



LAGOS STATE EMPLOYMENT TRUST FUND (LSETF)

and

UNITED STATES AFRICAN DEVELOPMENT FOUNDATION (USADF)

REQUEST FOR PROPOSALS

**For The Engagement of Hub Managers under the LSETF and USADF
Entrepreneurship (MSME) Hubs Project.**

LSETF/QBS/9/22

NOVEMBER 2022

Deadline for Submission: Friday 30th December 2022

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SECTION I – LETTER OF REQUEST FOR PROPOSALS
REQUEST FOR PROPOSALS FOR THE ENGAGEMENT OF HUB MANAGERS FOR THE
LSETF AND USADF BUSINESS HUB PROJECT

The Lagos State Employment Trust Fund “**LSETF**” was established by the Lagos State Employment Trust Fund Law in 2016 with the mandate to provide financial support to residents of Lagos State, for job and wealth creation, and to tackle unemployment. It was set up to promote entrepreneurship by improving access to finance, strengthening the institutional capacity of Micro, Small, and Medium enterprises (**MSMEs**), and providing access to technical and vocational training for the large number of youth to become employable.

The United States African Development Foundation “**USADF**” is an independent U.S. government agency established by the United States Congress to invest directly in African grassroots enterprises and social entrepreneurs by supporting African-owned enterprises to improve lives in poor and vulnerable communities in Africa. USADF supports and invests in African enterprises and entrepreneurs to foster community-based development in Africa in the areas of agriculture, off-grid energy, and women and youth businesses through grant proposal submissions. USADF responds to the need to further small enterprise development in underserved communities, drive community benefits through social enterprises, and establish sustainable development models, especially as they relate to youth and women-owned and managed enterprises in Africa.

LSETF in partnership with USADF is seeking to establish an Entrepreneurship (MSME) Hubs Programme, to support the creation of an enabling environment for entrepreneurs and MSMEs to thrive and create jobs.

LSETF and USADF now invite proposals from business organizations to provide business hub operation services “hereinafter referred to as “**Services**”

In this Request for Proposal “**RFP**” document, you will find detailed instructions relating to the submission of your proposal; **you are requested to strictly follow the instructions and provide the mandatory documents for your proposal to be considered for the Partner Pre-qualification exercise.**

Please submit your Proposal titled “**Proposal to LSETF and USADF to Provide Hub Operation Service**” no later than close of business (4:00 p.m. WAT) on **Friday 30th December, 2022** through <https://lsetf.ng/tenders>

Requests for clarification can be made to the below email addresses, on or before **Thursday 22nd December 2022:**

jesudunsin.olusanya@lsetf.ng
procurement@lsetf.ng

This RFP is solely for preparing and submitting a Proposal and confirmation of your ability to provide the required services. All information, both written and oral, which is obtained or provided in connection with this RFP is confidential.

Please note that the submission of a proposal does not guarantee engagement. Applicants selected to work with the LSETF and USADF will be notified via email, alongside necessary information to continue with the selection process.

Those not selected will also be notified via email; LSETF and USADF are under no obligation to disclose the reason for rejection.

LSETF is NDPR compliant. By submitting your information and documents to us, you are agreeing to the storage and usage of your data by LSETF, in accordance with LSETF's privacy policy.

*Yours truly,
Teju Abisoye
Executive
Secretary,
LSETF*

SECTION II – INSTRUCTIONS TO APPLICANTS

A. INTRODUCTION

<p>1. General</p>	<p>This RFP is issued for submission of a proposal to provide LSETF and USADF hub operation services.</p>
<p>2. Definitions</p>	<p>«Day» means calendar day;</p> <p>«LSETF» means the Lagos State Employment Trust Fund;</p> <p>«USADF» means the United States African Development Foundation;</p> <p>«Project Name» means “Proposal to Provide LSETF and USADF Hub Operation Services”;</p> <p>«Hub Manager» means “operating partner with technical and business expertise to manage the Hub”;</p> <p>«Proposal» means a proposal submitted by business operators, under this RFP;</p> <p>«RFP» means this Request for Proposal;</p> <p>«TOR» means the Terms of Reference, setting out the detailed scope of work required from the Hub Manager.</p>

