

Request for Proposal

For: Independent Valuation Expert for Climate-SAFE Portfolio

Date: 01/08/2024

1 Overview

1.1 Executive Summary

This is a Request for Proposal (RFP) that details EIT Climate-KIC's requirements for services. Please treat this document in accordance with the confidentiality obligations detailed further in this document.

Services and/or goods requested	EIT Climate-KIC is conducting an open search to identify an independent valuation expert to assess the Climate-SAFE portfolio and provide a valuation report to reflect the fair value of the startups in the portfolio.
The legal entity requesting these goods and/or services	Climate-KIC Holding B.V.
Services and/or goods will be delivered to the following locations	Services will be delivered remotely to the following inbox investments@climate-kic.org
EIT Climate-KIC Contract Manager for submitting proposals and inquiries	Ben Honan Investment Lead investments@climate-kic.org
Proposed contract term for successful candidates	Contract duration expected for 4-6 weeks.

1.2 Timelines

EIT Climate-KIC has set the following indicative timelines for this RFP:

Planned Date*	Milestones
August 1 st 2024	RFP issued to bidders
August 1 st – 31 st 2024	Bidders submit proposals / Submission Deadline
September 16 th 2024	Notification of contract award
September 30 th 2024	Proposed contract start date

* EIT Climate-KIC reserves the right to amend this timetable during the RFP.



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1.3 How you can participate

1. Review the RFP documents provided by EIT Climate-KIC.
2. If you have questions on the RFP, email the Contract Manager at least 3 business days before the submission deadline. We aim to respond in a timely manner wherever possible.
3. Submit a proposal following the requirements at Section 6 by the Submission Deadline stated at Section 1.2.
4. EIT Climate-KIC will assess bids and notify bidders following the timeline at Section 1.2.

1.4 About EIT Climate-KIC

EIT Climate-KIC is the EU's climate innovation initiative, working to accelerate the transition to a zero-carbon and resilient world by enabling systems transformation. Headquartered in Amsterdam, it operates from 13 hubs across Europe and is active in 39 countries. EIT Climate-KIC was established in 2010 and is predominately funded by the European Institute of Innovation and Technology (EIT), a body of the European Union.

As a Knowledge and Innovation Community (KIC), it brings together more than 400 partners from business, academia, the public and non-profit sectors to create networks of expertise, through which innovative products, services and systems are developed, brought to market and scaled-up for impact. See <https://www.climate-kic.org/> for more information.

2 Confidentiality

All information provided in this Request for Proposal (hereinafter "RFP") document and any information that may be subsequently disclosed during discussions, correspondence and negotiations is confidential and must not be disclosed to any other party or used for any other purpose whatsoever without the prior written permission of Climate-KIC Holding B.V. or relevant subsidiary (hereinafter "EIT Climate-KIC").

The Supplier must not disclose any such information, materials, specifications or other documents to any third parties or to any other part of the Supplier's group or use them for any purpose other than for the preparation and submission of a response to this RFP. The Supplier must not make any press announcements or publicise in any way EIT Climate-KIC's name, this document, the quotation process or any subsequent agreement without the prior written consent of EIT Climate-KIC.

EIT Climate-KIC may require the execution of Non Disclosure Agreement as part of this RFP or for future commercial engagements. As part of preparation for the submission of the response and in any subsequent negotiations, the Supplier is allowed to disclose confidential information to others within the Supplier organisation, external advisors or subcontractors, provided that the confidentiality conditions are adhered to.

Employees of either party who have access to confidential information must be notified of their obligations with regard to confidentiality and of the disciplinary proceedings which will result if confidentiality conditions are breached.

3 Introduction and Background

As part of EIT Climate-KIC's commitment to fostering sustainable growth and financial resilience among climate-focused startups, we've launched the Climate-SAFE programme.

This programme supports startups graduating from EIT Climate-KIC's ClimAccelerator Programmes by offering support throughout their growth journey in exchange for a future equity stake in the startups. The mechanism used is the Simple Agreement for Future Equity (SAFE), a founder-friendly agreement that aims to convert into equity (shares) based on certain predefined conversion events.

The SAFE states that if none of the predefined conversion events are triggered within a certain time period from the signing of the agreement (defined as the "Longstop" date), EIT Climate-KIC will appoint an external independent valuation expert to determine a fair valuation of the startups and conclude the conversion of the SAFE based on this valuation.

With the initial SAFE contracts now approaching the Longstop date, EIT Climate-KIC is conducting an open search to identify an independent valuation expert to assess the Climate-SAFE portfolio and provide a valuation report to reflect the fair value of each startup.

The Climate-SAFE portfolio includes a diverse pool of 110 startups from various geographies, verticals, business models, and stages, with a focus on early-stage (pre-revenue / initial revenue traction) climate-positive startups. The task involves the assessment and valuation of approximately 50% of the companies in the portfolio that are approaching the Longstop date by Q4 2024.

The purpose of this initiative is to ensure a fair and objective assessment of each startup in the Climate-SAFE portfolio approaching the Longstop date, accurately reflecting the value of the holdings.

4 Specification

4.1 Scope

EIT Climate-KIC is requesting quotations for Independent Valuation Experts, either individuals or institutions (the Supplier), who possess the following qualifications:

Expertise and Experience:

- Extensive experience in valuing early-stage startups, particularly those with innovative business models and limited financial histories/data.
- Capability to accurately assess the unique risks and potential growth opportunities of these startups, particularly in pre-revenue stages.
- Proficiency in analysing startup metrics such as unaudited accounts, burn rate, runway, Customer Acquisition Cost (CAC), Lifetime Value (LTV), and more.

Market Insights:

- Deep market insights and access to relevant data, especially within the ClimateTech/sustainability space.
- Familiarity with the competitive landscape and market comparables to ensure the valuation report reflects current market conditions and trends.

Credibility and Track Record:

- Proven track record of working with a large and diverse portfolio of early-stage startups.
- Experience in valuing portfolios for accelerator programs or Seed-stage VCs, particularly those with 20+ startups.

The supplier will ensure sufficient financial, economic, technical and professional capacity to deliver the services in an efficient and effective manner.

EIT Climate-KIC reserves the right to award the contract to more than one third party supplier to achieve suitable capabilities for the geographical coverage described. Bidders are encouraged to make it clear in their proposal what countries they can evidence experience in and note any geographical limitations to the coverage of these services.

4.2 Objectives

After completion of the valuation assessment provided by the Consultant, EIT Climate-KIC should have a clear valuation of each startup, to accurately reflect the value of the Climate-SAFE portfolio on the balance sheet.

4.3 Deliverables

The following deliverables are requested:

Deliverable (1): Review of Valuation Methodology Guidance:

- Assess and provide feedback on the valuation methodology guidance provided by the European Institution of Innovation (EIT) and other KICs.

Deliverable (2): Definition and Description of Valuation Methodology:

- Develop a valuation methodology that complies with Dutch account principles and meets Climate-KIC Holdings B.V. accounting requirements.
- Provide an in-depth explanation of the methods used for valuation, the assumptions made, and any industry benchmarks utilized.

Deliverable (3): Provision of Independent Valuation:

- Deliver an independent valuation for up to 60 startup companies across the EU and Horizon Europe-associated countries.
- Provide a valuation range for each startup, highlighting major insights including overall value, key drivers of value, and significant risks.

Reports will be requested to be written at a suitably professional standard using a recognised (or specified) referencing style upon request. The format and structure will be discussed during a preliminary briefing with the successful party. The reports are to be provided for unrestricted use by EIT Climate-KIC and free from all third party copyright restrictions. EIT Climate-KIC will receive ownership of such work products and may make them available to other parties, publish online, or other at our discretion. Further requirements regarding the reports include:

- The EIT Climate-KIC brand guidelines provide the requirements for use of our logo. These are publicly available at <https://www.climate-kic.org/who-we-are/media-and-brand/>. The extent that other requirements (e.g. typeface) apply to the report can be discussed with the Contract Manager.
- The provider should allow for rounds of review by EIT Climate-KIC and subsequent edits to ensure acceptable quality of the completed report.

4.4 Service Level Requirements

In providing goods and/or services to EIT Climate-KIC, the following service levels are requested:

- Services may be required outside general business hours and flexible working arrangements are requested.
- The provider is to propose a suitable service level agreement to ensure key elements of goods and/or services delivery are defined, aligned and tracked over time. This should include escalation channels, performance indicators / targets and mechanisms for remediation of ongoing missed performance targets (e.g. credits, rebates or reimbursement).

- The service provider should be generally contactable and responsive during business hours by phone or email.
- Services should be delivered by professionally competent and appropriately experienced individuals.

4.5 Sustainability

In order to uphold our commitment to sustainability, EIT Climate-KIC aims to minimise any negative impact we may have on the natural and built environment by effectively managing our resources.

In the efforts to procure in a sustainable manner with minimal impact, the following requests are made of the bidder:

- The services are to be delivered digitally following a paperless policy
- We ask our service providers to consider the greenhouse gas emissions from transport to our offices and events. Cycling, walking, public transport and rail are preferable over air travel wherever possible.
- We love to hear what suppliers are doing to minimise impact. Feel encouraged to share your approach and policies if applicable.

4.6 Eligibility

EIT Climate-KIC reserve the right to reject proposals where the proposed supplier:

- Has insufficient technical, professional or financial capacity to deliver the services.
- Has been bankrupt or insolvent (last 7 years)
- Is sanctioned by a relevant authority
- Does not comply or has previously not complied with our [Ethical Standards for Contractual Counterparties](#)
- Has been convicted of crime, links to terrorism, breach of tax or social security obligations
- Is an individual prior employee of an EIT Climate-KIC or group entity (discretionary basis)
- Will continue to be a full time employee of an EIT grant recipient or EIT Climate-KIC partner during the contract term (discretionary basis)

If any of these scenarios apply, please make EIT Climate-KIC aware in your submission.

4.7 Required Experience and Capabilities

The team or individuals delivering the services should be able to demonstrate the following experience and capabilities:

- Experience in assessing investment portfolios for early-stage startups.
- Working knowledge of Venture Capital investments and investment agreements.
- Understanding of valuation methodologies and frameworks for valuing early-stage companies
- Developing and delivering analytical and audience-friendly valuation reports
- Adherence to evaluation professional ethics and quality standards
- Project and financial management showcasing on time and on budget delivery

4.8 Payment & Invoicing

- Payments will be made following provision of a correctly rendered undisputed digital (via email) invoice to EIT Climate-KIC. The EIT Climate-KIC contract manager will inform the successful bidder where to submit invoices.
- Payment terms associated with delivery of the goods and/or services must be not less than net 30 days.
- EIT Climate-KIC can provide a purchase order number to be referenced on invoices.
- Where EIT Climate-KIC is requesting services over longer periods of time, we ask that bidders invoice in a pay as we go model (e.g. billed on a monthly consolidated invoice based on work completed or completion of deliverables).
- Requests for deposit payments are generally not accepted.
- If the bidder is requesting any form of payment prior to delivery of goods and/or services, this must be raised with EIT Climate-KIC.
- If submitting invoices for subscription services, please ensure these fees are itemised and priced at line level.

4.9 Contract Management

A one-off agreement is proposed for award of work.

EIT Climate-KIC can share their standard terms and conditions but will consider the bidder's own terms and conditions on the basis that the bidder can incorporate the following:

- EIT Climate-KIC requires that that service providers provide an indemnity to EIT Climate-KIC for breach of third party intellectual property rights;
- EIT Climate-KIC's primary source of funds is the European Institute of Innovation and Technology (EIT) eit.europa.eu/. Consequently, EIT Climate-KIC is obliged to pass through certain FPA/SGA terms to all service provider and service providers are required to agree and comply with such terms. See <http://www.climate-kic.org/policies/>;
- In addition, EIT Climate-KIC will ask that service providers comply with the Ethical Standards for Climate-KIC Contractual Counterparties available at <https://www.climate-kic.org/policies>
- Service providers are required to comply with EIT Climate-KIC's standard data protection clauses (can be provided in advance on request) and provide an indemnity for any breach;
- The liability of the service provider to EIT Climate-KIC (and affiliates) to be uncapped in respect of breach of data protection clauses. For all other heads, liability of the service provider to EIT Climate-KIC (and affiliates) may be capped at a reasonable multiple of fees not less than 2X. If applicable, EIT Climate-KIC liability to service provider also be similarly capped;
- No indemnities extended by EIT Climate-KIC to service providers.

5 Award Criteria

EIT Climate-KIC will assess bids based on the following factors:

Component	Weighting
Cost - Ability to meet the requirements of the deliverables as evidenced by the proposal at a competitive market rate.	30%
Experience and Capabilities Relevant qualifications and experience related to assessing investment portfolios. Specifically related to experience working with early-stage startups (pre-revenue/limited revenue), and limited data.	40%
Methodology and approach – meeting the requirements as evidenced by its proposal. Please describe your proposed methodology/framework to determine the fair value of the portfolio of early-stage startups.	30%
Total	100%

6 Instruction to Bidders

6.1 Responding with your proposal

EIT Climate-KIC are requesting the following are submitted to bid on this contract:

1. **A Proposal** that sufficiently details the bidder's solution and responds to the requests contained in this document.
 - The bidder is kindly asked to include their trading name, VAT or tax identification number (if applicable) and registered trading address (*please note, address is not required for an individual*).
 - Include website links to examples of work previously performed by the bidder if applicable (e.g. portfolios, work products or other)
 - Professional references that can be reached by EIT Climate-KIC to verify previous services delivery
2. **A Quotation** that meets the requirements described at Section 6.2
3. Resumes of individuals that will be assigned to conduct the services for EIT Climate-KIC

Any alternative solutions or services that the bidder may wish to bring to the attention of EIT Climate-KIC should be included at the end of your response. EIT Climate-KIC reserves the right to reject RFP responses that do not confirm with these guidelines.

