------|
| <i>(a) Bidder's experience in providing similar services:</i> | <i>[35]</i> |
| <i>(b) Capacity to provide the required service</i> | <i>[50]</i> |
| <i>(c) Economic Offer</i> | <i>[15]</i> |

The evaluation of Proposals (Bids) is performed taking into account specifically the following criteria:

Evaluation Criteria	Points
1. Similar works experience of the Consultant	[35]
Sub-Criteria	
a) Experience for similar works	[40-80%]
Bidders shall be evaluated according to successful contracts similar to the object of this commitment.	
b) Economic Capacity and Quality Standard Certificates	[10-20%]
Bidders shall be evaluated according to the economic capacity and the quality standard certificates presented in the offer.	

In any case, the members of the evaluation commission must individually argue and document the way of scoring, according to the above sub-criteria.

2. Proposed Methodology	[50]
Sub-Criteria	
a) Technical approach and methodology	[20-30%]
b) Work Plan and Project Submission Schedule	[30-40%]
c) Staff Organization	[20-30%]
a) Technical Approach and Methodology: The consultant should explain that he has understood the objectives of the task given in the Terms of Reference, the technical approach, the methodology to carry out the various activities taking advantage of the expected results and the degree of detail of these results. The consultant should present the main problems and their importance and explain the technical approach that will be adopted for their solution. The Consultant shall explain the methodology he proposes to adopt and to present the compatibility of these methodologies with the proposed approach (the consultant in this case shall not repeat/copy the RfP).	
b) Work Plan and Project Submission Schedule: The Consultant shall propose the main activities of the assignment, the content and duration of the project submission, the stages and the interconnection between them, the stages for the submission of reports and the project. The proposed work plan must comply with the technical approach and methodology, indicating that the requirements of the Terms of Reference have been reflected in a concrete work plan. It should also demonstrate the ability to transform the requirements of the RfP into a concrete work plan.	
c) Staff Organization: The consultant should describe the composition and structure of his team, the list of key experts, supporting staff, CV of the Company and of the economic-administrative staff.	

In any case, the members of the evaluation commission must individually argue and document the way of scoring, according to the above sub-criteria.

3. Economic Proposal

[15]

The evaluation of Economic Proposals is made according to the following formula:

Pe- Points for Economic Proposal

P₁- The Lowest Offered Price

P – The consequent bidding price (*starting from the lowest price*)

$$P_e = 100 \times P_1 / P$$

(the lowest price = maximal points for the economic proposal)

Final Evaluation

The points for Technical and Financial Proposals according to weights are given hereunder:

Weight for bidder's experience in providing similar services: X = (points x 0.35)

Weight for capacity to provide the required service: Y = (points x 0.5)

Weight for Economic Offer: Z = (points x 0.15)

The best bid will be by combining the points of technical and economic proposal. The calculation formula is as follows:

$$\text{The best bid} = X + Y + Z$$

The Economic Operators that has received more points during the calculation of proposals will be invited for negotiations and entering the contract.

VI- Submission process

The sealed envelope must be submitted in the protocol of the Ministry of Finance and Economy closed and non-transparent:

Signed and with this notes:

- address;
- Note: "Proposal for Financial Consultancy"
- date and time of opening the envelope;
- name of the Bidder;

Both languages English or Albanian will be accepted for The Offer sent to Ministry of Finance and Economy of Albania.

The envelope must be sent to the Ministry of Finance and Economy by **August 17th, 2021, 14:00 PM, Tirana time**. The Ministry of Finance and Economy reserves the right to reject any proposal that has not been received so far.

Proposals will be opened by the bid evaluation commission on August 17th, 2021, 14:00 PM.

VII- Conflicts of interest

The Financial Consultant must commit, throughout the mission, to provide professional, objective and impartial advice and to preserve, at all times and in all circumstances, the interests of the Republic of Albania. The Financial Consultant must avoid situations of conflict of interest with other missions or interests.

VIII- Confidentiality

The documents and data that will be sent by you to the Ministry of Finance and Economy will be considered confidential and will not be transmitted to third parties.

IX- Other Information

This request for proposals is not a commitment on the part of Ministry of Finance and Economy to accept proposals. The Ministry of Finance and Economy reserves the right to accept or reject any and all proposals, to negotiate modifications of proposals submitted, and to waive any irregularities or informalities in any proposal.

Subsequent to receipt of proposals, the Ministry of Finance and Economy may require the candidate to make oral presentations or to respond to telephone calls to clarify its proposal. Discussions and interviews may be held with candidates under final consideration prior to making a selection for award; however, proposals may be accepted without such presentations or discussions.

No costs associated with responding to this Request for Proposal or attending Interviews will be reimbursed.

After the finalist is selected, the Ministry of Finance and Economy will negotiate an agreement that will be in the Republic of Albania's best interest. The agreement will cover all aspects of the proposal described herein.