B. REQUEST FOR PROPOSAL

<p>3. Contents of the Request for Proposal</p>	<p>3.1. This RFP describes the procedure, terms, qualifications, requirements, and conditions for the submission of a Proposal. This RFP consists of the following:</p> <ul style="list-style-type: none"> ❖ The Letter of Request for Proposal ❖ Instructions to Applicants ❖ The Terms of Reference ❖ Application Form <p>3.2. The potential Hub Manager shall examine the instructions, sample documents, and requirements provided in this RFP and adhere to all instructions and requirements herein, in submitting a Proposal.</p>
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<p>4. Amendment of RFP</p>	<p>4.1. At any time before the deadline for submission of Proposals, LSETF and USADF, may for any reason at its initiative or in response to a clarification requested by a potential Hub manager, modify the RFP.</p> <p>4.2. All potential Hub managers that have received/accessed the RFP will be notified in writing or by standard electronic means of any amendments to the RFP.</p> <p>4.3. In order to afford the potential Hub managers reasonable time in which to take the amendments into account in preparing their Proposals, following a request for clarification LSETF and USADF may, at their discretion, extend the deadline for submission of Proposals.</p>
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C. PREPARATION OF PROPOSAL

<p>5. Language</p>	<p>The Proposal and all related correspondence shall be in English.</p>
<p>6. Contents of Proposal</p>	<p>6.1. The Proposal shall comprise the Technical Proposal and the Financial Proposal.</p> <p>6.2. The Financial Proposal shall consist of the following documents:</p> <ul style="list-style-type: none"> ❖ A written letter signed by the authorized representative of the firm; and ❖ The detailed breakdown of the estimated cost i.e., a summary of cost and breakdown of prices, and the proposed contribution of the Hub manager. <p>6.3. The Technical Proposal shall consist of the following:</p> <ol style="list-style-type: none"> i. Business Model; ii. Market Analysis; iii. Stakeholders Engagement Plan; iv. Job Creation Potential; v. Risks and Mitigation Plan; vi. Sustainability Plan; vii. Communication and Sensitization Plan; viii. Monitoring and Evaluation Framework; <ul style="list-style-type: none"> ❖ The Profiles of the potential Hub manager, setting out its organizational structure, relevant experience (including successful outcomes with other clients), resource plan, and the proposed methodology, work plan, and team composition indicating the team leader, and other key experts. ❖ Any other information which the potential Hub manager reasonably believes is necessary, having reference to the contents of the TOR.

	<p>6.4 The Technical Proposal shall not contain any pricing information whatsoever. Pricing information should be separated and only contained in the Financial Proposal.</p> <p>6.5 Any information which the potential Hub manager considers confidential shall be clearly marked as such and shall be treated accordingly.</p>
<p>7. Currency of the Proposal</p>	<p>The prices in the Financial Proposal should be quoted in Naira. Payment will be budgeted and disbursed as Naira. The Financial proposal should be capped at 50,000,000.00</p>
<p>8. Validity of the Proposal</p>	<p>The validity period of this Proposal shall be 90 days.</p>
<p>9. Cost of Preparation of Proposal</p>	<p>The potential Hub manager shall bear all costs associated with the preparation and submission of its Proposal. LSETF and USADF shall in no case be responsible or liable for any costs associated with submitting Proposals, regardless of its conduct or the outcome of the Proposal. The LSETF and USADF reserve the right to annul the Proposal process at any time prior to awarding the contract, without thereby incurring any liability to the potential Hub manager.</p> <p>As a Lagos State Government owned institution, LSETF is bound by the following guidelines:</p> <p>Payment Structure: payment may only be made in tranches with a maximum initial fee of 40%.</p> <p>Deductibles: LSETF is required to deduct the following sums from the contract sum: 0.5% administrative fee to the LASG Public Procurement Agency; 0.25% contract fee to the LASG Ministry of Justice; 1% development levy to the LASG.</p>

