



arcenciel.org
participer au développement

Request for Proposal (RFP) Reference aec.economic stabilization.15 /12/2020

Consulting assistance to support the NGO arcenciel in creating a sustainable economic stabilization model

Project Location: Lebanon

RFP structure:

- I. About arcenciel
- II. Background information
- III. Scope of work
- IV. Suggested approach
- V. Deliverables
- VI. Required qualifications
- VII. Evaluation matrix
- VIII. Terms of execution of the consultancy
- IX. RFP Timeline

I. About arcenciel

1. arcenciel's history, structure, and geographic presence

arcenciel (aec) was founded in 1985 and it was recognized for public use by presidential decree in 1995. It is a non-profit organization that supports Lebanon's most underprivileged and marginalized communities, regardless of their religion, gender, political affiliation, and nationality. arcenciel addresses deficiencies in state and public services, operating as one of the main executing agencies of Lebanon's Ministry of Social Affairs (MoSA).

arcenciel today has around 600 employees & volunteers, having consolidated its ability to attract qualified dedicated staff. Its yearly budget has been comprised between US\$12M and US\$15M over the last few years. Through 35 years of operations, arcenciel has built a mature and solid financial and IT management system (based on SAP ERP), and a proven processes ecosystem (ISO certified for parts of its activities). It also manages 12 activity centers operating as social enterprises, with defined objectives linked to profitability as well as social and environmental impact.

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centres aec corniche el nahr - damour - domaine de taanayel - halba - jisir el bacha - jisir el wati - sed el baouchrieh - taanayel



THE CENTERS

Halba



Sad el Baouchriyé



Hôtel-Dieu



Corniche el Nahr



Jisr el Wati



Jisr el Bacha-HQ



Baabda



Damour



Saida



Zahlé



Taanayel



Domaine de Taanayel

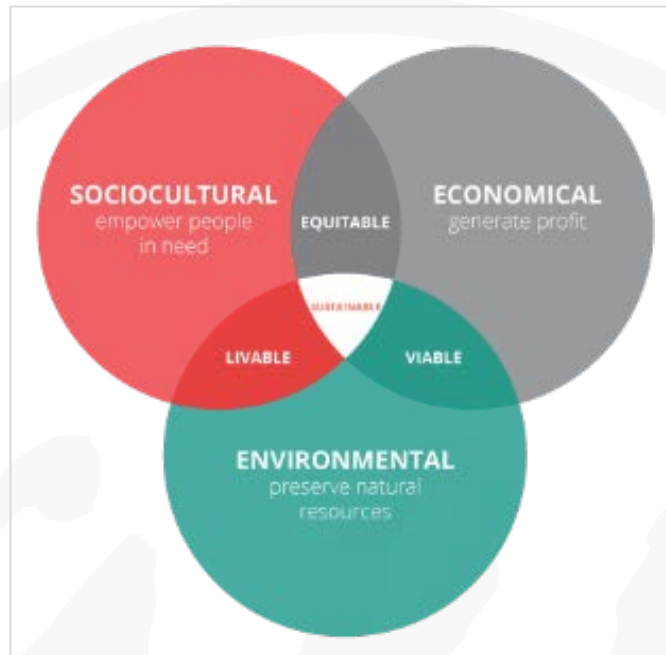




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2. arcenciel's mission & objectives

While its mission is to promote diversity, integration, and development in Lebanon, arcenciel's objectives are focused on three verticals:



3. arcenciel's programs

arcenciel's activities are structured around 9 key programs:

Environment Program:

Main Activities: Collect and treat infectious waste from hospitals; collect and treat recyclable municipal and household waste; provide consultation and awareness service; manage renewable energy projects; etc.

Main beneficiaries: hospitals and clinics, public and private institutions, households

Geographical presence: Countrywide

Agriculture Program:

Main Activities: Manage Domaine de Taanayel, provide consultations to farmers; distribute seeds; produce natural composite; host farmers' markets; support the implementation of solar energy & water treatment systems; produce biopesticides; etc.

