

Procurement Summary and Assessment of Proposals for the Regional Implementation Team for the Wallacea Biodiversity Hotspot

1. Summary of the Solicitation Process

The solicitation process for the Regional Implementation Team (RIT) for Wallacea has followed the timeline below.

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| 10 June 2014 | CEPF Secretariat formally submits final version of <i>Ecosystem Profile for the Wallacea Biodiversity Hotspot</i> to the CEPF Donor Council for no-objection approval. |
| 20 June 2014 | CEPF Secretariat releases a call for Expression of Interests (EoIs) for the RIT. The announcement is placed on the CEPF website and sent directly to the over 300 individuals and organizations that participated in the profiling process. At the same time as the release of this call, the Secretariat posts the draft Profile and draft terms of reference for the RIT on the CEPF website. |
| 24 June 2014 | Secretariat presents Ecosystem Profile at Donor Council meeting in Washington, D.C. |
| 15 July 2014 | End of no-objection period for Ecosystem Profile. |
| 15 July 2014 | Grant Director Daniel Rothberg holds an open-line conference call to explain to interested parties the difference between being the RIT versus a typical project grantee and to elaborate on what CEPF seeks from a successful RIT. Representatives from seven organizations in Indonesia and Australia participate in the conference call. A recording of this call is posted to the CEPF website. |
| 17 July 2014 | Closing date for EoIs. Seventeen organizations submit EoIs. |
| 18 July 2014 | Opening date of Request for Proposals (RfP). CEPF sends the RfP directly to the seventeen qualified organizations and posts the same to the CEPF website. The RfP lists the seventeen qualified organizations and states that CEPF will only accept proposals from these; however, those organizations are free to form bidding consortia with other groups not listed. The maximum value of proposals is listed in the RfP at \$1,500,000. |
| 11 August 2014 | Grant Director Daniel Rothberg holds an open-line conference call to elaborate on the RfP and terms of reference. Representatives from four of the qualified organizations participate in the conference call. A recording of this call is posted to the CEPF website. |
| 29 August 2014 | Closing date for RfP. Five organizations submit proposals by the deadline. |
1. Burung Indonesia (based in Bogor, West Java)

2. Yayasan Keanekaragaman Hayati Indonesia (KEHATI), the Indonesian Biodiversity Foundation (based in Jakarta)
3. Yayasan Samdhana (based in Bogor, West Java) and, in a subordinate relationship, the Rare Center for Tropical Conservation (based in Arlington, Virginia, USA)
4. Center for Environmental Research, State University of Papua (based in Monokwari, West Papua)
5. Operation Wallacea Trust (based in Bogor, West Java)

CEPF maintains full electronic copies of these proposals in its Grants Management Unit “e-room.”

2. Exclusion of Non-Responsive Proposal

The RfP includes clear terms of reference for the RIT, instructions for the preparation of proposals, and evaluation criteria. The proposal from Operation Wallacea Trust, with a title of “Integrated Conservation Actions to Protect Buton Island Biodiversity,” in no way responds to any of these items. Operation Wallacea Trust requests \$1,500,000 to conduct a 4.5-year integrated conservation and development project on Buton Island in the province of Southeast Sulawesi. For the purposes of the RIT selection process, the Operation Wallacea Trust proposal is not responsive to the terms of reference or RfP and will receive no further consideration. The Secretariat will write to this organization thanking them for their interest in CEPF and suggesting that they wait until the RIT is appointed, which will then engage them in discussions of a project appropriate for CEPF funding.

3. Evaluation Committee and Process

The four remaining proposals were evaluated by three members of the Secretariat.

