

REVISED REQUEST FOR PROPOSAL (RfP)
**Research on city finance structures and potential for
decarbonisation**

C40 Climate Leadership Group, Inc.
120 Park Avenue, 23rd Floor
New York, NY 10017
United States of America

30 March 2020
(Previously issued 20 January 2020)

1. C40 Cities Climate Leadership Group



The C40 Cities Climate Leadership Group connects more than 90 of the world's greatest cities, representing 650+ million people and one quarter of the global economy. Created and led by cities, C40 is focused on tackling climate change and driving urban action that reduces greenhouse gas emissions and climate risks, while increasing the health, wellbeing and economic opportunities of urban citizens.

The current chair of the C40 is Mayor of Los Angeles Eric Garcetti; three-term Mayor of New York City Michael R. Bloomberg serves as President of the Board. C40 is governed by a Steering Committee made up of C40 member city mayors, elected by their peers to represent the geographic diversity of the network. Currently, the C40 Steering Committee includes the mayors of Accra, Boston, Copenhagen, Dhaka, Dubai, Hong Kong, London, L.A., Medellin, Milan, Seoul and Tokyo.

C40's work is made possible by our three strategic funders: Bloomberg Philanthropies, Children's Investment Fund Foundation (CIFF), and Realdania. The Divest/Invest Forum is funded by Wallace Global Fund, Rockefeller Brothers Fund and the Climate Change Collaboration, an initiative of Ashden Trust, Mark Leonard Trust, and JJ Charitable Trust.

C40 positions cities as a leading force for climate action around the world. We define and amplify their call to national governments for greater support and autonomy in creating a sustainable future. Working across multiple sectors and initiative areas, C40 convenes networks of cities providing a suite of services in support of their efforts, including: direct technical assistance; facilitating of peer-to-peer exchange; and research, knowledge management and communications.

As a climate organisation of the world's greatest cities, C40 supports its members to move on to a low carbon development pathway, adapt to climate change, curb GHG emissions, and engage in partnerships among themselves and with global organisations, national governments, the private sector and civil society.

C40 Cities Climate Leadership Group, Inc. is a U.S. not-for-profit 501(c)(3) registered organisation, working with the world's megacities to tackle climate change. With offices in London and New York, and people working across the globe, C40 has about 150 staff members. Around a half are UK based, around a quarter are US based, the remainder cover roughly another 15 countries. C40 is continuing to expand with plans to register entities in other countries this year. C40 Inc. in the U.S. would remain as the party entering into contracts and handling most financial transactions for all its global affiliates.

2. Summary and Background of the Project

In September 2018, C40 launched the Divest/Invest Forum to support cities and their pension funds in their ambitions to divest from fossil fuels and invest a greater share of their portfolios in low-carbon solutions. The lead cities for this Forum are London and New York, joined by twelve other cities from Europe, the US, the ESEAO region and Africa so far.

The Forum is open to all cities, including non-C40 cities. Making a Divest/Invest commitment is now a requirement to join the Forum: it provides a space to allow cities to explore what Divest/Invest means, what options they can consider, discuss different approaches to overcoming the challenges/complexities of Divest/Invest, and consider ways cities can use their influence to engage with their pension funds.

Divesting from fossil fuels and increasing sustainable investments can form an important part of a city's comprehensive strategy towards addressing the global climate crisis. By taking Divest/Invest action, mayors around the world can demonstrate their strong climate leadership and signal their support for achieving the crucial 1.5°C goal.

With this in mind, the objective of the research is to better understand the barriers to more cities joining the Divest/Invest movement and showing their clear support for a low-carbon transition by aligning their financial flows with the goals of the Paris Agreement. C40 particularly seeks to understand regional differences in the challenges cities may face in taking Divest/Invest action.

3. Proposal Guidelines

This Request for Proposal represents the requirements for an open and competitive process. Proposals will be accepted until 10th February 2020, 10am GMT. Any proposals received after this date and time will not be accepted and will be returned to the sender. All proposals should include clear timetables, how they would work with C40, clear costs and detail on experience in this area.

The proposal should clearly indicate the required input from C40 staff, timeline of implementation, and any required background work or set up. Furthermore, the submission should show how the respondent intends that the project governance and management should work. This should, as a minimum, cover proposed working partnership with C40, key roles and responsibilities, reporting, change requests, escalation of issues, sign-off of work stages, and acceptance criteria.