D. SUBMISSION OF PROPOSAL

<p>10. Sealing and Marking of Proposal</p>	<p>10.1 The potential Hub manager shall place the Technical Proposal (and its supporting documents), and the Financial proposal (and its supporting documents) in separate documents, marked as such.</p> <p>10.2 The documents shall indicate the name and address of your organization, the name and address of LSETF and USADF, the Project Name, and the reference number of the Proposal as indicated in the Letter of Proposal.</p>
<p>Supporting documents</p>	<p>The mandatory documents to be submitted required are:</p> <ol style="list-style-type: none"> 1. Duly completed application form (template attached) 2. CVs of the management and technical personnel listed in the application form 3. Company incorporation certificate and all Corporate Affairs Commission documents, including the history of changes to the Company 4. Form of identification of the Directors/Partners (data page international passport preferably; if a passport is expired or will expire in 1-3 months, please provide it alongside another form of government-issued ID) 5. Organogram of the Company 6. Evidence of similar projects/ experience in the field 7. Audited financial statements for the last two years 8. Loan letter - if a loan is referenced in the financial statement, <i>include a note in a no-obligation letter acknowledging the loan, and confirming the start and end dates of the loan.</i> If not, indicate there are no outstanding loans to any entities. 9. Workplan 10. Financial proposal detailing budget breakdown 11. Evidence of registration with the LASG Public Procurement Agency for the year 2022 12. Lagos State Internal Revenue Service Tax Clearance certificate of the Directors 13. Compliance and Disclosure Statement 14. Sworn affidavit that all the information provided is true and conscientious.
<p>11. Deadline for the Submission of Proposal</p>	<p>11.1. Proposals must be received through the link specified above no later than close of business (4:00 p.m. WAT) on the 30th December 2022.</p> <p>11.2. Any Proposal received by LSETF and USADF after the deadline for the submission specified in paragraph 11.1 shall be returned unopened to the potential Hub manager.</p>

	<p>11.3. LSETF and USADF may, at their sole discretion, extend the deadline for the submission of Proposals by amending this RFP in accordance with the terms and conditions hereof.</p>
12. Clarifications	<p>12.1 A potential Hub manager requiring additional clarification of any part of this RFP, may notify the LSETF and USADF via the contact details provided above. The LSETF and USADF will respond in writing, or by standard electronic means to any request for clarification of the RFP that it receives no later than Thursday 22nd December 2022, and may send written copies of the response (including an explanation of the query but without identifying the source of inquiry) to all potential Hub managers. If LSETF and USADF deem it necessary to amend the RFP because of a clarification, they shall notify any potential Hub manager that has submitted a Proposal prior to such amendment.</p>
13. Modification/ Withdrawal of Proposal	<p>13.1. A potential Hub manager may withdraw its Proposal after the submission, provided that written notice of the withdrawal is received by LSETF and USADF prior to the deadline prescribed for submission of Proposals.</p> <p>13.2. No Proposal may be modified after the deadline for submission of Proposals without prior approval from the point of contact specified above.</p>

E. OPENING AND EVALUATION OF PROPOSAL

14. Opening of Proposals	<p>14.1 The LSETF and USADF Evaluation Committee shall only open Proposals after the submission deadline. The Technical Proposals shall be opened and evaluated before the opening of the Financial Proposals.</p>
15. Evaluation of Proposal	<p>15.1 The Evaluation Committee shall evaluate and compare the Proposals as follows:</p> <ul style="list-style-type: none"> ❖ Examination of the Technical Proposal to confirm conformity with specifications contained in the RFP and the substantial responsiveness of each Technical Proposal to the RFP. For this purpose, a substantially responsive Proposal conforms to all terms and