- John de Wet, Vice President for Finance and Operations, Ecosystem Finance and Markets, Conservation International
- Nina Marshall, Managing Director, CEPF
- Daniel Rothberg, Grant Director, CEPF

The three reviewers evaluated proposals per Section 15 of the RfP, Evaluation Criteria. Reviewers worked independently and assigned their own scores, then met to compare scores and ensure common understanding of the proposals per the seven individual ranking categories:

<u>Category</u>	<u>Points</u>
1. Organizational Experience – Technical	5
2. Organizational Experience – Management	15
3. Personnel	30
4. Understanding of the Ecosystem Profile	5
5. Proposed Technical Approach	15
6. Proposed Management Approach	25
7. Budget	5

CEPF maintains full electronic copies of the individual evaluators scoring sheets in its Grants Management Unit “e-room.”

4. Average Score by Category

The table below shows, for each category, the average score of the three evaluators. The proposal from the State University of Papua, while responsive to the RfP, does not meet any standard for award. The proposals from Samdhana/Rare and KEHATI are scored closely enough that it is difficult to say one is definitively better than the other: both offer significant strengths and both have significant weaknesses. By category, Burung Indonesia has the highest or second highest score in all cases, and the best overall proposal.

Table 1. Average Score by Category

Category	Burung Indonesia	KEHATI	Samdhana/Rare	Papua University
1. Organizational Experience – Technical	4.7	4.0	4.3	0.7
2. Organizational Experience – Management	12.0	13.7	11.7	1.7
3. Personnel	23.7	20.3	22.0	3.0
4. Understanding of the Ecosystem Profile	4.3	3.2	4.3	0.3
5. Proposed Technical Approach	12.3	11.0	13.2	0.0
6. Proposed Management Approach	22.0	21.0	18.3	0.0
7. Budget	4.7	3.0	3.3	0.3
Overall Ranking	83.7	76.2	77.2	6.0

5. Detailed Evaluation by Category

Criterion 1. Organizational Experience – Technical

Evaluators found all four proponents to have organizational missions that broadly align with the objectives outlined in the Ecosystem Profile. Thus, to distinguish between the four, evaluators used the remaining two subordinate criteria listed in Section 15.1 of the RfP, judging the proponents based on their past experience implementing conservation and development programs and working with potential grantees and other stakeholders.

- **Burung Indonesia** and **Samdhana/Rare** are equally qualified technically, although by different measures. Burung Indonesia has excellent experience in applied conservation science and in its understanding of key biodiversity areas, whereas the Samdhana consortium is better at organizational capacity building, particularly at a grassroots level. Neither has extensive experience working with the private sector or promotion of livelihood activities.
- **KEHATI** has limited direct experience in the technical fields described in the Ecosystem Profile. While it has links with the private sector and government agencies, these qualifications are of less significance in a grants program that requires the RIT to closely guide the development of a portfolio to meet specific biophysical goals while mentoring many small organizations.
- **The State University of Papua** only presents experience in academic research and applied research, typically for government entities. It offers little or no experience working with civil society, creation of integrated grant portfolios, or engagement of the private sector.

Criterion 2. Organizational Experience – Management

Evaluators used the four subordinate criteria listed in Section 15.2 of the RfP, judging the proponents based on their administrative, financial, and monitoring systems; experience managing programs of similar size, scale, and complexity as the RIT; and experience directly managing small grants programs.

- **KEHATI** distinguishes itself as being the ongoing manager of over \$58 million in grant funds for activities in Sumatra and Kalimantan. The money is sourced through a debt-for-nature swap between the United States and Indonesia under the Tropical Forest Conservation Act. The core operation of KEHATI is soliciting proposals, awarding grant agreements, and disbursing grant funds to Indonesian organizations. KEHATI has a large physical presence with robust operations in Jakarta.
- **Burung Indonesia** has implemented projects of similar size, scale, and complexity – namely, long term conservation and protected area management projects in South Sumatra, Sumba, and Sulawesi – and consequently has robust administrative and financial systems to manage work efforts and cash flow similar to what CEPF will require. The total value of the CEPF project would lead to a 30 percent increase in revenue over the past year, an amount of growth that the organization should be able to handle. Burung has a large physical presence with robust operations in Bogor, about 100 kilometers from Jakarta, along with long-standing offices in four locations in the hotspot: Flores, Sumba, Sulawesi, and Maluku.
- In the **Samdhana/Rare** partnership, Rare is only providing technical expertise and has no management role. Thus, evaluators considered only the management experience of Samdhana. Samdhana has managed field-based projects, technical assistance projects, and evaluation efforts, often as a subordinate partner on a larger effort or as the direct implementer of a grant for which it applied. It has worked with multiple small and indigenous organizations as a capacity-builder and mentor, but never led a program of scope similar to CEPF. It has sufficient financial and administrative systems, but does not rank as highly as Burung Indonesia or KEHATI because it has a disaggregated office and staffing structure, with personnel working from small offices in Bogor, Bali, and West Papua.
- **The State University of Papua** presents no experience of any type per this criterion. Reviewers can infer that a public university will have certain financial and administrative systems, but the university has no presence in the hotspot, none in Jakarta, and has never managed a grants program or long-term conservation project.

Criterion 3. Personnel

Evaluators used the five subordinate criteria listed in Section 15.3 of the RfP, judging the proponents based on the overall staffing plan, the individual and combined skills of named candidates (as supported by resumes), the plan for recruitment of “to be determined” candidates, and the organization’s ability to engage its other full-time personnel to fill vacant positions, as needed.

- **Burung Indonesia** proposes to integrate CEPF into its ongoing operations. As such, it proposes a core team of six full-time personnel to be based from its headquarters in Bogor (West Java) and Gorontalo (North Sulawesi), along with sixteen other positions of various specified level of

effort. Part-time personnel are based in Bogor, Gorontalo, Sumba, Flores, and Maluku. Overall, it is a comprehensive team of people with skills in program management, conservation science, communications, monitoring, administration, and finance. The primary concern is that Burung Indonesia has not yet recruited a team leader, arguing that it cannot do so absent a signed agreement. Instead, it proposes the current head of its conservation and development unit to fill the role of team leader until they can recruit a replacement. This interim team leader has excellent qualifications as a conservation scientist and program manager. The proposal is greatly enhanced by the inclusion of clear scopes of work for each position that are similarly reflected in the budget; however, the team may function better with a reduced number of part-time personnel.

- **Samdhana/Rare** names a core team of four, none of whom are proposed to work full-time: the team leader (the current executive director of Samdhana, who the proposal says will step down from that position if awarded the RIT agreement) to be based in Bali, a financial person based in Bogor, a financial person based in West Papua, and a monitoring and evaluation person based in Yogyakarta. The proposal also names nine part-time Indonesian and international technical experts. Overall, the team is well-qualified, but there are disconnects between the management approach, budget, and personnel plan (e.g., people named in the management approach do not appear elsewhere). Lack of full-time personnel is a concern. The team leader is excellent, but she is proposed at fifty percent time and there is concern that other duties with the organization (i.e., as executive director or former executive director) will detract from her value to CEPF.
- **KEHATI** names a team of four: a team leader, two project officers, and an administrator. The team leader and one of the project officers have long careers in the Indonesian Department of Forestry, while the other project officer has worked extensively as a technical advisor on projects funded by international donors. The resumes are distinctly lacking in evidence of building programs or working with civil society. Relating the proposed personnel to the technical approach, management approach, and budget, the deployment plan is one full-time and one part-time person in Jakarta, one full-time and one part-time person in Makassar, and an as-needed position in Dili. Surprisingly, there are no financial or operational people proposed, despite KEHATI's strength in that area.
- **The State University of Papua** presents a team leader who is a professor and researcher who has done consulting work and served on various scientific panels. He has no experience managing a program like this, no experience working with local organizations, no experience building organizational capacity, and very limited experience in Wallacea, itself. The other named personnel are also university lecturers and have even fewer relevant skills.

Criterion 4. Understanding of the Ecosystem Profile

Evaluators used the three subordinate criteria listed in Section 15.4 of the RfP, judging the proponents based on their understanding of what CEPF is seeking to accomplish in the region, the technical challenges of running a grants program, and the likelihood of the proponent being able to promulgate the goals of CEPF beyond the five-year period of investment.

- **Burung Indonesia** and **Samdhana/Rare** are equally qualified in their understanding of the profile, what CEPF wants to accomplish, and how this relates to their respective organizational

missions. Both reflect modest misunderstandings in how CEPF operates (e.g., about allocations of funding by strategic direction in the case of Burung Indonesia; about priority key biodiversity areas in the case of Samdhana/Rare), but these would be simple to address prior to award of the RIT.

- **KEHATI** reflects a literal understanding of the ecosystem profile, stating that they will make grants exactly per the strategic directions. They offer no nuance or organizational perspective on what the investment portfolio will accomplish as a whole.
- **The State University of Papua** repeats the Ecosystem Profile and attempts to fit them into a new strategy of “green” and “blue” villages. This is not something CEPF requested in the RfP and denies the stakeholder input from the profile process. The State University makes negligible mention of the different types of stakeholders in these regions or the challenges that face them as grantees. There is no discussion of how the State University will promulgate the goals of the Profile beyond the five years.

Criterion 5. Proposed Technical Approach

Evaluators used the six subordinate criteria listed in Section 15.5 of the RfP, judging the proponents based on their approach to running a grants program, including specifically responding to all the elements of the RIT Terms of Reference.

- **Samdhana/Rare** states that it will follow its “total approach” methodology of intensive capacity building and mentoring for grantees, solidified by a communications and networking plan. The proposal causes concern when it states that they will only recommend core grant awards to groups they have worked with in the past; that “new” grantees will only be eligible for small grants.
- **Burung Indonesia** offers a clear plan for conducting all the tasks in the Terms of Reference, including a geographic and technical plan for awarding of grants, a plan for capacity building, and a plan for monitoring and evaluation. There is limited discussion of engaging the private sector. The geographic and technical plan for grant award may betray unrealistic expectations about the number, scope and quality of proposals that it will receive.
- **KEHATI** offers a formulaic response to the terms of reference. It states that it will make awards in Sulawesi in the first year, the Lesser Sundas in the second year, and Maluku in the third year. This may lead to operational efficiency for the RIT, but will run contrary to the expectations of stakeholders in the region and offers limited opportunity for sharing of lessons between subregions.
- **The State University of Papua** does not respond directly to the Terms of Reference of the RIT in any way. They propose a budget of \$4,400,000, split between \$1,500,000 in management costs and \$3,900,000 in technical implementation, suggesting a fundamental misreading of the role of the RIT and how CEPF operates.

Criterion 6. Proposed Management Approach

Evaluators used the four subordinate criteria listed in Section 15.6 of the RfP, judging the proponents based on their proposed administrative, financial, and monitoring functions for overseeing grants awarded directly by CEPF (i.e., grants greater than \$20,000) and directly managing and disbursing small grants (i.e., grants less than \$20,000).

- **Burung Indonesia** proposes a clear plan to manage a grants program. Although it is not currently managing a program like CEPF, it discusses how it will adapt and grow its current systems to meet CEPF needs. The focus of the work effort will be in its existing headquarters in Bogor. Burung Indonesia will also make extensive use of its four existing offices in the hotspot, in Sumba, Flores, North Sulawesi, and Maluku.
- **KEHATI**, with its large ongoing grants program, will adapt its existing systems to meet CEPF needs. The focus of the work effort will be in its existing headquarters in Jakarta. If awarded the RIT agreement, KEHATI will open a new office in Makassar (South Sulawesi) so that a small technical team will be closer to grantees. KEHATI properly flags the challenges of an Indonesian organization making small grant awards to groups based in Timor-Leste.
- The **Samdhana/Rare** does not clearly state the managerial roles and responsibilities of the two organizations. Rather, based on the budget and staffing plan, the proposal evaluators understand that Rare will only provide short term technical assistance. Samdhana proposes to continue its current disaggregated operational style; namely, with a very small administrative and financial headquarters in Bogor, the team leader/executive director working from her home in Bali (far from Jakarta, albeit close to the hotspot), a monitoring and evaluation officer working from his home in Yogyakarta, a finance officer in West Papua, and various technical experts based overseas, in Jakarta, and in the hotspot. While Samdhana proposes to adapt and grow its current systems to meet CEPF needs, evaluators believe the current system, coupled with the proposed placement and limited time commitment of staff, to present significant risk to CEPF.
- **The State University of Papua** does not respond in any way to the Terms of Reference or evaluation criteria in the RfP.