Respondents are also required to set out any risks and assumptions made in planning this work. Where risks are identified appropriate management and mitigation strategies should also be outlined.

The proposal should include details on how a risk assessment would be completed and what that would include.

If the organisation submitting a proposal must outsource or contract any work to meet the requirements contained herein, this must be clearly stated in the proposal. Additionally, all costs included in proposals must be all-inclusive to include any outsourced or contracted work. Any proposals which call for outsourcing or contracting work must include a name and description of the organisations being contracted.

All costs must be itemized to include an explanation of all fees and costs.

Contract terms and conditions will be negotiated upon selection of the winning bidder for this RfP. All contractual terms and conditions will be subject to review by C40 legal department and will include scope, budget, schedule and other necessary items pertaining to the project.

4. Project Purpose and Description

The purpose of this Request for Proposal is to solicit proposals from various candidates (both individuals and/or from organisations), conduct a fair and extensive evaluation based on criteria listed herein, and select the candidate which best meets C40's objectives and criteria.

The purpose of this research is to gain a deeper understanding of the barriers that cities may face in joining the Divest/Invest movement, e.g. is it down to lack of awareness or prioritisation, or insufficient capacity to act? C40 particularly seeks to gain a deeper understanding of the regional differences in the challenges cities may face in taking Divest/Invest action. For context, actions that C40 encourages cities to take:

- To divest any municipal investments (e.g. reserves, cash equivalents) from fossil fuel companies and/or to publicly commit keep them free of fossil fuel investments.
- To divest the city pension fund from fossil fuel companies and increase investments in climate solutions.
- Where there is no pension fund under the city's influence, to encourage the relevant pension fund to divest from fossil fuel companies and to increase their investment in climate solutions.
- To advocate for Divest/Invest action by others, for example private investors (e.g. private pension funds and university endowment funds) or banks.

The research should focus on select cities in Latin America, Africa and the East, Southeast Asia and Oceania region. The cities to be researched are:

- **Latin America:** Bogota, Buenos Aires, Mexico City, Santiago, São Paulo, Rio de Janeiro
- **Africa:** Dar Es Salaam, Freetown, Johannesburg, Lagos, Nairobi, Tshwane
- **ESEAO:** Kuala Lumpur, Singapore, Sydney, Tokyo, Yokohama

C40 is aiming to support more closely cities that have the potential to divest, but may be unaware of how to approach this. For cases where pension funds are held at a regional or national level and therefore cities have less capacity to act, C40 is interested in exploring the potential for advocacy and engagement (see examples of actions above). The analysis should go more in depth in cases where cities have a pension fund at city level and therefore greater influence on this fund. Where there are significant barriers preventing action (e.g. issuing a public call on a national problem is not possible for

cultural or political reasons), there should be some discussion on how these could be overcome (e.g. if different framing may be helpful).

The analysis should initially be conducted via desk-based research. Based on the findings, there is scope for selected follow-up conversations with cities and experts where required.

Questions to answer (essential questions in bold):

PENSION FUND GOVERNANCE AND STRUCTURES:

- **Information on pension system in relation to city government:**
 - **Does the city have a city pension fund?**
 - **If not, where are city staff pensions invested?**
 - What is the size of the fund(s)?
 - **What authority is responsible for the fund? Who are the key decision-makers of the fund?**
 - **Does the city mayor have any involvement with or oversight of the fund, e.g. does the mayor appoint the trustees of the pension fund board?**
- **Previous engagement with divestment and sustainable/responsible investment:**
 - Has the fund demonstrated commitment to responsible or sustainable investment, e.g. by joining the PRI?
 - Has the fund demonstrated awareness of climate-related financial risks, e.g. by aligning its reporting with the TCFD guidelines?
 - **Has the fund made any divest/invest-related commitments?** Has the fund divested from other sectors, e.g. tobacco?
- **Has there been any pressure on the pension fund, e.g. from campaigners or councillors, to divest from fossil fuel companies and to increase sustainable investments?**
- **Are there any sensitivities in the pensions sector at a local, regional, or national level?**
- **Are there any legislative constraints imposed on the pension fund from higher governments, e.g. legislative restrictions on investment policy?**

CITY FUND GOVERNANCE AND STRUCTURES:

- **Information on city assets:**
 - **What and how much investments does the city have on its balance sheet e.g. reserves, cash equivalents, long term investments, etc?**
 - How are these assets invested?
 - **Which assets could theoretically be divested?**
- **Previous engagement on divestment and sustainable/responsible investment:**
 - **Has the city made any divest/invest-related commitments?**
 - Has the fund divested from other sectors, e.g. tobacco?
 - **Has there been any pressure on the city government, e.g. from campaigners or councillors, to divest from fossil fuel companies and to increase sustainable investments?**
- **Structures and governance:**
 - **Are there any restrictions that prevent the city from divesting its city holdings?**
 - **What level of influence does the regional/national government exert over city finances? Are there any sensitivities around this influence?**

WIDER CONTEXT:

- **Are there any other sensitivities that may prevent cities from taking Divest/Invest action, e.g. is it seen as too confrontational?**
- How developed is the sustainable finance market in the country?
- Are there sustainable or low carbon investment funds available?
- Are there asset managers working in this space?

5. Project Scope

The expected output of the research is a report that provides answers to the above questions for each city. The findings should also be presented in an accessible format (excel sheet and/or word document).

Where no answers can be given to specific questions, the consultant should provide an explanation.

It should, per region, provide a summary and analysis of common identified challenges.

It is possible to submit a proposal for one, two or three regions, which may be relevant if the bidder's skill set isn't suited for research on all areas (e.g. due to language skills).

The research will be used for C40 internal purposes.

6. RfP and Project Timeline

RfP Timeline:

All proposals in response for this RfP are due **no later than 14th April 2020**, 10am BST.

Evaluation of proposals will be conducted by **21st April 2020**. If additional information or discussions are needed with any offers during this two week window, the bidder(s) will be notified. If second stage presentations are required, they will fall into this time window.

The selection decision for the winning bidder will be made no later than **30th April 2020**.

Notifications to bidders who were not selected will be completed by **30th April 2020**.

Project Timeline:

Project planning phase must be completed by **8th May 2020**.

Project implementation phase is expected to be completed by **19th June 2020**.

The project is due to run until **30th June 2020**.

7. Project Budget

The budget for this work is **\$6-10k per region (\$18-30k total)**. All proposals must include proposed costs to complete the tasks described in the project scope. Costs should be stated as one-time costs.

Pricing should be listed for each of the regions listed above. It should be clearly highlighted if the consultant proposes to research one, two, or all regions.

8. Bidder Qualifications

In a proposal that is **no longer than 20 pages**, bidders should provide the following items as part of their proposal for consideration:

- Description of experience in undertaking similar analysis
- Description of relevant language skills
- List of the staff who would be working on the contract and job titles
- Examples of similar work
- References from other similar clients
- Timeframe for your tasks and completion of the project
- Proposed methodology for undertaking the research

9. Proposal Evaluation Criteria

C40 will evaluate all proposals based on the following criteria:

- Overall proposal suitability: ability to meet the scope and needs included in this document
- Experience
- Value and cost
- Expertise (technical, experience, required language skills etc)
- Proposed approach to solving potential challenges

Proposals will be evaluated against the following criteria (example table below):

Robustness of the project delivery proposal & demonstration of relevant expertise	60%
Capability and cultural fit quality, experience and availability of the team references from other clients including not-for-profit clients ability to meet requirements listed supplier alignment with C40's goals on greenhouse gas emission reduction	20%
Value for money	20%

Each bidder must submit 1 copy of their proposal to both contacts mentioned below by 10th February 2020 at 10am GMT.:

Friederike Hanisch, Senior Manager – Divest/Invest Forum, ghanisch@c40.org
Lydia Marsden, Project Officer – Divest/Invest Forum, lmarsden@c40.org

Statement of Work *(to include with RfP)*

Scope of Work

A detailed explanation of services to be provided

Term

Time frame of service with an end date

Fees

Service Provider's pay rate; examples include: X amount per hour, X amount per month, X amount for service provided

Payment Schedule

*How the Service Provider would like to be paid; examples include: quarterly payments, one-time payment, monthly payment *note: C40 does not pay more than once per month*

C40 Staff Point of Contact

Lydia Marsden

Project Officer – Divest/Invest Forum

lmarsden@c40.org