

## REQUEST FOR APPLICATION (RFA) RICE PROCUREMENT AND SALES BUSINESS MODEL

Name of Project	Bangladesh Feed the Future Rice and Diversified crops (RDC) Activity
Request for Applications (RFA) No.	10-2018
Date of Issue	October 08, 2018
Closing Date for Receipt of Applications <b><i>(Late applications will not be considered.)</i></b>	November 30, 2018
Questions on this solicitation should be submitted to e-mail address provided no later than the date indicated.	E-mail: info@acdivocardc.org  No later than: November 10, 2018
<i>(Optional)</i> The project will hold a briefing for interested parties on the date and location indicated. Those interested should notify the e-mail above of their planned attendance.	No briefing session will be held

### I. PROGRAM DESCRIPTION AND OBJECTIVES

ACDI/VOCA is implementing the project entitled, Bangladesh Feed the Future Rice and Diversified crops (RDC) Activity with funding from USAID to improve food security through facilitating systemic changes that increase rural incomes. It is a five-year project starting from July 13, 2016 and ending on July 12, 2021. The USD 24.5 million initiative targets 500,000 farmers from the FtF zone in southwestern Bangladesh. RDC catalyze market system changes that promote a diversified farm management approach focused on intensified production of rice and production of higher-value, nutrient-rich crops, improve food security and nutrition in the Khulna, Barisal, and southern Dhaka divisions of Bangladesh (FtF Zone). Diversified crops that RDC will initially target include: maize, oilseeds (mustard, sunflower, ground nuts and sesame) and pulses (lentils and mung bean)

The objectives of the project are:

- Improve Food Security through Systemic Changes that increase incomes
- Increase the intensification of rice production and productivity of diversified crops
- Increase competitiveness and inclusiveness of rice-based crop market systems

#### Background Information for the RFA:

The RDC Activity is planning to work in the following agricultural sectors (select rotational crops) which fall under profitable, rice-based cropping pattern in the FtF zone:

- Rice
- Maize
- Pulses (including lentil and mungbean)
- Oilseed (including mustard, sunflower, sesame and groundnut)

In addition, RDC will focus on the following cross cutting sectors:

- Fertilizer
- Crop Protection
- Information Communication Technology (ICT)
- Financial services
- Mechanization

The target districts under this FtF zone are: **Khulna** division (Jessore, Jhenaidah, Magura, Narail, Bagerhat, Khulna, Satkhira, Chuadanga, Meherpur), **Barisal** division (Barisal, Bhola, Jhalokathi, Pirojpur, Barguna, Patuakhali) and **Dhaka** division (Faridpur, Gopalganj, Madaripur, Rajbari, Shariatpur).

#### **What RDC is Looking for:**

Under the Request for Application (RFA) process, RDC is inviting companies/ firms who are interested in designing new and innovative business models that target farmers of the FtF zone with an objective of achieving improved commercial relationships between market actors including input supply companies, processors, traders, service providers (advisory, finance and machinery) and farmers.

In pursuit and support of these objectives, the project hopes to select eligible organizations to receive grants to carry out activities in the following sector:

#### **Rice:**

Rice security is synonymous with food security in Bangladesh. Since independence, there has been a three-fold increase in polished rice production in Bangladesh, which jumped from nearly 11 million MT in 1971-72 to about 34.86 million MT in 2014-15 (AIS, 2016).

More food will however be required in future because of increasing population. Decreasing resources (reduced land area, labor, soil health and water), and increasing climate vulnerability (drought, salinity, flood, heat and cold) are some of the challenges to matching food production with a growing demand driven by increasing population (Expected to increase from current levels of 160 Million to 220 Million by 2050)

However, significant scope exists in improving rice grain yield and profitability by adopting more productive varieties and hybrids, particularly for areas with abiotic stresses such as salinity and submergence, better production technology including mechanization and higher value rice types such as fine grain and aromatic rice.

The Feed the Future Bangladesh Rice and Diversified Crops (RDC) seeks applicants to submit innovative proposals for increasing rice production through productivity increases in southern Bangladesh. To do this it is considered that rice value chain actors (rice milling companies, input companies, Agri Machinery companies, contract growers, traders, Banks, etc.) should design innovative “rice procurement and sales” business model that benefits all actors and yet is profitable enough for the farmer to increase production.