Criterion 7. Budget

Evaluators used the six subordinate criteria listed in Section 15.7 of the RfP. As the RfP names a maximum budget of \$1,500,000, evaluators focused on clarity of presentation, symmetry between the budget and the technical proposal, transparency of unit costs, reasonableness of unit and total costs, and overall value, particularly as measured by total labor provided.

- **Burung Indonesia** provides a clear and detailed budget. It shows monthly salaries, daily salaries, numbers of months or days to be worked, and units and unit costs for all travel and other direct costs. The budget matches the proposed personnel section and technical approach. It is very easy to “read” the budget and understand how often people are traveling and for what purpose. Management support costs are proposed at four percent, within the CEPF limit of thirteen percent. The total cost is almost at \$1,500,000, as suggested in the RfP.

- **Samdhana/Rare** provides a budget with Samdhana costs at approximately \$570,000, inclusive of ten percent management costs, and Rare costs of approximately \$500,000, inclusive of 27.29 percent management costs. The combined budget is \$430,000 less than the allowable maximum. While this might be seen as offering better value to CEPF, the budget does not match the personnel plan or technical approach. Core personnel are proposed at fifty percent time or less, there are only 23 days of meals and incidental expenses per year (i.e., an indication of nominal time in the field), and a round number of \$50,000 for meetings and events, with no clear assumptions of what these entail. The Rare budget explicitly does not adhere to the requirements of the RfP, which asks for unit costs and transparent calculations, thus making it difficult to determine how much level of effort Rare will provide or determine the value it offers CEPF for its cost of \$500,000. Any positive value in the overall budget being \$430,000 under maximum cost is offset by the poor presentation and suggests that Samdhana/Rare do not understand the true costs of being the RIT.
- **KEHATI** provides a budget at almost \$1,500,000 inclusive of ten percent management costs. It also offers matching funds of \$90,911. The presentation explicitly does not adhere to the requirements of the RfP, which asks for unit costs and transparent calculations, thus making it difficult to understand the assumptions KEHATI has made or determine the value it offers CEPF. For example, evaluators cannot determine the number of trips, the duration of travel, the number of meetings, or the number of meeting participants. The poor presentation suggests that KEHATI does not understand the true costs of being the RIT.
- **The State University of Papua** provides two budgets, for \$1,500,000 and for \$3,900,000. Evaluators were forced to assume that the former budget represents what CEPF considers to be the RIT. The budget presents no unit costs and is impossible to relate to a management or technical approach, which are both lacking. The budget uses round numbers and estimates selected to add to the total amount prescribed in the RfP.

6. Evaluation Summary and Recommendation

The proposal from the State University of Papua does not meet the competitive range of the other three offers. Table 2 summarizes the principal strengths and weaknesses of the proposals from Burung Indonesia, KEHATI, and the Samdhana/Rare consortium. Based on this evaluation, the CEPF Secretariat ranks Burung Indonesia as offering the best overall value and possibility for success. The Secretariat suggests that the Working Group recommend Burung Indonesia to the Donor Council and for the Donor Council to select Burung Indonesia as the RIT for Wallacea.

If the Working Group recommends Burung Indonesia to the Donor Council, the Secretariat will engage in negotiations with Burung Indonesia. Specifically, the Secretariat will ask Burung Indonesia to make various revisions to its proposal prior to award. Principally, these would be consolidation of the large team of part-time personnel, progress toward the identification of “to be determined” candidates, a technical approach that allows for greater flexibility in the allocation of grants by sub-region, and elaboration on plans for engagement of the private sector.