Main beneficiaries: Farmers, municipalities, public & private actors

Geographical presence: Beqaa (Taanayel), North Lebanon

Mobility Program:

Main Activities: Manufacture; distribute mobility equipment to persons with disabilities; manage the research and development of mobility equipment; provide consulting services; transfer knowledge to similar associations; provide intellectual and occupational training; etc.

Main stakeholders: Ministry of Social Affairs, persons with disabilities

Geographical presence: Greater Beirut, Mont Lebanon, Beqaa, North Lebanon

Responsible Tourism Program:

Main Activities: Manage the ecolodge hostel in Beqaa; manage Khan el Maksoud restaurant in Beqaa; support activities in Domaine de Taanayel; host training and team-building sessions; provide training of local talent and placement services; etc.

Main stakeholders: Visitors, guests, tourists, corporates, local women

Geographical presence: Beqaa (Taanayel)

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Social Program:

Main Activities: Collect; recycle and distribute clothes and furniture; provide humanitarian assistance; distribute hygiene and food packages, beddings, and mattresses; Manage "l'atelier du porcelain" à Jisr el Wati, the "Brocante" at Corniche el Nahr, etc.

Main stakeholders: Persons with disabilities, vulnerable people, NGOs

Geographical presence: Greater Beirut, Mont Lebanon, Beqaa, North Lebanon

Youth Program:

Main Activities: Manage circus school and events "Cirquenciel"; manage sailing and self-defense club for youth; manage daycare centers; provide training to schools and NGOs; provide psychosocial support classes and sessions; manage youth debates; etc.

Main stakeholders: Persons with disabilities, vulnerable people, children and young adults, Ministry of Social Affairs, international organizations

Geographical presence: Greater Beirut, Mont Lebanon, Beqaa, North Lebanon

Health Program:

Main Activities: Provide general and specialized medical and paramedical services, distribution of pharmaceuticals, provide dental services, distribute medical equipment

Main beneficiaries: Persons with disabilities, vulnerable people

Geographical presence: Greater Beirut, Mont Lebanon, Beqaa, North Lebanon

Employment Program:

Main Activities: Provide inclusion training; facilitate equal opportunity jobs; ensure decent work opportunities; provide coaching sessions to beneficiaries; match beneficiaries to job opportunities; outreach to private sector actors; etc.

Main beneficiaries: Private entities, underprivileged talents, vulnerable people, women

Geographical presence: Greater Beirut, Mount Lebanon

Culture & Heritage Program:

Main Activities: Design and execute projects related to the preservation of the Lebanese and surrounding counties' heritage and culture; train and transfer knowledge to new generations related to heritage preservation and culture; organize specific cultural events; etc.

Main beneficiaries: Local communities, society as a whole

Geographical presence: Countrywide

II. Background Information

Historically, arcenciel has relied on self-generating revenues, complemented by project financing revenues and donations.

arcenciel is currently going through an unprecedented stress-test of its economic model (specifically concerning the aforementioned activities that generate revenues) due to the combination of the three following factors:

- Ministry of Social Affairs (MoSA) standstill: The mobility program is dependent on MoSA financing. MoSA is significantly delaying payments for the mobility program leading to critical cash flow issues and the drastic reduction of the Mobility program since July 2019.

arcenciel has built unique know-how in producing mobility equipment and in addressing persons with disabilities needs. It has 150 employees (40% of whom are people with disabilities) dedicated to the Mobility program across its centers. arcenciel aims to continue to play its crucial role in addressing the needs of a major part of disabled Lebanese beneficiaries. However, since the state is not honoring its financial



commitments, the mobility program became a structurally deficient program, jeopardizing the financial stability of the entire organization.

- **Hyperinflation in Lebanon:** Lebanon is going through an unprecedented financial crisis, combined with a political and social crisis, leading to hyperinflation with no short-term economic solution in sight. For most programs, imported products constitute a major part in the financial “cost of revenues” items, so arcenciel has to pay equipment and raw material for instance in “fresh dollars”, whereas practically all of its self-generating revenues are priced in LBP or pegged to the official exchange rate.
- **COVID-19:** In addition to the mobility program that historically generated surpluses, arcenciel relied heavily on the environment program to reach financial equilibrium. Following the COVID-19 health crises, hospitals’ activity declined drastically in 2020, leading to a major decline in the environmental program’s profitability, further deteriorating arcenciel’s financial situation.

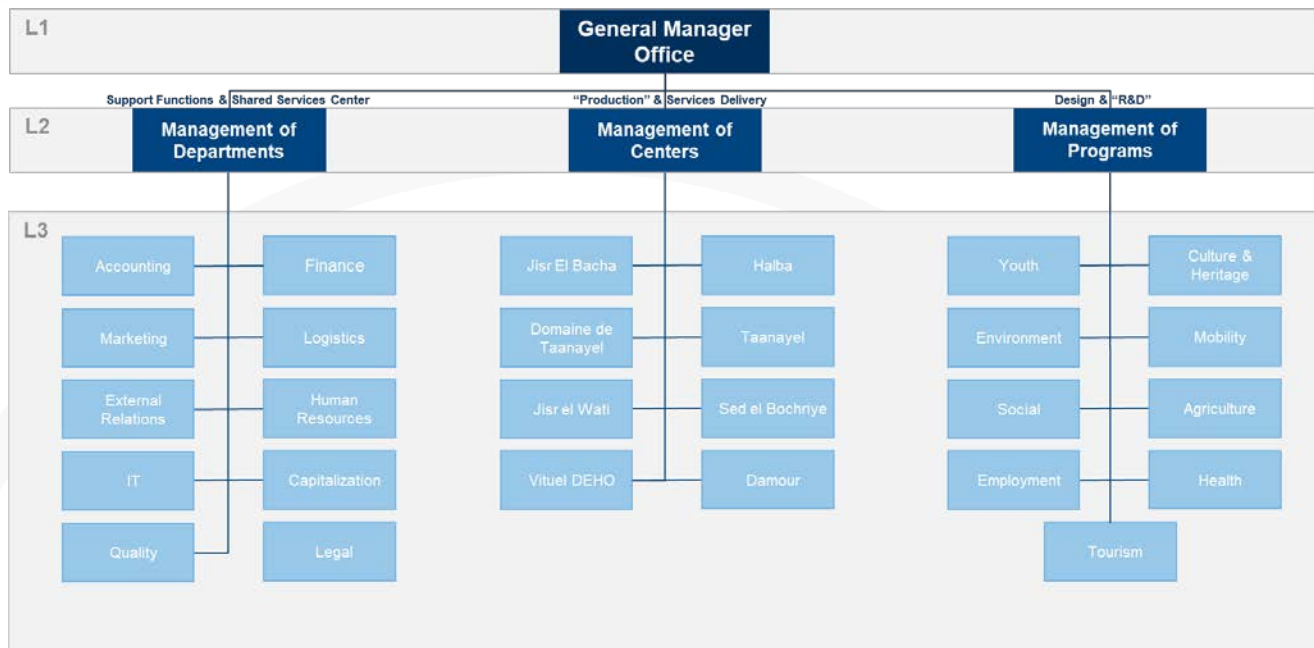
The combination of these three external factors has led to the strain of arcenciel’s economic model. This situation forces arcenciel to heavily rely on external financing in the short to mid-term to maintain its ability to service its beneficiaries and to maintain its internal know-how and keep its team.

At the same time, and in a country where the state institutions face major challenges, arcenciel’s role has become even more critical, with the vulnerable population base increasing by the day and demanding more services from arcenciel and other NGOs.

Following the Lebanese economic crisis and the explosion of August 4th in Beirut, arcenciel has launched a call for donations to finance a crisis response program to ensure the continuity of its activities and the access to essential products and services for vulnerable populations in Lebanon. The secured financing allows to finance arcenciel activity for the foreseeable future. Beyond the short-term financing, arcenciel aspires to reconquer a degree of financial autonomy in the mid-term by launching self-sustaining and profit generating activities, allowing to finance its other welfare activities. This is in line with its DNA and with the aspirations of its founders. Indeed, arcenciel’s dual model has always relied on a collection of self-sustaining, profit-generating social enterprises on one hand, and pure associative, non-profit activities providing social relief and sociocultural, economic, and environmental development on the other hand. arcenciel has already identified and designed some new activities to be launched (in the agriculture domain, among other fields) in line with the vision to reconquer financial autonomy. Several concepts have been designed and business plans built. Financing is currently being secured for these new profit-and-impact-generating activities.

arcenciel is now looking for an experienced consulting firm to assist in its current turnaround, intending to reconquer partial financial autonomy. The consultant is expected to bring additional expertise and to constructively challenge arcenciel’s plans in order to consolidate its transformation roadmap.

Moreover, arcenciel is currently organized in three verticals, the bulk of its workforce being concentrated at the centers level where the services are provided to beneficiaries or where the social enterprises operate. The “program’s” level playing the role of R&D to design and launch new programs, and the departments playing the role of a Shared Service Center for support functions.



arcenciel current organization (mixing profit generating activities and social activities) and current reporting lines (focused on centers rather than activities) seem sub-optimal. arcenciel would like to rethink its organization and examine potential room for optimization, increasing operations efficiency and accountability.

III. Scope of Work

The objective of the project is to support arcenciel in the design and the implementation of its economic stabilization plan, aiming to reconquer partial financial autonomy over the coming years. Capitalizing on existing efforts internal to the organization, the project should:

- Accelerate the implementation of the newly designed profit-generating activities (see PMO activities below) in providing continuous advice to aec on projects deployment and go-to-market. Prioritize high stake systematically activities allowing aec to reconquer its financial autonomy.
- Establish a full-fledged turnaround plan (including updated 3-year financial forecast), to be validated by arcenciel's Board of Directors, to ensure financial stability while serving a maximum number of beneficiaries.
- Diversify the NGO's sources of income and rebuild self-generating activities, design and supervise quick go-to-market plans, based on realistic assumptions and managerial best practices
- Design a detailed turnaround program allowing arcenciel to implement a more sustainable economic model by reinforcing current action plans at various levels:
 - Rethink the current operating model (organization, reporting lines, etc.), showcase benchmarks and suggest an optimal operating model addressing the need to separate profit-making activities and social initiatives, and also optimizing the overall operations and accountabilities
 - Institutionalize Analytical P&L Reporting to improve the monitoring of costs and allow the prompt adoption of corrective measures, in line with the updated reporting model (adapt the current analytical accounting architecture if needed)
 - Build a more aggressive fund-raising plan to achieve financing for its current and future programs
 - Identify potential sources of additional cost reductions and savings
 - Redirect sourcing towards local suppliers when possible, while negotiating discounts for payments made with "fresh money"



- Relook into the accountability system of aec that aims at enhancing the performance base remuneration and to promote motivation in the workplace.
- Play the PMO (Project Management Office) role in the implementation of the economic stabilization plan for the duration of the intervention:
 - Monitor the implementation of the newly designed profit-generating activities focusing on high financial impact activities
 - Ensure project objectives and milestones are clear and formalized
 - Coordinate activities of functional project teams
 - Assess/monitor resource needs, assist as needed
 - Provide in-depth business experience and financial planning expertise
 - Monitor results and report to arcenciel management
 - Ensure a strict follow-up to achieve deadlines
 - Anticipate cross-functional challenges to address and propose pragmatic and structured action plans to solve them
 - Track achievements of action plans and completion of tasks
 - Report blocking issues to arcenciel management to allow for quick action
 - Foster support for the project among the organization by communicating the importance of the project and its objectives

IV. Suggested Approach

In his proposal, the Consultant is requested to provide a preliminary proposed project work plan covering all the activities, tasks, duration, and schedule per task and allocated resources. Upon contract award, the Consultant should provide arcenciel with a revised project work plan, if necessary (in Phase 1). Once agreed upon, the new plan must be adopted and form the basis for project supervision and monitoring.

Below is a suggested approach that the bidder can adapt, as seems relevant:

- **Phase 1: Project framing and inception (0.5 month from contract signature)**
 - Meeting key arcenciel management team (Managing Director, Finance, Programs)
 - Visiting arcenciel key centers across the Lebanese territory to understand the organization operations (at least: Jisr el Bacha, Jisr el Wati, Taanayel & Domaine de Taanayel)
 - Defining project governance and team mobilization
 - Collecting and reviewing preliminary data (current financial position, financial and organizational information, readily available business plans, activity reports, etc.).
 - Addressing additional information requests
 - Confirm project objectives, targets, work planning, milestones, timeline, and reporting touchpoints
- **Phase 2: Transformation roadmap articulation (2 months from contract signature)**
 - Review the operating model and suggest an optimal organization in line with the new challenges.
 - Build a preliminary detailed financial position and a 3-year financial forecast based on current initiatives (through on a combination of data collection and interviews with Finance, Operational and Programs teams) aiming to ensure the financial equilibrium of the organization
 - Suggest improvements and updated the detailed roadmap for self-generating revenue activities
 - Suggest enhancements and update the detailed roadmap for the social welfare
 - Suggest required organizational and processes improvements to be able to successfully carry the roadmap



- Suggest potential collaborations / synergies between arcenciel and other local actors if this create value (i.e. either reduce costs or create new revenue streams, e.g. waste recycling).
 - Develop detailed financial projections for arcenciel and related action plans for the two components: self-generating activities and social welfare programs
 - Include a mitigation plan for potential delays or changes subject to the country's situation
-
- **Phase 3: Transformation roadmap validation and continuous monitoring of implementation (Continuous from Day 1 till the end of the 6 months assignment)**
 - Monitor the implementation of the newly designed profit-generating activities focusing on high financial impact activities
 - Validate the transformation plan with arcenciel top management and BOD
 - Ensure the detailed cascaded sub-plans are fully validated, owned, understood by operational and programs managers
 - Set up the organization in “project mode” to implement the turnaround promptly
 - Coordinate activities of functional project teams
 - Provide in-depth business experience and financial planning expertise
 - Monitor results and report to arcenciel management
 - Continuous animate teams to maintain and boost involvement
 - Anticipate cross-functional issues to address and propose pragmatic and structured action plans to solve them
 - Track achievement of action plans and completion of tasks
 - Communicate around the project to ensure stakeholders mobilization and motivation

V. Deliverables

All deliverables will be delivered in electronic soft copies. All deliverables are to be submitted in English. Supporting documentation produced in the framework of this assignment including reports compiled, data collected, and synthesized should be delivered to the project managing team for their records and future use.

The required deliverables under the terms of reference are:

Deliverable N1	Inception deck including objectives, targets, work planning, milestones, timeline, and reporting means	0.5 month from contract signature
Deliverable N2	Transformation plan including 3-year detailed bottom-up financial forecast and description of related initiatives + optimal global operating model	2 months from contract signature
Deliverable N3	Project Management Office documentation (execution progress reports, mitigation plans, etc.) – This is a continuous activity from day 1	Continuous from Day 1 till the end of the 6 months assignment



The Consultant is expected to complete and submit the aforementioned deliverables based on the proposed schedule. The expected overall duration of the project, including reporting, is 6 months. The Consultant must be available to present the results of the assignment as requested by arcenciel.

Concerning the validation of deliverables, arcenciel Project Manager will respond within ten working days on submittal of the deliverables and its decision may either be:

- a) Approval
- b) Approval with reservations upon which the Consultant must reply within five working days under penalty of rejection
- c) Rejection with clear justifications

Deliverables should be under Excel (for the business plans) and PowerPoint (global transformation plan, PMO updates, etc.), including executive summaries and visuals, facilitating the communication and the alignment within the organization.