## **II. AWARD INFORMATION**

Any amount that may be indicated below are projections. Applicants should not use them as targets or assume them to be guaranteed amounts.

Projected number of grants to be awarded	5
Projected not-to-exceed amount of an individual grant	2,000,000.00
Currency in which grant will be issued and paid	Takas
Anticipated period of performance of an individual grant ( <i>duration in months</i> )	12 months
Anticipated start date of performance ( <i>Note: Grants will not be expected to begin on the same date. This date is only a guide to when the initial batch of grants will be expected to commence.</i> )	January 1, 2019
Type of grant that <u>may be</u> issued: ( <i>Note: The final choice of grant instrument will be determined after all elements of the grant application have been evaluated, including any risk that may be identified by ACIDI/VOCA.</i> )	
<input type="checkbox"/> <b>In-kind Grant</b> <ul style="list-style-type: none"> <li>Only goods and services (not cash) will be transferred to the grantee.</li> </ul>	
<input checked="" type="checkbox"/> <b>Fixed Amount Subaward</b> <ul style="list-style-type: none"> <li>Grantee will receive grant funds in pre-determined fixed amount (non-adjustable) increments only after successful completion of quantifiable or otherwise verifiable milestones.</li> </ul>	
<input type="checkbox"/> <b>Cost Reimbursable Grant</b> <ul style="list-style-type: none"> <li>Grantee will be reimbursed for allowable and allocable costs incurred up to the amount obligated (i.e., available funds) to the grant.</li> </ul>	

### III. ELIGIBILITY OF PROSPECTIVE APPLICANTS

Applications from potential new partners are encouraged. All applicants must be able to demonstrate that they meet the following mandatory eligibility requirements.

- Properly document its legal status in its country of operation or place of performance of the grant, if awarded. It must be able to provide proof of its registration in the relevant jurisdiction and other appropriate documents that it is formally constituted, recognized by and in good standing within such jurisdiction, and compliant with all applicable civil and fiscal regulations.
- Not identified in the System for Award Management (SAM) as ineligible to receive U.S. government funds.
- Not appear on the Specially Designated Nationals (SDN) and Blocked Persons List maintained by the U.S. Treasury for the Office of Foreign Assets Control, or "OFAC List".
- Not listed in the United Nations Security designation list.
- Agree to be subject to a pre-award assessment to examine its possession or ability to obtain the necessary management competence to plan and carry out the activities to be funded and the Applicant will practice mutually agreed upon methods of accountability for the funds and other assets to be provided under the grant.
- Can and willing to sign and submit the following required certifications if the grant will be funded by USAID:
  - Assurance of Compliance with Laws and Regulations Governing Nondiscrimination in Federally Assisted Programs*

- *Certification Regarding Lobbying*
- *Certification Regarding Terrorist Financing*
- *Key Individual Certification Narcotics Offenses and Drug Trafficking*
- *Participant Certification Narcotics Offenses And Drug Trafficking*
- *Certification of Recipient*

**Additional eligibility requirements:**

- Have been a legally registered company for at least the past two (2) years
- Make an investment of at least 50% of the total program budget\*\*
- Is not involved in an activity prohibited by USAID and is not in default with any development project.
- Propose business models/concepts which satisfy and support one or more of the following will be given preference (i) new and innovative business models, (ii) expansion of successful business models into new and underserved geographic markets and (iii) expansion of the business models targeting underserved customers in the rural areas, such as youth and women

**Note:** Only *"for profit"* like food processors, exporters, traders and other firms who work for source rice, maize, pulses or oil seeds from producers are eligible to apply who have legal registration. Program is not eligible for Non-Government Organizations (NGOs), Consulting Firms, or Associations.

\*\* The Applicant need to meet under RDC market actor agreement the 1:1 leverage requirement in cash funds or In-Kind resource which can be measurable. The grantee is encouraged to provide more than the minimum leverage requirement depending on the level of facilitation intensity required.