	<p>conditions of the RFP without material deviations. LSETF and USADF's determination of a Proposal's responsiveness is based on the contents of the Proposal itself without any recourse to extrinsic evidence.</p> <ul style="list-style-type: none"> ❖ Upon examination of the Technical Proposals, the Evaluation Committee shall select the Technical Proposals that are substantially responsive and examine the Financial Proposals submitted with such Technical Proposals. In examining the Financial Proposals, the Evaluation Committee shall verify any arithmetical errors. For example, if the Proposal in figures is different from the Proposal in words, the amount in words shall prevail. If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail, and the total price shall be corrected.
<p>16. Fraud and Corruption</p>	<p>16.1 LSETF and USADF and the potential Hub manager shall hold the highest ethical standards, both during the selection process and principle, and shall abstain at all times from corruption or fraudulent practices.</p> <p>Corruption and fraudulent practices are defined as follows:</p> <ul style="list-style-type: none"> a) "corrupt practice" means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the selection process. b) "fraudulent practice" means a misrepresentation or omission of facts in order to influence a selection process. c) "collusive practices" means a scheme or arrangement between two or more Firms with or without the knowledge of the LSETF and USADF, designed to establish prices at artificial, non-competitive levels; d) "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence the selection process or affect the execution of a training program. <p>16.2 LSETF and USADF shall reject a proposal for award if it determines that the potential Hub manager has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in applying for the proposal.</p>



SECTION III **TERMS OF REFERENCE**

Terms of Reference – Operating Partners for LSETF and USADF Entrepreneurship (MSME) Hubs Project

Assignment Title: Engagement of Hub manager to develop and run business parks/hubs in strategic locations in Lagos.

1. Introduction

- 1.1. These Terms of Reference (TOR) cover activity under the Lagos State Employment Trust Fund (LSETF) and USADF (United States African Development Foundation) multiple interventions to prepare Lagos State residents for entrepreneurship and employment opportunities through the acquisition of skills to get better jobs, tackle unemployment, and enable wealth creation.
- 1.2. This project feeds into the mandate of LSETF and USADF and seeks to establish systems that reduce/eliminate these barriers, allowing individual MSMEs to focus on honing their craft, serving their customers, and growing their business – consequently leading to increased job creation.
- 1.3. The purpose of this assignment is to engage a Hub Manager (an SME-level entrepreneur with a minimum of 5 years of verifiable track record of running similar business hub core services) to create and run new business parks/hubs in strategic areas in Lagos.

2. Background

- 2.1. Despite a large number of MSMEs in Lagos State (and Nigeria), the impact is yet to be fully felt as challenges and bottlenecks continue to plague the economy. This ranges from infrastructural deficits and semi-skilled manpower to inadequate funding – all leading to rising unemployment -of 33% in Q4 2021 (NBS).
- 2.2. A survey conducted by LSETF confirms that the biggest challenge for Micro businesses to start up, especially after skills acquisition, is access to capital or credit. In relation to credit, these types of businesses are usually disadvantaged as they typically do not possess the business activity history required to access capital from commercial banks.
- 2.3. With the onset of the Covid-19 pandemic, unemployment in Nigeria (and Lagos) reached all-time highs – 33.3% National and 37% for Lagos State. An explanation for this is the fact that MSMEs, arguably the largest creator of jobs, had to lay off staff (or hold off recruitment) in a bid to cope with the operational challenges of running their businesses – the high cost of power, high equipment costs, rental costs, access to credit, etc.
- 2.4. To address some of these challenges, LSETF and USADF seek to establish infrastructure and systems that reduce/eliminate these barriers, allowing



individual MSMEs to focus on honing their craft, serving their customers, and growing their business – consequently leading to increased and sustainable job creation.

- 2.5. The Hub Manager will be responsible for establishing physical locations, where businesses with similar product or service offerings are housed to form a strong synergic ecosystem that meets the needs of customers. Each hub will be equipped with critical infrastructure, tools, and equipment, including continuous learning and development resources required to produce its core product or provide its core service sustainably, and at scale.