All responses shall be made to the Contract Manager (refer Section 1.1) via electronic copy

6.2 Quotation requirements

EIT Climate-KIC requests that bidders quote in the following manner as appropriate to delivery of the services:

- Please provide itemised quotations in Euros and specify if the quote includes / excludes VAT or any other taxes;

- Travel and subsistence for these services are strictly limited. Domestic travel and subsistence will not be reimbursed unless agreed in advance and in writing with EIT Climate-KIC. If you require international transport and/or accommodation, please make this clear and estimate costs in your quotation. Time for travel will not be billable hours.
- Include all applicable costs or charges associated with providing the goods and/or services in your quotation.

6.3 Subcontracting guidance

It is not anticipated that the delivery of these services will require subcontracting

It is acceptable for bidders to sub-contract parts of the service but EIT Climate-KIC is keen to understand which elements of the service this would apply to. In your response, state which sections are proposed to be subcontracted and advise EIT Climate-KIC of the sub-contractor name and address (address is not required for an individual).

EIT Climate-KIC require at least one relevant reference including the name and phone number of a current contact within that organisation.

6.4 Complaints handling

1. EIT Climate-KIC offers bidders a mechanism to foster transparency and enable procurement best practice.
2. Bidders have the right in this procurement procedure, within a reasonable time, to address questions, request additional information and obtain feedback, as well as submit complaints. Requests for information or clarifications and complaints will be directed to the contact person (the Contract Manager or other designated person) indicated in this Request for Proposal. EIT Climate-KIC reserves the right not to action complaints received after any applicable standstill period.
3. The Contract Manager will acknowledge, review and respond to complaints or clarifications presented by bidders in a reasonable time. EIT Climate-KIC reserves the right to conduct a procedural review, make changes to the published procurement documents or take other action in response to complaints at its discretion.
 - a. In the event of a serious irregularity in connection with this procurement, and after first exhausting the recourse of obtaining a reply from the contact person for this procurement, bidders and suppliers are referred to the channels outlined in EIT Climate-KIC's Strategy & Policy Anti-Fraud, Bribery and Corruption (refer whistleblowing)

6.5 Terms of this RFP

1. Your proposal should be submitted according to the instructions as detailed in this section and should be valid for a period of at least six (6) months from the bid due date. Any proposal submitted outside the scope defined may be rejected without provision for re-submission.
2. Any further information pertaining to this RFP, of whatever nature, must be directed to the Contract Manager detailed in Section 1.1. If a point of clarification materially affects the RFP,

our response will be circulated to all bidders, otherwise the response will only be sent to the bidder seeking clarification.

3. If any doubt exists concerning any element of this RFP, a clear statement should be made on the assumptions taken to arrive at your quoted costs, or alternatively contact us prior to submitting your proposal to seek clarification.
4. Entering into contractual arrangements with EIT Climate-KIC in connection with this RFP does not guarantee work will be awarded.
5. EIT Climate-KIC reserves the right to reject any proposal(s) received after the submission date/time.
6. EIT Climate-KIC reserves the right to undertake post-bid negotiations with none, all or a shortlist of bidders.
7. EIT Climate-KIC, at its sole discretion, reserves the right to accept or reject any or all of the proposals received and not to award any business and shall not be bound to give reasons for any decision. Only the execution of a written agreement between an EIT Climate-KIC entity and a supplier(s) will obligate an EIT Climate-KIC entity in accordance with the terms and conditions contained in such agreement.
8. EIT Climate-KIC reserves the right to procure services from alternative suppliers(s) where the successful bidder is, or becomes, uncompetitive within the market. However, issues over pricing and specification will be resolved through discussion and mutual agreement between EIT Climate-KIC and the supplier.
9. Bidders are required to email soft copies of their proposal to the Contract Manager detailed in Section 1.1 based on the timeline at Section 1.2.
10. As per above and where applicable, bidders must acknowledge receipt of this RFP by return email to the Contract Manager detailed in Section 1.1 confirming whether they intend to submit a proposal by the Submission Deadline.
11. This RFP does not commit or obligate any EIT Climate-KIC company to pay any expenses incurred by you in the preparation of your Proposal. All such expenses are solely at the risk of the bidder and by submitting a proposal you automatically agree that proposal becomes the property of EIT Climate-KIC.
12. Proposals are to be kept as clear and concise as possible and should be sequenced and numbered in accordance with the format of this RFP.
13. The formatting of this document and the attached response document should not be altered.
14. Whilst this RFP confers no legal rights on its addressees, it is not intended that any other persons acquire rights or obligations in respect of or arising under it.
15. Unsuccessful bidders agree, by the submission of their proposals, to return to EIT Climate-KIC this RFP and any and all papers, records, data and materials supplied to them in connection with it, including all copies made by them.
16. This RFP is for consideration in whole and not in part or parts unless otherwise indicated.
17. All efforts have been made to ensure the accuracy and validity of information contained in this RFP. However, EIT Climate-KIC does not warrant the information accurate or comprehensive.