

Bid Bulletin No. 5

**“Consulting Service for the Development and Conduct of Incubation, Development, and Entrepreneurial Assistance (IDEA) Program for Startups”
Bidding No. 21-019A**

November 4, 2021

This Bid Bulletin No. 5 is hereby issued to modify or amend the Bidding Documents.

1. Schedule of Proceedings

Activity	Schedule
Submission of Technical and Financial Bids and Opening of Technical Bids	November 12, 2021, 9:00 AM for the Submission of Technical and Financial Documents, and 9:30 AM for the Opening of Technical Documents through video conference with the following details: Zoom Meeting: https://zoom.us/j/94387352055?pwd=NFBzc1VIUUJjN1dybk5ESmtTLzhZZz09 Meeting ID: 943 8735 2055 Passcode: 621599
Opening of Financial Bids	November 18, 2021, 9:30 AM for the Opening of Financial Documents through video conference with the following details: Zoom Meeting: https://zoom.us/j/98728739438?pwd=RnlmSTUxSDNoVUZSZkU5WlozTGd5Zz09 Meeting ID: 987 2873 9438 Passcode: 126134

2. Terms of Reference

II. BRIEF DESCRIPTION OF THE PROJECT

The results of the 2020 Philippine Startup Survey, conducted by PricewaterhouseCoopers (PwC) together with the Management Association of the Philippines, QBO Innovation Hub and IdeaSpace Foundation, showed that a few founders have identified capital requirements as their biggest challenge. However, 46% of the startups identified market readiness as a challenge and 44% said that they have a hard time getting access to relevant networks/mentors. Furthermore, 75% of the startups identified Product Development as an area they would like to sharpen in the next three years. Indeed, startups have faced various challenges in their journey from formation to validation to commercialization. While funding and access to finance remain a major concern, others such as product development, market readiness, and even access to mentorship are identified as significant concerns.

Given these challenges, the **Incubation, Development, and Entrepreneurial Assistance – Startup IDEA program** aims to address concerns of early stage startups through customized programs that are intended to assist a startup founders translate innovative ideas into viable startup businesses. The concept is to co-design programs that will enable early stage startups professionalize their nascent startup enterprise to ensure market readiness and to develop products and services that have a clear target market, value proposition, and revenue model. **Startup IDEA** will support early stage startups that are still in the product launch phase of its growth. This will allow the startup to transition from having a minimum viable product (MVP) to becoming an established business.

The **Startup IDEA** program aims to assist startups that can be characterized as exhibiting the following:

- a) Are within the early stages of their development, particularly those in the process of launching a product and in the process of formalizing and 'professionalizing the startup';
- b) Are in the process of product/service refinement or recalibration;
- c) Are in the process of accomplishing or completing various legal and documentary requirements needed for business development such as financial statements, permits, IP applications, founders and shareholders agreements, among others; and
- d) Are transitioning from having a minimum viable product (MVP) to becoming an established business.

Prior to the start of the program, a selection process will be conducted by the Innovation and Collaboration Division (ICD) of DTI together with the Service Provider (Startup Enabler) to select eligible startups who can qualify into the program. The selection process will involve pitching activities to review startup/business concepts and operational plans and procedures. Startups that meet the criteria will then be shortlisted for due diligence and will further undergo organizational capacity assessment.

DTI will seek the services of a reputable, qualified and certified Service Provider (Startup Enabler) in the country to implement the project.

III. OBJECTIVES

1. To help in the development and professionalization of early stage Philippine startups, transitioning and transforming their business ideas and concepts into a profitable enterprise.
2. To provide best-in-class training program aimed at accomplishing or completing the following at the end of the program:
 - 2.1 Clear statements and articulation of Vision, Mission, Value Proposition, Business Model, Target Market, and Product / Service Delivery.
 - 2.2 Compliance with necessary permits and other legal, regulatory or statutory documents for business and investment readiness.
 - 2.3 Preparedness to generate revenues, building client base, and being consistent with their Product/Service delivery.

3. To provide coaching and mentoring to startup founders to help them into transitioning or transforming innovative ideas into viable startup businesses.

IV. SCOPE OF WORK

The Service Provider for the **Startup IDEA** program is expected to perform the following:

1. Provide an Incubation Program for DTI-identified startups. The program will provide the following:
 - 1.1 Design and conduct an extensive startup selection process to assess organizational capacity, technology offering, and capacity to scale of startups, in collaboration with the DTI.
 - 1.2 Conduct an organizational capacity assessment and due diligence including investment readiness assessment as part of the pre- incubation phase.
 - 1.3 Conduct learning sessions and workshops on the following:
 - a) Business operations (e.g. Building Legal Foundation, Fundraising and Valuation, Introduction to Pitching and Term sheets, Industry Insights including Startup stories and experiences)
 - b) Business Model and market validation including Go-to Market strategies
 - c) Operationalization and Execution (e.g., process efficiency/system optimization and improvement, data analytics, and M&E)
 - d) Product Roadmap development
 - e) Sales, Marketing, Promotion, and Customer Engagement
 - f) Financial Management, funding and financing options, and Valuation, including Accounting and Bookkeeping
 - g) Incorporation, Corporate Structure, and organizational Development
 - h) Implementing and Demonstrating Solutions in live situations
2. Provide support and consultation services on formulation of an operations manual, financial management plan, proper bookkeeping, legal and tax compliance services, IP application, marketing and branding management.
3. Provide mentorship from industry and business experts to manage businesses and connect with other corporate and government startup enablers.
4. Provide post-incubation support, assessment, and action plan to improve on strengths and work on future opportunities as startups go to the next phase of their development journey.
5. Provide appropriate public relations, such as promotion in the startup community and inclusion in web community promotions and events.

6. Provide opportunities, support for Regional Inclusive Innovation Centers (RIICs) such as online and/or physical delegation visits, and access to networking events, workshops, international expos, and community meetings to DTI and PH startup ecosystem members within the duration of the engagement.
7. Co-organize a startup pitching event with the DTI to attract potential clients and investors for startups.

V. EXPECTED OUTPUT AND DELIVERABLES

1. Program Design and Implementation Plan covering all items under #1-7 of the SOW.
2. Design presentation on Startup Selection process
3. Documentation/Record on Startup Selection process and due diligence.
4. Documentation/Record of professional services provided to startups and accomplishment report on the following:
 - a. Documentation on accomplishments of startups in formalizing legal documents, business permits, financial records, ensuring business and regulatory compliances;
 - b. Documentation on Startups profiles demonstrating clear statements of Vision, Mission, Value Proposition, Business Model, Target Market and Product/Service Delivery;
 - c. Evaluation on entrepreneurial learnings of Startups and investment readiness reports;
 - d. Providing feedback and advise to selected startups on the results of the evaluation;
 - e. Full review of written operations manuals developed by Startups during the program (e.g. Quality Management Systems, Business Continuity Plans, Marketing and Communications plan, as applicable and as based on feedback from the DTI);
 - f. Development of Tools and Templates (e.g., HR: Employment Agreement, Offer Letters, Legal: i.e., Letter of Intent, Founders Agreement, Mutual NDA, Non-compete document, Model Contracts, Pit, Pitch Deck Guidelines, Pre-shareholder agreement, Confidentiality IP, Term Sheet, Legal Due Diligence, etc. as applicable and as based on feedback from the DTI);
 - g. Report on potential revenue gains and market leads of startups during the program.
5. Documentation/Record of assistance and guidance provided to secure funding and accomplishment;
6. Documentation report on PR initiatives, website postings, networking leads and engagements;
7. Documentation of the Startup Demo Day; and
8. Final Report documenting the conduct, delivery, outputs, and outcomes as well as impact of the Program.

VI. QUALIFICATIONS

The Service provider / Startup enabler shall possess any of the following characteristics as a juridical person:

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- A registered business entity, either as corporate or partnership in the Philippines;
- A joint venture of two or more corporations;
- A new corporation of qualified incorporators;
- A partnership of qualified partners;
- A consortium of international consultants and local partners; or
- A local consortium with an international partner

The service provider / startup enabler must have the following qualifications:

- Should have multiple years of experience in running startup incubation and acceleration programs;
- Should have supported multiple cohorts / batches of the startup incubation program for Philippine based startups;
- Offering various startup assistance programs aside from incubation and acceleration programs;
- Should have a pool of mentors and coaches in the technology and startup space;
- Should have a network of corporate partners and investors both local and international; and
- Should be financially stable and have available manpower to conduct the program.