LSETF and USADF intend to pilot this project with the following hubs:

1. Cleaning hub: Laundry, Industrial Cleaning, etc.
 2. Catering hub: Kitchens and Markets.
 3. Creative hub: Fashion, Hairdressing, Beauty, Media, etc.
- 2.6. A critical and unique selling point of the Hub structure will be its ability to serve as a training and business incubation Hub, especially for aspiring MSMEs. The Hub manager must be known in the ecosystem for promoting and building the enterprise ecosystem.
 - 2.7. By creating the Hub, MSMEs will be able to start up effectively with limited capital, equipment, and operating costs. In addition, using the Hubs will improve their chances of survival (through the incubation and acceleration aspect of the program, which includes training and mentoring), as well as being able to provide business activity history within 24 months to access capital from banks to expand their businesses.

3. Approach and Activities

- 3.1. Each hub would have installed on-site critical infrastructure, tools, and equipment required to provide its core services and would be run and managed by a private sector partner – Hub Manager. Beneficiaries will then be required to register with the Hub Manager to have access to hub facilities to serve customers and will be required to pay for the equipment/space use, either as a one-time or on a subscription basis.
- 3.2. Hub manager shall engage directly with the LSETF and USADF team to set up, manage and run the Hub.
- 3.3. The specific activities will include:
 - Developing a detailed proposal and action plan for this assignment in conjunction with LSETF and USADF, with clear actions and outputs; responsibilities, and agreed timelines.



- Secure a suitable location for the Hub and work with LSETF and USADF to set up the Hub.
- Manage the day-to-day running of the Hub.
- Develop a sustainability/ business plan to ensure the effective running of the Hub.

3.4. Deliverables

3.4.1 The Hub managers are required to provide the following deliverables:

- Manage the job hubs in line with the contract and directly engage with the hub users.
- The Hub Manager will obtain sector-specific regulatory requirements/licenses/permits- e.g., NAFDAC, Environmental Regulation, Health regulation, SON, etc.
- Providing defined periodic reports and updates as agreed.

4. Cross-cutting Issues/ Linkages to other LSETF Interventions

In the implementation of these TORs,

- 4.1. The Hub manager should particularly consider principles of diversity and inclusion as well as meaningful participation of all. They should ensure that activities under this project are inclusive and enabling especially for vulnerable, disadvantaged, and underrepresented groups.
- 4.2. Linkages are envisaged between this intervention and other interventions by the LSETF and USADF. LSETF and USADF and the Hub Manager shall identify potential links with other interventions and consider practical ways for benefits/synergies between the interventions to be realized.

5. Risks

- 5.1. The Hub Manager shall include in the action plan risks and mitigating strategies that might be identified for this assignment.

6. Timing and Resources

The assignment will commence immediately after the contract is awarded and according to the milestones.

7. Management Arrangements

- 7.1. The Hub Manager shall be responsible for the day-to-day management of the assignment under the overall coordination of the Hub Project Manager (LSETF), supported by the Product Development M&E Officer who will assist the Hub Project Manager to track and periodically share reports of Hub business activities. Final reports and approvals will be submitted to the Executive Secretary who has overall management responsibility for the assignment.



**SECTION IV
APPLICATION FORM**

1. Name of Organization: _____
2. Registration Number: _____
3. Registered Office Address: _____
4. Type of Business: _____
5. Years of experience running the core business service(s) being applied for:

6. Yearly turnover of business: _____
7. Location of Hub: _____
8. Size of Proposed Hub: _____
9. Hub user capacity (per day): _____
10. How many trainees can the Hub produce annually? _____
11. How many jobs can the Hub create annually? _____
12. What Technical and Business support can you provide to the Hub users?

13. What is your motivation to apply to be a Hub manager? _____

14. How would you ensure effective inclusion (gender, social, vulnerable, and disadvantaged) of all towards achieving the goals of the Hub?



15. Names, roles, and qualifications of the key management and technical personnel that will work on the project.

NAME	ROLE	QUALIFICATION

Name and designation of contact person:

Signature and Date: