

REQUEST FOR APPLICATIONS (RFA)

No. 076-3002E-003-S-2019

Issuance Date: February 13, 2019

Application Submission Due Date: March 13, 2019

Dear Applicant:

USAID Zrda Activity in Georgia, implemented by Chemonics International, is seeking sub-award applications for developing new products for the adventure travel market with substantial engagement from local communities to assist tour and excursion operators to diversify their package offers by incorporating new services into their products. One or more sub-awards will be awarded and implemented in accordance with USAID and US Government regulations governing sub-awards under corporative agreement and *USAID Zrda Activity in Georgia's* internal sub-award management policies.

Chemonics realizes that applicants may have additional questions after reading this RFA. Applicants can submit their questions by email to Zrda at subawards@zrda.ge by 06:00 pm, **February 22, 2019**. Zrda will provide answers to all relevant questions. Answers to all questions will be posted to the www.zrda.ge website or facebook page by **February 26, 2019**. Individual responses will not be provided.

Zrda Activity will hold a pre-application workshop on **February 20, 2019, 16:00**, at Zrda Tbilisi and regional offices at the following addresses:

Tbilisi, at 9, N. Ramishvili Street
Zugdidi, at 3, R. Lagidze Street
Gori, at 27/1, Stalin Avenue
Akhalsikhe at 21a, Saint David and Konstantine Street
Marneuli, at 48, Rustaveli Street
Akhmeta at 36, Leselidze Street

This workshop will allow eligible and interested applicants the chance to ask questions about the RFA and receive guidance on how to complete the application form. Interested applicants that meet the eligibility requirements defined in *Section IIIA* below and would like to attend this workshop must confirm their attendance by sending the participant's name and the organization's name to subawards@zrda.ge no later than **February 18, 2019**. Only *one person* may attend from each organization. When confirming attendance, please note if the person has any special needs to access the workshop facilities. No reimbursement for costs of attendance will be met.

Zrda Activity and Chemonics employees may not ask for, and applicants are prohibited from offering, any money, fee, commission, credit, gift, gratuity, thing of value, or compensation to obtain or reward improper favorable treatment regarding this solicitation. Any improper request from a project employee should be reported to the chief of party or BusinessConduct@chemonics.com.

Annexes included with this Request for Applications:

- **Annex A** - Sub-award Application Form
- **Annex B** – Applicant Self-Assessment Form
- **Annex C** - Required Certifications
- **Annex D** – List of Zrda Target Municipalities and Communities (no need to attach this document to the application)

In addition to the above listed documents, please attach the latest copy of registration or incorporation document in the public registry, or equivalent document; And copy of company tax registration, or equivalent document.

SECTION I. PROGRAM DESCRIPTION

IA. OBJECTIVE

USAID Zrda seeks to support regional tourism development through new tourism product development, promoting new tourism destinations and attractions, and raising international quality standards within players in the tourism sector. The primary regions for Zrda's tourism activities are Samtskhe-Javakheti, Samegrelo and Kakheti (Tusheti) whereas capacity building of rural guesthouses is a focus across all target regions. Zrda works to develop new products for the adventure travel market with substantial engagement from local communities and assist tour and excursion operators to diversify their package offers by incorporating new services into their products. While customer experience in tourism largely depends on guides and services and the service marketplace in Georgia is currently experiencing a significant skills gap, Zrda initiated guides training program to address needs unmet in the marketplace. The project works towards increasing adventure related qualifications in various disciplines including hiking, rafting, diving, canyoning and equestrian tourism. To encourage the development of new adventure related activities and/or upgrade the existing ones in line with global standards, Zrda engaged international expertise and fostered series of certified training programs coupled with internship abroad programs in aforementioned disciplines for the youth from Zrda targeted areas. Further to the trainings, Zrda intends to assist the guides and instructors specializing in equestrian tourism to expand or upgrade their services and thus enable to host larger number of customers and increase sales.

Within the RFA, Zrda encourages the companies and/or individual guides trained and certified within Zrda supported programs to come up with proposals clearly stating in their applications how the new/improved service will add value to their performance and reflect on the increase of customers and revenues. Please note that **only** the guides of equestrian tourism operating in Zrda targeted municipalities of Samegrelo, Samtskhe-Javakheti and Akhmeta are eligible to the grants program

IB. BACKGROUND

USAID Zrda Activity in Georgia is a *five-year* project financed by USAID and implemented by Chemonics International. The goal of Zrda is to strengthen the skills, productivity, and networks of local actors – from vulnerable households to Micro, Small, and Medium Enterprises (MSMEs) – so that they can contribute to broad-based economic growth and strengthened resilience in target communities. Zrda will improve MSME development and growth, increase rural households' ability to generate income, and foster enduring market linkages between producers and buyers to strengthen the market system. As a result, Zrda will create jobs and increase sales for MSMEs and incomes for households, bolstering the resilience and livelihoods of targeted communities.

IC. DETAILED PROGRAM DESCRIPTION

Zrda intends to support small and medium-sized enterprises and individual entrepreneurs that need support to create and market new adventure tourism products and services and/or upgrade their existing services/products to meet international standards. As a result, the initiative will enable adventure tourism actors to attract more domestic and international visitors and boost their sales through diversified and attractive product and service offers, generate more income and increase employment in tourism and hospitality sector in Zrda targeted regions.

Examples of eligible expenses include, but are not exclusive to the following:

- Horse harness set, including saddles and helmets for riders of various gender and age;
- Promotional packages development, including business card, leaflet and other printed materials;

Under this activity selected sub-awardees will be responsible for providing the following deliverables to Zrda:

- Detailed implementation plan including the description of product/service to be created/upgraded, estimated fixed and variable costs associated with the ongoing sale of the product/service, expected profitability (1 and 3-year estimates), expected new employment requirements, project duration, location, methodology and overall budget.
- List of equipment to be procured – Note: Applicants must indicate whether or not relevant services and/or equipment can be purchased locally in Georgia. If equipment must be ordered and imported to Georgia, the applicant must identify and propose suppliers located ONLY in the United States of America, unless such suppliers cannot provide the relevant clothing and equipment.
- Detailed marketing strategy and sustainability plan portraying how the new service /product will be promoted to reach targeted audience and be managed to become commercially viable.

The Sub-Awardee shall submit the deliverables described above according to the timeline mutually agreed upon by the successful applicant and Zrda.

ID. AUTHORITY/GOVERNING REGULATIONS

USAID Zrda Activity in Georgia sub-award awards are made under the authority of the U.S. Foreign Affairs Act and USAID's Advanced Directive System (ADS). Organizations will adhere to guidance provided under [ADS Chapter 303](#), "Grants and Cooperative Agreements to Non-Governmental Organizations" and will be within the terms of the USAID [Standard Provisions for Non-U.S. Non-Governmental Recipients](#), as well as the *USAID Zrda Activity in Georgia* sub-awards procedures.

ADS 303 references an additional regulatory document issued by the U.S. Government's Office of Management and Budget (OMB) and the U.S. Agency for International Development:

- 2 CFR 200 [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart E](#) (U.S. applicants are subject to 2 CFR 200 in its entirety)

Full text of 2 CFR 200 can be found at http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

USAID Zrda Activity in Georgia is required to ensure that all organizations receiving USAID sub-award funds comply with the guidance found in the regulations referenced above, as applicable to the respective terms and conditions of their sub-awards.

Under the *USAID Zrda Activity in Georgia* sub-award program, USAID retains the right at all times to terminate, in whole or in part, *USAID Zrda Activity in Georgia* sub-award-making authorities.

SECTION II. AWARD INFORMATION

Budget: Applicants must provide a detailed budget for the whole activity, including all relevant costs for project implementation. The Zrda portion of the total project budget should be a maximum of 85% of the total project budget, up to a maximum Zrda contribution of GEL 13,000 for a single award. Zrda has allocated a total financing pool of GEL 79,000 for this sub-award activity. Zrda may approve projects such that the entire financing pool is fully utilized, however, Zrda is under no obligation to utilize the full financing pool, with the determination on the total number and value of projects approved to be made at Zrda's own discretion. If there are an insufficient number of applications received or those received do not result in the full utilization of the entire financing pool, Zrda may elect to re-announce the RFA or extend the period for applications to be submitted.

Leverage: : All applicants are **required to provide a minimum of 15%** of the total sub-award budget as a leveraged contribution either in **cash or in-kind**. Those applications providing cash leverage will be evaluated more favourably. The budget should clearly detail which expenses are proposed to be covered from the Zrda sub-award and which costs will be covered through applicant's leveraged contributions. Leverage must be fully documented by invoices and other supporting documentation as may be required by Zrda. The leveraged contribution to the project must be paid prior to the disbursement of funds by Zrda or the procurement of equipment for the beneficiary by Zrda.

The duration of any sub-award under this solicitation is expected to be 4 (four) months from the beginning of award. The estimated start date of sub-awards awarded under this solicitation is April 15, 2019.

The type of sub-award will be determined during the negotiation process.

SECTION III. ELIGIBILITY

IIIA. ELIGIBLE RECIPIENTS

- Applicants must be registered in Georgia as private companies with at least 51% Georgian ownership.
- Start-up businesses are eligible to apply but should demonstrate clearly their unique qualifications to deliver the commercial product/service proposed successfully;
- Applicants must originate from Zrda targeted regions (See Annex D);
- Only the guides of equestrian tourism who have in possession minimum of 5 horses and operate in Zrda targeted municipalities of Samegrelo, Samtskhe-Javakheti and Akhmeta are eligible to the grants program.
- Should have deep understanding and hands-on experience in adventure tourism with practical expertise and knowledge of aspects related to product development, group management and hospitality services;
- Should present good references of past performance (From clients, suppliers, partners, or other relevant entities that have an intimate knowledge of the business/organization)
- Applicants must sign the following required certifications prior to receiving a sub-award. The certifications are attached to this solicitation as annex and *Zrda Activity* will review them with applicants;
- For any sub-award(s) resulting from this solicitation that is other than in-kind and equivalent to \$25,000 USD or more, sub-awardees will be required to provide a Data Universal Numbering System (DUNS) number at the time of award. If the applicant already has a DUNS number it should be included in their application. Otherwise, applicants will be expected to get a DUNS number before an award is made. Zrda Activity will assist successful applicants with this process. DUNS numbers can be obtained online at <http://fedgov.dnb.com/webform/pages/CCRSearch.jsp>
- Successful sub-awardee will follow a marking and branding plan of USAID Zrda Activity in Georgia, which will be annexed to the sub-award agreement
- Faith-based and community groups will receive equal opportunity for funding in accordance with the mandated guidelines laid out in ADS 303.3.28 except for faith-based organizations whose objectives are for

discriminatory and religious purposes, and whose main objective of the sub- award is of a religious nature.

SECTION IV – APPLICATION AND SUBMISSION INFORMATION

IVA. INSTRUCTIONS TO APPLICANTS

Under this activity the *sub-awardees* will be responsible for providing the following deliverables to Zrda:

1. Comprehensive, step-by-step action plan, including the description of the new service adoption, expected profitability (1-year estimates), expected new employment requirements, project duration and overall budget.
2. List of materials, intellectual property, software, services and/or equipment to be procured – Note: Applicants must indicate whether or not relevant services and/or equipment can be purchased locally in Georgia. If equipment must be ordered and imported to Georgia, the applicant must identify and propose suppliers located ONLY in the United States of America, unless such suppliers cannot provide the relevant clothing and equipment.
3. Detailed marketing strategy and sustainability plan portraying how the new service /product will be promoted to reach targeted audience and be managed to become commercially viable.

The Sub-Awardee shall submit the deliverables described above according to the timeline mutually agreed upon by the successful applicant and Zrda.

IVA1. APPLICANT SELF-ASSESSMENT

All organizations selected for award are subject to a pre-award risk assessment conducted by *Zrda Activity*, to ascertain whether the organization has the minimum management capabilities required to handle US government funds. The applicant self-assessment is the first step in the pre-award risk assessment process. The Applicant Self-Assessment Form is contained in Annex.

Applicants that submit *full applications* that meet or exceed the merit review criteria will be notified of next steps in the application process.

IVA2. SUB-AWARD APPLICATION

Template to be utilized when developing the *application* is provided in Annexes. Applicants shall present their technical application and budget in the formats provided and shall follow the instructions and guidelines listed in these annexes.

All sub-award activity costs must be within the normal operating practices of the Applicant and in accordance with its written policies and procedures. For applicants without an audited indirect cost rate, the budget may include direct costs that will be incurred by the Applicant to provide identifiable administrative and management costs that can be directly attributable to supporting the sub-award objective.

The *application* must be signed by an authorized agent of the Applicant.

IVA3 INELIGIBLE EXPENSES

USAID Zrda Activity in Georgia sub-award funds may not be utilized for the following:

- Private ceremonies, parties, celebrations, or "representation" expenses.
- Construction or infrastructure activities of any kind.
- Purchases of restricted commodities, such as agricultural commodities, motor vehicles, pharmaceuticals and contraceptive items, pesticides, used equipment, U.S. government excess property and fertilizers without prior approval from USAID. If procurement of these restricted commodities is necessary, Chemonics will request approval from the Agreement Officer and proscribe the process for procurement of such commodities to the recipient.
- Prohibited commodities under USAID regulations, including but not limited to: military and surveillance equipment, police or law enforcement equipment, abortion equipment and services, weather modification equipment, luxury commodities, and gambling equipment.
- Purchases of commodities or services restricted or prohibited under the prevailing USAID source/nationality regulations per 22 CFR 228 and relevant Standard Provisions; or from countries or suppliers as may be identified by USAID's consolidated list of debarred, suspended, or ineligible subcontractors at <http://www.sam.gov>.
- Any purchases or activities deemed unnecessary to accomplish Sub-Award purposes as determined by Chemonics, including any Sub-Awardee headquarters expenses that are not directly linked to the implementation of the proposed project.
- Previous obligations and/or bad debts.
- Fines and/or penalties.
- Creation of endowments.
- Other costs unallowable under USAID and/or federal regulations, such as alcoholic beverages. Refer 2 CFR 200 subpart E "Cost Principles" and FAR 31.2 "Cost principles for Commercial Organizations"
- Indirect costs such as but not limited to overhead or indirect fringe (unless the applicant has documented proof of such rates through audits or USAID-issued NICRA). Indirect costs are never allowed under simplified Sub-Awards.

IVB APPLICATION AND SUBMISSION INFORMATION

Applications shall be submitted in English or Georgian and may not be more than 10 pages.

Applications (Technical and budget proposals and supporting documentation) should be submitted in *electronic to subawards@zrda.ge AND/OR hard copy* to the following addresses:

Tbilisi, at 9, N. Ramishvili Street
Zugdidi, at 3, R. Lagidze Street
Gori, at 27/1, Stalin Avenue
Akhalsikhe at 21a, Saint David and Konstantine Street
Marneuli, at 48, Rustaveli Street
Akhmeta at 36, Leselidze Street

Submitted applications should reference RFA No. **076-3002E-003-S-2019**

Applications must be submitted no later than March 13, 2019, 18:00, local time.

Late or unresponsive applications will not be considered.

SECTION V. APPLICATION EVALUATION

VA1. MERIT REVIEW CRITERIA

All applications will be reviewed by an internal review panel comprised of Zrda Activity technical implementation staff, and recommendations may be vetted by a larger group. Concept papers will be evaluated based on merit review criteria proposed by an activity manager.

The following qualifications will affect while evaluation:

Full applications will be evaluated against the merit review criteria in the table below.

Evaluation Criteria	Maximum Points
Feasibility of Design & Technical Approach	15 points
Management & Programmatic Capacity	25 points
Sustainability/Financial Self-Reliance	25 points
Cost effectiveness	20 points
Past performance	15 points
Total Points	100 points

SECTION VI. AWARD AND ADMINISTRATION INFORMATION

All sub-awards will be negotiated, denominated and funded in *GEL*.

All costs funded by the sub-award must be allowable, allocable and reasonable. Sub-award applications must be supported by a detailed and realistic budget as described in Section IV.

Issuance of this RFA and assistance with application development do not constitute an award or commitment on the part of *Zrda Activity*, nor does it commit *Zrda Activity* to pay for costs incurred in the preparation and submission of an application. Further, *Zrda Activity* reserves the right to accept or reject any or all applications received and reserves the right to ask further clarifications from the offerors.