The composition of the project team should at least have the following characteristics:

Position	Qualifications
Project Team Leader	<ul style="list-style-type: none"> • A Project Management professional with background in science / technology & Innovation management / engineering / arts / entrepreneurship. • Experience in managing Startup Incubation programs • Extensive knowledge about the Startup Development Process • Experience in collaborating with corporate partners and investors

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Project Members (3-7)	<ul style="list-style-type: none"> • Experience in facilitating Startup trainings/workshops/ capacity building • Experience in developing Startup training/ workshop modules • Experience in Public Relation activities and event promotions • Understanding of the Startup Development process • Experience in facilitating business matching activities
Mentors and Coaches	<ul style="list-style-type: none"> • Experienced Entrepreneurs and Business Professionals • Experienced in Business Development and Go- to-Market strategies and activities • Technology Experts in various emerging fields (FinTech, AI, AgriTech, 4IR technologies among others) • Experience in Local Business Laws and Taxation • Experience in Investment management, Venture Capital Deals, and other funding instruments.

Note: Additional mentors during the implementation of the project is allowed upon approval of the end-user and shall not entail additional cost.

VII. PROFESSIONAL FEES AND FINANCIAL ARRANGEMENTS

The Consultant / Service Provider will be paid a total of Five Million Pesos PhP5,000,000 (inclusive of taxes) for the program to support the 20 selected Startups.

OUTPUT	SCHEDULE OF SUBMISSION	PAYMENT AMOUNT
Submission of Program Design and Implementation Plan; and Submission of shortlist of startups to undergo selection.	One (1) month after the award of contract	30%
Documentation/ Report of professional services, PR initiatives, and accomplishment of Startup Selection and pre- incubation phase.	Fifteen (15) days after conduct of pre-incubation phase of the program	30%

Documentation / Comprehensive Report with contents on program accomplishment on the Incubation program, technical assistance for startups, public relation services, networking and meetings conducted, and culminating activity as described in the SOW.	Fifteen (15) days after Program Culmination	30%
Provision of post acceleration support programs (Payment shall be proportionate to number of startups to be supported)	6 months after Program Culmination	10%
TOTAL		100%

VIII. TIMETABLE, LOGISTICS, AND, OTHER ARRANGEMENTS

The period of engagement will be up until December 31, 2021.
The Post-incubation and Demo day will be until March 15, 2022.

A defined contract will be signed by the Service provider / Startup enabler together with DTI outlining the specific provisions and deliverables including terms and conditions of the engagement. DTI and the Service provider / Startup enabler will agree on a timetable and after the signing of the agreement.

DTI and Service provider / Startup enabler will agree upon exchange of information and provision of assistance for both parties as it may be required subject to existing government rules and regulations.

IX. SELECTION REQUIREMENTS

DTI shall apply the following criteria in evaluating, shortlisting, and selecting the Service provider / Startup Enabler to determine the capacity and track record of the provider for the delivery of the Incubation Program.

QUALIFIED BIDDERS SELECTION CRITERIA

TECHNICAL COMPONENT	
Criteria	Means of Verifications
Program Design and Training Framework	<ul style="list-style-type: none"> Submission of proposed Incubation Program Design aligned with the programs and objectives of the proposed bid. Contents would include proposal selection process, distinct modules, activities to be conducted, activity timelines, project processes, expected outputs, deliverables, and key performance metrics. (An oral presentation may be requested by the TWG for better understanding of program design)

<p>Project Completion / Accomplishment Reports</p>	<ul style="list-style-type: none"> • Submission of a comprehensive report/documentation of project completions and accomplishments (information would include recipients, beneficiaries, partners, and impact)
<p>Total Number of Startups who secured new investment and increased revenue streams within 6 months after program graduation</p>	<ul style="list-style-type: none"> • Submission of list of startups who secured new investments / increased revenue streams within 6 months after graduation from Incubation/Acceleration program. (Must have at least 20% increase in revenues or 1.5x multiplier in startup valuation)
<p>Project Team Composition and Combined Years of Experience</p>	<ul style="list-style-type: none"> • Submission of list of Project team members including roles and responsibilities. CVs of personalities mentioned should be included as attachments and must reflect years of managing, facilitating, and delivering Startup Development Programs
<p>Experience and Expertise of Roster of Mentors /Coaches/Trainers</p>	<ul style="list-style-type: none"> • Submission of list of Mentors/Coaches/Trainers with distinct expertise. CVs of personalities mentioned should be included as attachments

<p>FINANCIAL COMPONENT</p>	
<p>Financial Proposal</p>	<ul style="list-style-type: none"> • Submission of Financial Proposal

For the guidance and information of all concerned.

SGD.
MARY JEAN T. PACHECO
 Assistant Secretary
 Chairperson, DTI Bids and Awards Committee