

# REQUEST FOR APPLICATIONS (RFA)

## No. 043-3004-001-S-2018

### **USAID ZRDA ACTIVITY IN GEORGIA**

Issuance Date: March 7, 2018

Dear Applicant:

*USAID Zrda Activity in Georgia*, implemented by Chemonics International, is seeking sub-award applications for qualified technical assistance **to enhance artisans/crafts makers' business skills in Samtskhe-Javakheti and Akhmeta Municipality**. Zrda expects to make a single award for this activity. The sub-award 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.

The project will hold a pre-application workshop on March 13, 2018, 16:00 pm at 9, Ramishvili Street, 1<sup>st</sup> dead. All applicants should be registered via sending email to [subawards@zrda.ge](mailto:subawards@zrda.ge) till March 12, 2018, 18:00 p.m.. Only one person may attend from each organization.

Applicants can also write questions to [subawards@zrda.ge](mailto:subawards@zrda.ge) till March 12, 2018. All answers for the questions will be posted at Zrda Facebook and web page no later than March 15, 2018

Applications should be submitted in *electronic format to [subawards@zrda.ge](mailto:subawards@zrda.ge) OR hard copy* to the USAID Zrda Activity in Georgia Tbilisi office at the address 9, Ramishvili Street, 1<sup>st</sup> dead, 3<sup>rd</sup> floor and should reference RFA No No. 043-3004-001-S-2018. Applications must be submitted no later than *March 30, 2018, 18: 00 p.m.* local time. Late or unresponsive applications will not be considered.

Summary of the events are as follow:

Registration for Proposal Conference till March 12, 2018, 18:00 p.m.

Proposal Conference – March 13, 2018, 16:00 p.m.

Write questions to [subawards@zrda.ge](mailto:subawards@zrda.ge) till March 12, 2018, 18:00 p.m.

Respond to questions till March 15, 2018, 18:00 p.m.

Submit applications to Zrda project till March 30, 2018, 18:00 p.m.

Estimated Start date of the Sub Award – May 1, 2018

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](mailto:BusinessConduct@chemonics.com).

Annexes included with this Request for Applications:

- **Annex 1** - Sub-award Application Form
- **Annex 2** – Implementation Plan Timeline
- **Annex 3** – Applicant Self-Assessment Form
- **Annex 4**– Required Certifications
- **Annex 5** – List of Zrda target villages (Samtskhe Javakheti and Akhmeta)

## SECTION I. PROGRAM DESCRIPTION

### IA. OBJECTIVE

The objective of this activity and sub-award is to promote and enhance the creative and business skills of handicraft artisans in Samtskhe-Javakheti Region and Akhmeta Municipality (Kakheti Region). *The USAID Zrda Activity in Georgia* is therefore seeking qualified technical assistance from a qualified organization that shall design and implement primary research (survey) of existing knowledge and resources for artisans in the selected geographies, design and implement a support program for product development innovations, inclusive of trainings, workshops and/or individual consultations that will result in improvement of existing craft products and the creation of new, market-oriented craft products. Finally, the activity shall help to promote the concept of “Artisan Workshop as Touristic Destination” as well as support improved market linkages for artisans and creators to more broadly and effectively market their products regionally and nationally.

### 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.

Zrda’s approach to tourism value chain development in Georgia seeks to support interventions in distribution, lodging, excursions, as well as support to development of tourism assets and destinations, with a focus on our target regions. Zrda’s interventions focus on three main pillars:

- 1) **Product Development & Marketing:** Development and promotion of new touristic routes, printed and electronic materials (guides, cultural products – such as cookbooks), handicrafts, destinations/excursions/activities (villages, intangible and tangible heritage sites, museums, agro/eco/adventure sites/activities), festivals and fairs, etc.
- 2) **Training and Capacity Building:** Working with local tourism stakeholders and businesses to improve business performance, quality of service provision, and marketing. Focus areas for training and capacity building are small and medium-sized hotels and rural guesthouses, tour guides, tour operators, restaurants, artisans, national parks, museums, cultural heritage monument operators, and other as opportunities arise.
- 3) **Regional Coordination, Promotion, & Destination Management:** Zrda, in close collaboration with the Georgia National Tourism Agency (GNTA), will support the establishment of regional DMOs in Samtskhe-Javakheti and Samegrelo, support capacity building of GNTA-coordinated Tourism Information Centers (TICs) in Zrda target regions and develop management models for national roll out, support media and tour operator awareness tours of regional destinations, and promote public-private partnerships to regional tourism development activities generally.

This proposed activity fits within the first and second areas of invention as described in the framework above.

## IC. DETAILED PROGRAM DESCRIPTION

Handicraft production in Georgia is primarily the work of individuals. There are few associations, unions, and cooperatives of artisans producing crafts on a larger scale. The primary crafts produced in Georgia fall into the following main categories: (1) Textile arts (knitting, weaving, felting, embroidery, sewing); (2) Pottery; (3) Glassblowing; (4) Enamel jewelry and other decorative items; (5) Woodcarving and traditional carpentry; (6) Paper products; (7) Decorative and functional metalwork; and (8) Jewelry from precious metals and stones. The main obstacles for development of the sector in Georgia are a lack of knowledge on modern design and tastes of consumers/tourists, a lack of quality control, seasonal sales, lack of business skills (costing and pricing), lack of production coordination and fragmentation of production, poor understanding of modern marketing and retail strategies to grow sales, fragmented distribution chains, and an overall lack of understanding by artisans of modern approaches to production and marketing of products. Zrda's intends to support artisans with training and technical assistance to improve business and marketing skills, product design, facilitate linkages with other industry actors to expand retail presence, and transform their workshops into tourism destinations so the artisan is marketed alongside the product. By providing a person-to-person connection with the tourist the product sale becomes more compelling.

Artisans and handicrafts play a key role in the tourism value chain in Georgia, where they provide visitors not only with a high quality souvenir from their visit but also provide a glimpse into the history and culture of the population and their traditions. Zrda has selected to focus its efforts on supporting the handicrafts sector in Samtskhe-Javakheti Region and Akhmeta Municipality (Kakheti Region), both of which have a rich history of crafts production. Applicants are requested to propose their approach to assisting artisans in these regions to improve existing and develop new innovative products, improve market linkages between artisans and new retail sales channels such as hotels and restaurants, and develop a concept to develop a pilot scheme for "Artisan as Tourism Destination" activity wherein local artisans are assisted to welcome tourists to their homes and/or workshop for exhibitions, interactive education on crafts production, and direct to consumer sales. Zrda will assist to link established artisan destinations to inbound tour operators for inclusion in touristic routes as well as to help these artisans market directly to independent travelers.

*In particular, Zrda requests applicants to present their approach to completing the following tasks under this activity:*

1. Conduct primary and secondary research to catalogue and understand what existing resources are currently available to support development of the handicrafts sector in Georgia and then elaborate recommendations for further development of the sector, with a focus on Samtskhe-Javakheti Region and Akhmeta Municipality;
2. Based on the research, develop and implement a training program for artisans active in these regions as well as to encourage young people to enter into the handicraft business (production and/or sales/marketing). Training program should provide both general theoretical knowledge as well as practical components. Individual consultations will also be necessary, especially for those artisans who are shortlisted to participate in the "Artisan as Destination" pilot activity. Training should also include basic business skills training, especially focusing on costing and pricing of products.
3. Assist artisans to prepare prototypes for new products while, in parallel, assisting artisans to refine their existing product lines product through experimentation and innovation with designs and/or materials;
4. Prepare marketing kits for artisans' use, inclusive of packaging and information tags as relevant for the various products to enhance their marketability.

5. Facilitate market linkages between artisans with different new and existing retail outlets both in the artisans' respective regions and nationally.
6. From all artisans trained under the activity, the applicant should assist Zrda to define selection criteria and recommend a maximum of 20 high potential artisans to be invited for participation in the "Artisan as Destination" pilot activity, from which a maximum of 5 will be selected.

Based upon the above-detailed expected tasks to be completed under this sub-award, Zrda expects to receive the following deliverables:

1. Research report detailing the finding of the sector research and resulting recommendations;
2. Syllabi and training materials for the developed training activities; For individual one-on-one consultations, the application should deliver individual reports with detailed recommendations for the requirements that will be necessary for the artisans to successfully emerge as destinations in and of themselves; Training participants lists including full contact information for all trainees and photos of the training sessions.
3. Prototypes/models of new products created under the activity.
4. Marketing kits for artisans, inclusive of packaging and informational tags that can be easily printed/created by individual artisans;
5. Recommended selection criteria and shortlist of maximum 20 artisans for invitation to apply for support under the "Artisan as Destination" pilot activity.
6. Final report summarizing key achievements during sub-award implementation, recommendations for future actions to support the sector, and a detailed summary of any market linkages facilitated between supported artisans and retail outlets, hotels, and/or restaurants.

Applicants should clearly propose their expected **total number of beneficiaries**, the expected increase in sales for these beneficiaries, and the total number of new jobs created as a result of this activity.

## **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](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**

USAID Zrda Activity in Georgia anticipates awarding a maximum of GEL 85,000 via a single sub-award for implementation of this activity. The final amount of the award will be dependent upon approved sub-award activities, the associated budget and final negotiations with the selected applicant and may be lower, but not higher than the indicated amount. The duration of any sub-award under this solicitation is expected to be no more than twelve months from the beginning of award. The estimated start date of sub-awards awarded under this solicitation is May 1, 2018.

**Leverage:** All applicants are **required to provide a minimum of 10%** of the total sub-award budget as a leveraged contribution in **cash or in kind**. 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.

**Zrda Option for Additional Geographic Coverage:** The sub-award shall include an option clause that shall give Zrda the option to extend the geographic coverage of the sub-award to include the additional regions of Samegrelo, Kvemo Kartli, and Shida Kartli (one or more). The maximum value of the option shall be GEL 42,500 with an additional 8 months added to the sub-award timeframe and an addition 10% leveraged contribution from the sub-awardee. Based on sub-awardee performance and the requirements of Zrda, Zrda may elect to exercise this option and negotiate the terms of the expansion directly with the selected sub-awardee.

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

## SECTION III. ELIGIBILITY

### IIIA. ELIGIBLE RECIPIENTS

- Applicants must be a registered *Georgian entity*, formally constituted, recognized by and in good standing with appropriate *Georgian* authorities, and compliant with all applicable civil and fiscal regulations. For-profit commercial businesses (inclusive of individual entrepreneurs), non-governmental organizations (NGOs), associations, foundations, or other non-commercial entities are all eligible and encouraged to apply. Private firms must be a minimum of 51% Georgian owned and operated. International NGOs (or local branches thereof) and multinational international organizations are not eligible to apply;
- Applicant or its key staff must have at least 1 year of organizational experience, with proposed key staff having at least 5 years of experience, in the following: handicraft business, development and enhancing crafts makers/ artisan's business capacity, providing product development trainings and prototyping;
- The Applicant organization's proposed key staff must have a minimum of a master's degree in Art, including a handicraft production, trainings and marketing of crafts, business education is a minimum requirement for any business trainers;
- Applicants may only submit one application per prime organization under this RFA;
- Applicants must have established outreach capabilities with linkages to the beneficiary group(s) identified in the program description. This should be reflected by the incorporation of the beneficiary perspective in the application;

- Applicants must display sound management in the form of financial, administrative, and technical policies and procedures and present a system of internal controls that safeguard assets; protect against fraud, waste, and abuse; and support the achievement of program goals and objectives. *Zrda Activity* will assess this capability prior to awarding a sub-award;
- 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**

Applicants must propose strategies for the implementation of the program description described above, introducing innovations that are appropriate to their organizational strengths.

#### **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.
- 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 15 pages.

Applications (Technical and budget proposals and supporting documentation) should be submitted in *electronic* to [subawards@zrda.ge](mailto:subawards@zrda.ge) AND/OR *hard copy* to the USAID Zrda Activity in Georgia Tbilisi office at the address 9, Ramishvili Street, 1<sup>st</sup> dead, 3<sup>rd</sup> floor and should reference RFA No **043-3004-001-S-2018**.

**Applications must be submitted no later than March 30, 2018, 18: 00 p.m. local time. Late or unresponsive applications will not be considered.**

USAID Zrda Activity in Georgia  
N.Ramishvili Street 9, 1<sup>st</sup> dead, Tbilisi, Georgia  
*EMAIL:* [subawards@zrda.ge](mailto:subawards@zrda.ge)

In addition to the application forms and budget, applicants should submit the following (given in the annexes) to USAID Zrda Activity in Georgia:

- Implementation Plan
- Signed and dated Required Certifications listed under section III.A

**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 criterias proposed by an activity manager.

The following qualifications will effect while evaluation:

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

<b>Evaluation Criteria</b>	<b>Evaluation Sub-criteria</b>	<b>Maximum Points</b>
<b>Technical Approach, Methodology, and Detailed Work Plan</b>		
	Technical know-how – Does the application clearly explain, understand and respond to the objectives of the project as stated in the Scope of Work?	20 points
	Approach and Methodology – Does the proposed program approach and detailed activities and timeline fulfill the requirements of executing the Scope of Work effectively and efficiently? Total number of beneficiaries proposed for support and the expected results in terms of new sales generated by supported artisan will be evaluated under this sub-criteria.	20 points
	Sector Knowledge – Does the application demonstrate the applicant’s knowledge and experience in the sector?	20 points
<b>Total Points – Technical Approach</b>		<b>60 points</b>
<b>Management, Key Personnel, and Staffing Plan</b>		
	Personnel Qualifications – Do the proposed team members have necessary experience and capabilities to carry out the Scope of Work?	20 points
<b>Total Points – Management</b>		<b>20 points</b>
<b>Corporate Capabilities, Experience, and Past Performance</b>		
	Company Background and Experience – Does the company have experience relevant to the project Scope of Work?	20 points
<b>Total Points – Corporate Capabilities</b>		<b>20 points</b>
<b>Total Points</b>		<b>100 points</b>

Additionally, *Zrda Activity* will ensure environmental soundness and compliance in design and implementation as required by 22 CFR 216.

## **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. Applicants will be informed in writing of the decision made regarding their application.

### **LIST ANNEXES**

- **Annex 1** - Sub-award Application Form
- **Annex 2** – Implementation Plan Timeline
- **Annex 3** – Applicant Self-Assessment Form
- **Annex 4**– Required Certifications
- **Annex 5** – List of Zrda target villages (Samtskhe Javakheti and Akhmeta)