VI. Required qualifications

1. Firms qualifications:

The assignment is open for any legal organization (Firms, NGOs, research / academic institutes, etc.) with at least 10 years of experience in the consultancy field. The entity should have solid expertise in delivering complex high-quality projects in the field of financial and economic models. Experience in implementing projects that promote socio-economic impact in developing countries is a plus.

The entity must have at least 3 major projects in the following fields among its track record:

- Lebanese economic environment and markets dynamics
- Economic model development
- Design of organizational structures
- Socio-economic impact assessment
- economic stabilization plans, ideally in sectors related to arcenciel programs (Agriculture, Mobility, Environment, Responsible Tourism, Social, Health, Culture & Heritage, Employment, Youth)

Profile of requested staff:

The offer must include a proposition for team composition with recent CVs.

VII. Evaluation Matrix

First Round (Shortlisted):

The evaluation of all Consultancies' proposals will be based on the following evaluation matrix in the first round:

Criteria	Grading
Quality of proposal - approach, methodology	20 points
CVs and relevant experience in the requested fields in Lebanon and internationally	20 points
Budget	20 points
Total: 60 points	



Second and Final Round:

Based on the documentation developed by arcenciel (analytical studies and strategic plans performed internally), candidates will prepare a presentation accordingly.

The evaluation of all Consultancies' proposals will be based on the following evaluation matrix in the second and final round:

Criteria	Grading
Components of previous round	On a total of 60 points
Quality of proposal - workplan - the understanding of arcenciel environment	20 points
Total: 80 points	

VIII. Terms of Execution of the Consultancy

The starting date for this consultancy will be immediately after the signature of the contract. The term of execution of the contract is spread over 6 months, effective from the date of the contract signature, knowing that the consultant is expected to undertake a final review of the assessment. The awarded party has to comply with the terms of reference of this consultancy and to have all deliverables submitted and approved before/by the last working day of the consultancy period. Extensions, if deemed necessary, can only be granted through mutual agreement between both parties, without incurring additional cost than the cost agreed upon in the initial contract. The Consultant must make sure that the personnel responsible for the final deliverables are available within the company for the duration of the assignment and/or if other personnel is assigned, their qualifications and profile should match the hereby defined requirements and be pre-approved by arcenciel.

Payments will be issued as follows: 50% after deliverable N2, and 50% upon project completion. The payments will be affected per deliverable after acceptance by arcenciel of the invoice submitted by the Consultant, upon achievement and approval of deliverables.

The bidder must suggest a quotation in Euros. According to current capital controls in Lebanon, payments can be issued to the provider's bank account outside of Lebanon or to offshore accounts in Lebanon ("fresh money")

IX. RFP Timeline

The submission for the First Round documents should be in PowerPoint or PDF and include the below consolidated items:

- Presentation of the company
- Approach/methodology
- Suggested teams' CVs
- Relevant Credentials
- Commercial proposition
- Company Certificate of Registration

The RFP timeline will be as follows:

- Publication: December 22st, 2020 on <https://daleel-madani.org/>
- Bidders to express interest in replying to the RFP by addressing a confirmation mail to samir.hatem@arcenciel.org before December 30th, 2020



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- Potential questions to be sent in writing before January 7th, 2020 (noon, Beirut time) to samir.hatem@arcenciel.org (answers to any question will be communicated to all bidders to ensure transparency)
- Submissions to be sent by mail to samir.hatem@arcenciel.org, and by hard copy at arcenciel headquarters: Jisr El Bacha, John Kennedy Street before January 15th, 2021 (noon, Beirut time)
- Selection and communication of results for the shortlisted candidates: January 20th, 2021 (arcenciel reserves the right to ask for oral presentations of offers or to cancel the bid all together)
- Communication of analytical studies and strategical plans performed internally by arcenciel as well as the guidelines for the Second and Final Round: January 20th, 2021
- Submissions to be sent exclusively by mail to samir.hatem@arcenciel.org before February 5th, 2021 with a proposed time to present the study to arcenciel (noon, Beirut time)
- Selection and communication of results for the Final candidates: February 12th, 2021

Set budget: 50 000 euros to 60 000 euros

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