

## REQUEST FOR APPLICATIONS (RFA)

**No. 085-3002E-004-S-2019**

**Issuance Date: April 23, 2019**

**Application Submission Due Date: May 22, 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](mailto:subawards@zrda.ge) by 06:00 pm, **May 12, 2019**. Zrda will provide answers to all relevant questions. Answers to all questions will be posted to the [www.zrda.ge](http://www.zrda.ge) website or facebook page by **May 15, 2019**. Individual responses will not be provided.

Zrda Activity will hold a pre-application workshops, at Zrda Tbilisi and regional offices according to the following schedule:

**Zugdidi, at 3, R. Lagidze Street – May 6, 2019 at 03:00 pm**  
**Akhaltikhe at 21a, Saint David and Konstantine Street – May 7, 2019 at 02:00 pm**  
**Borjomi, Hotel 'Borjomis Kheoba' – May 8, 2019 at 11:00 am**  
**Akhmeta at 36, Leselidze Street – May 10, 2019 at 02:00 pm**  
**Tbilisi, at 9, N. Ramishvili Street – May 13, 2019 at 04:00 pm**  
**Marneuli at 48, Rustaveli Street – May 13, 2019 at 04:00 pm**

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.

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 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

Rural and adventure tourism has remarkably increased in importance for global economic development and it is deemed as a key pathway to assist rural areas to stem the tide of rural-urban of migration and associated economic decline while also helping to preserve rural traditions and culture. Rural tourism is a growing niche market and offers new market opportunities within an expanding market in Georgia as well. Adventure tourism serves as an integral compliment to rural tourism opportunities by developing new opportunities for tourists to become active in the rural environment. The tremendous potential and resources for rural and adventure tourism in Georgia provides significant opportunity for communities to develop and trade a broad range of products and services, highly demanded because of their unique nature. To promote the concept of rural tourism, facilitate the development of new marketable products and support rural households to increase incomes from off-farm livelihoods opportunities, Zrda is announcing a request for applications for rural and adventure tourism actors in Zrda targeted municipalities.

### 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 other relevant, commercially-oriented tourism organizations (NGOs, Associations, etc.) and individual entrepreneurs that have innovative ideas to create and market new rural and/or adventure tourism products and services and/or upgrade their existing services/products to meet international standards. As a result, the initiative will enable adventure and rural 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.

The goal of the rural and adventure activities sponsored under the grants program is to give visitors personalized contact, a taste of the physical and human environment of the countryside, allow them to participate actively in the product/service, share regional traditions and lifestyles of local people with visitors, and offer tourists a wider variety of soft and hard adventure recreational opportunities.

Within this RFA the successful applicants are expected to design projects falling under the following clusters:

- **Adventure retail business** (e.g. such as camping, hiking, mountain biking and/or other gear rental businesses);
- **Sports and Outdoor Recreation gear supply and/or service provision** (rafting, equestrian, trekking, camping, guiding, etc.)

- **Adventure entertainment/services** (e.g. such observation and participation in local/traditional manufacturing processes such as fishing, outdoor party/brunch experiences, establishing visitor-friendly farm-based activities which may include either livestock-related activities (shearing, milking, etc.) farming and pick-your-own fruits/vegetables activities, educational/cultural tours, etc.;
- **Gastronomy and Wine focused activities** that allow tourists to experience and participate in unique culinary and wine experiences in a rural setting.
- **Other and/or similar activities** that may not be specifically included in the above clusters will be considered but should provide a compelling justification. For example, businesses, excluding accommodation as mentioned below, which exist within the overall value chain or supply chain that supports businesses in the above clusters will be considered with compelling justification and demonstrated relation to the above clusters.

**NOTE: Projects supporting the establishment or expansion of accommodation businesses, such as guesthouses and small hotels, are not eligible and will not be considered. Existing accommodation businesses who wish to create or expand additional (non-accommodation) service offerings in the above categories are eligible to apply.**

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

- Furniture and decorations for non-accommodation businesses (wine cellars, breweries, etc.)
- Sporting goods equipment (rafts and relevant equipment, equine saddles and accessories, tents, backpacks, mountain bicycles, clothing, helmets and other safety equipment, etc.).
- Generators, solar panels, or other small electricity generation systems requisite to sports and recreation camps.
- Digital and printed marketing materials for an existing or new product/service, including website development, branding/logo development, and other related services.
- Other relevant equipment not included in the exclusion list below that is required for successful implementation of the proposed project.

The following items are NOT eligible for Zrda financing, but may be included in the project as part of the applicant's leveraged contribution:

- Infrastructure or construction costs, including construction materials.
- Motorized vehicles of any type (automobiles, motorcycles, motorboats, etc.)
- Live animals
- Equipment and/or supplies to be used for the production of alcoholic beverages of any type.

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/developed/improved, 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 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.
- 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](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 training (if applicable), equipment procurement and administrative costs. The Zrda portion of the total project budget should be a maximum of **75%** of the total project budget, up to a maximum of **GEL 26,000** for a single award. Zrda has allocated a total financing pool of **GEL 260,000** 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 25%** of the total sub-award budget as a leveraged contribution in **cash only**. 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 will not allow beneficiary leveraged contribution to be applied to a single piece of equipment with Zrda paying for 75% of the cost of said piece of equipment and the beneficiary paying the remaining 25%. **Zrda's share should wholly cover the cost of the items requested and beneficiary contribution should fully cover the cost of their items, with no costs split for any single item.**

**Timing and Duration:** Zrda anticipates that selection of successful applicants and sub-award agreements shall be finalized during the period from **May 20 through June 20, 2019**, and successful sub-awards shall have a maximum term of **6 months**. Only under exceptional circumstances shall the period of award

implementation be extended to nine months, and such request should be fully justified in the application.

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.
- Applicants must originate from Zrda targeted regions (See Annex D) or may be located outside of these communities providing strong evidence in their application of an economic connection to one or more Zrda target communities. Economic connections may include employment of residents from these communities, engaging suppliers of primary and/or intermediary goods/services from such communities, execute business activity within these communities, and/or similar types of economics connections, which shall be fully justified/explained with the application.
- Start-up businesses are eligible to apply but should demonstrate clearly their unique qualifications to deliver the commercial product/service proposed successfully.
- Should have thorough understanding of tourism and hospitality industry in Georgia, with a specific focus on adventure and/or rural tourism, especially in the respective region(s) wherein the applicant operates;
- 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;
- 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](mailto:subawards@zrda.ge) AND/OR hard copy* to the following addresses:

**Tbilisi, at 9, N. Ramishvili Street**

**Zugdidi, at 3, R. Lagidze Street**

**Akhalsikhe at 21a, Saint David and Konstantine Street**

**Marneuli, at 48, Rustaveli Street**

**Akhmeta at 36, Leselidze Street**

Submitted applications should reference RFA No. **085-3002E-004-S-2019**

**Applications must be submitted no later than May 22, 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.

<b>Evaluation Criteria</b>	<b>Maximum Points</b>
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
<b>Total Points</b>	<b>100 points</b>

## 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.