## **IV. APPLICATION AND SUBMISSION INFORMATION**

### **A. Format**

1. All costs associated with responding to this solicitation shall be the sole responsibility of each applicant.
2. ACDI/VOCA reserves the right not to make any award from this solicitation.
3. Applicants must use the template provided in Annex A for the technical approach and corresponding budget.
4. Applications must be submitted in English.
5. The total number of pages shall not exceed 3 for the technical approach including attachments supporting the technical section.
6. The proposed grant budget and attachments supporting the budget are excluded from the page limitation.
7. The application must be signed by an officer of the Applicant organization who is duly authorized to represent the organization in further discussions and/or negotiations on the application.
8. Electronic submissions will be accepted by the same closing date. If submitting electronically -

The technical section and any attachments should be submitted using Microsoft Office Word 2013, or compatible version. The budget section should be submitted using Microsoft Office Excel 2013, or compatible version.

Electronic submissions should be submitted to this e-mail address: **info@acdivocardc.org** clearly stating the **"Application in response to RFA # 10-2018- Rice procurement and sales"** in the subject line.

**ACDI/VOCA will not be responsible for any failure of transmission by an Applicant.**

**B. Additional Instructions for Technical Section**

Applicants should propose to activities that are results-oriented to help achieve the objectives described in Section I, Program Description. A result is a significant, intended, and measurable change in the condition of a beneficiary or a change in the host country, institutions, or other entities that will affect the beneficiary directly or indirectly. The application should demonstrate the Applicant’s good understanding of these objectives by proposing to achieve results that can be quantified and measured.

At a minimum, a results-oriented grant application should have the following three key elements:

- \* Identifies specific results to be achieved and identifiable strategies and processes to achieve the intended results.
- \* Performance management system to measure and assess the achievement of planned results. This will include baseline data and performance goals at various levels against which actual achievement can be compared.
- \* Responsibility for performance to determine who is accountable for achieving results

**C. Additional Instructions for Budget Section**

1. Applicants should propose only those costs that are necessary and reasonable to perform the activities described in the application.
2. Items of cost will be reviewed under the standards of the cost principles in the U.S. government regulation, 2 CFR 200 Subpart E.
3. Applicants should submit a budget narrative that explains and justifies the need for the costs proposed in the budget. The narrative should help the reviewer understand *why an item of cost is necessary and how it will be used for the activity for which it will be incurred.*

**V. EVALUATION**

Applications will be evaluated against the evaluation criteria in the table below.

Specific Criteria	Maximum Score
Technical Merits	60
Organizational capacity and Past performance	25
Cost Effectiveness and Cost Realism	15
<b>Total</b>	<b>100</b>

These evaluation criteria elements are described more fully below.

A. *Technical Merits*: The quality and feasibility of the application, sustainability, appropriateness of the proposed methodology, innovativeness, which proven to be effective or new untried approaches with promise. The extent to which the proposed activity includes a gender component or represents a strong commitment to women as beneficiaries. **60 points**

B. *Organizational capacity and Past performance*: Evidence of the capability to undertake and accomplish the proposed activities and positively strengthen the environment for trade and investment. The application should

demonstrate the organization's effectiveness in terms of internal structure, technical capacity, and financial management capability to meet grant objective goals. The evaluation will be based principally on the background, qualifications, reputation, appropriateness etc. **25 points**

C. Cost effectiveness and cost realism: The degree to which budgeting is clear and reasonable and reflects best use of organizational and grant resources. Applicant's capacity to contribution for leveraging which reflects commitment to the project. **15 points**

Additionally, *Rice and Diversified crops (RDC) Activity* will ensure environmental soundness and compliance in design and implementation as required by 22 CFR 216.

## **VI. AWARD AND ADMINISTRATION INFORMATION**

All grants will be negotiated, denominated and funded in *Bangladeshi Taka*.

All costs funded by the grant must be allowable, allocable and reasonable. Grant 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 Rice and Diversified crops (RDC) Activity, nor does it commit Rice and Diversified crops (RDC) Activity to pay for costs incurred in the preparation and submission of an application. Further, Rice and Diversified crops (RDC) Activity reserves the right to accept or reject any or all applications received. Applicants will be informed in writing of the decision made regarding their application.

### **ANNEXES**

**Annex A** – Grant Application Form and Budget template

# Application Form

Title of the Proposed business model/ concept: \_\_\_\_\_

<b>Name of the company/ firm</b>		
<b>Company/firm address</b>		
<b>Contact Person (on behalf of the company/ firm)</b>	<b>Name</b>	
	<b>Designation</b>	
	<b>Contact number</b>	
	<b>Email:</b>	
<b>Proposed Duration of the project (should be within 6 – 12 months)</b>		
<b>Proposed total budget (in BDT)</b>		

## 1. Organizational Profile [maximum ½ page]

*[Please write a brief introduction of the organization. The introduction must include information on its establishment, offices (headquarter and field offices), no. of permanent employees and core business of the organization such as crops which are procured, distribution models, etc.]*

## 2. Proposed Business Model [maximum 2.5 page]

### 2.1. Market Opportunities

*[Explain the market scopes for the proposed crops in terms of business opportunities, growing consumer demand, prospects, etc.]*

### 2.2. Challenges

*[Explain the challenges for the company / firm (the applicant) in the proposed crops]*

### 2.3. Proposed Business Model

*[Describe the proposed business model/ concept that will help the company/ firm to overcome*

*the challenges mentioned in Section 2.2]*

#### **2.4. Relationships:**

*[Describe how the proposed business model will lead to improved relationships among different market players (e.g. farmers, traders, arotdars, the company)]*

#### **2.5. Target Group and Geographic Coverage**

- *How many farmers can potentially be reached by the proposed business model?*
- *Who are the other actors (e.g.: dealers, input retailers, distributors, traders, arotdars, etc.) that might benefit from the model?*
- *How many female farmers or other female market actors will be reached (if any)?*
- *Mention the target geographic areas (district and upazilla)*

### **3. Key Activities and Proposed Timeline [maximum 1 page]**

- *Mention the major activities which need to be undertaken to implement the proposed business model*
- *Propose a timeline to carry out the major activities*

### **4. Future Plans [maximum ½ page]**

*Beyond the project period and without the project fund, what are the plans*

- *to continue the proposed business model in the future, and*
- *to expand the proposed business model in other geographical regions or other product lines of the company/ firm*

### **5. Fund Requirement and Rationale [maximum ½ page]**

- *What is the proposed total Budget?*
- *What amount of the total budget (in BDT or percentage) is expected from RDC?*
- *Why does the applicant need external funding (Please explain how the fund will help the company to implement the business model)?*



## 6. Experience with Other Development Projects or Government Projects

- Past experience of working with other development partner(s) in the last **two years** (if any)

Sl.	Name of the Project	Name of the Development Organization (i.e. donors, donor funded projects, development organizations or others)	Current status (on-going or closed)	Project Budget	% budget contribution of the company
1					
2					

## Legal Documents

Sl.	Documents name	Yes/No	Expiration date (if applicable)	Remarks
1	Certificate of incorporation			
2	Trade license,			
3	Tax Certificate			
4	VAT registration			
5	Bank account of organization			
6	Other legal document (Please specify document name)			

## Budget Template

**Instructions:** Each company/ applicant will prepare a budget using the format below. If possible (though not mandatory) the applicant should prepare and send this budget as an additional file in Microsoft Excel format. Applicant must contribute to at least **50%** of the program budget. *Operation and administrative cost are discouraged to include in the budget (e.g. staff salary, rent etc.)*

No	Activity/ Cost head	Unit (e.g. month/ day/ session)	Number (#) of Units	Cost per Unit (in BDT)	Total cost (in BDT)	Company Contribution (in BDT)	RDC Contribution (in BDT)	Breakdown of 'cost per Unit'
1								
2								
3								
4								
		<b>Total Budget</b>						
		<b>Contribution to the budget (in %)</b>						

**Note:** If any applicant wants to add additional information relevant to the budget or any line item of the budget, please add columns to the right of the above template.

- Units are description of the activity, for example- Retailers' Trainings, Demonstration Plots, Meetings, Participants
- Quantity = Numerical count of the Unit