Terms of Reference (ToR)

for

Feasibility Assessment for Water Entrepreneurship at RMG communities and Baseline Study for ‘Shujola – Promoting Water Entrepreneurs and Digital Financing Mechanism in Bangladesh’

# 1. Background

 **Shujola – Promoting Water Entrepreneurs and Digital Financing Mechanism in Bangladesh** is a 15-month project (15 September 2019 – 15 December 2020), funded by JT International SA. The project aims to facilitate access to safe water for residents in RMG clusters.Shujola proposes to testing a new business model: designated public agencies engage authorized private sector players to extend the service delivery network to new areas.

Dhaka Water Supply & Sewerage Authority (DWASA) has already piloted a program with a Water technology company, and established water ATMs providing safe drinking water across Dhaka. The results, so far, suggest that water from these ATMs have gained traction in thousands of households and small businesses across the city. However, this pilot concept has been challenged by some limitations:

* It cannot reach scale and go beyond areas where DWASA does not operate (Gazipur, Tongi and Narayanganj is outside the jurisdiction of DWASA);
* The Water technology company is heavily dependent on DWASA with regard to expanding its geographical reach.
* Water technology company also, at present, does not have the capacity to provide operational and maintenance support to all of these water ATMs on its own;
* The commercial viability of the partnership between DWASA and Water technology company also remains to be tested.

Therefore, the project will add value to the existing concept by:

* Assisting all market actors to establish detailed business plans and test the commercial viability of the business model.
* Identifying, selecting and training local entrepreneurs to operate and maintain water ATMs in local communities on behalf of water technology companies as its franchisee.
* Assessing the local presence and ability of local entrepreneurs to co-invest (either in terms of own asset or loan) will be an essential selection criterion.
* Expanding the geographical reach of water technology companies within and beyond Dhaka city – this will be done by establishing water ATMs, operated and maintained by local entrepreneurs, in Gazipur and Tongi cities in partnership with Department of Public Health Engineering (DPHE) --- the designated public agency to provide water in Gazipur and Tongi;
* Facilitating the offer of loan products for local enterprises to invest in water ATMs as franchisees – this will be done in partnership with commercial banks;
* Creating pathways for scalability of the business model based on its commercial viability, learnings and experiences of the different market actors over the 15-month pilot phase.

# 2. Objectives of the Study

The objective of this study is to assess the supply chain of safe drinking water and its ecosystem.

Based on the findings, suitable locations for water entrepreneurs can be determined, where water technology companies along with Shujola can focus their efforts. The feasibility study will also help Shujola and water technology companies determine and develop a business plan for water entrepreneurs. The specific objectives of the study are as follows:

1. Determine the current state of the water supply ecosystem across the respective communities;
2. Identify the technical feasibility and commercial viability of setting up water ATMs in the RMG clusters;
3. To identify the ideal set of awareness campaigns and promotional tools required for residents in RMG clusters to recognize the importance of safe drinking water;
4. To conduct a baseline study on specific outcomes or indicators (**Annex I**). If indicators outside of the ones mentioned are discovered during the baseline study, they should be added and measured
5. Prepare a map of Bangladesh highlighting areas with safe drinking water pumps as well as water treatment plants.

**Specific Activities**

The following table lists specific activities that are required, which involve the three following stakeholders:

* **Consumer**: Consumer refers to the residents in RMG cluster communities.
* **Water Entrepreneurs:** These are the individuals who will be investing in water ATMs establishment and will own and operate the business even after the project phaseout.
* **Water Technology Companies:** Companies that are selling water treatment plants, machineries, having experiences in community based safe drinking water supply business.

Table 1.1: The table below highlights some specific requirements for the baseline study

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Water Consumer** | **Water Entrepreneurs** | **Water Technology Companies**  |
| **Profile** | Prepare a profile on consumers, highlighting key demographic information, economic profile and background. | Prepare a profile on water entrepreneurs both pre-existing and potential, highlighting key demographic information and economic profile  | * Prepare a profile on the various water technology companies operating in Bangladesh highlighting their background and economic profiles.
* Highlight challenges faced by water technology companies e.g. negative media coverage.
* Report on the individual market share of each water technology company
* Interview the regulatory body responsible for registering and monitoring these companies.
 |
| **I.** | Determine the existing water price consumers are paying for their water related needs.  | Report on the business details of current water entrepreneurs, focusing on the feasibility and profitability analysis.  | Report on the current operating status of water technology companies currently in the market, with an analysis of their feasibility and profitability.  |
| **II.** | Determine the current sources of water being used by these consumers. | List the source of funds available to water entrepreneurs | Report on the current state of technology being used for water treatment |
| **III.** | Research whether there are any issues related to availability of water that consumers are facing or have faced in the past. | Gather data on the current consumer base and sales revenue of water entrepreneurs  |
| **IV.** | List any waterborne diseases consumers suffer from or are likely to contract. | Report on the technology being used by water entrepreneurs  |

3. Methodology

This study will employ both a quantitative and a qualitative approach, and will gather data from multiple sources including secondary literature, sample questionnaire survey, focus group discussions (FGD) and key-informant interviews (KII). The results obtained from the representative sample will have to be classified by location, age and sex. The consultant/consultancy firm should produce a brief methodological framework for conducting the study.

4. Geographic location

This study will be conducted in the RMG clusters, specifically in Dhaka, Narayanganj and Gazipur.

5. Duration of assignment, specific activities and targets

**The duration of the assignment is 3 months, starting from 19 December 2019 to 15 March 2020.** For the benefit of effective planning, the prospective bidder can refer to the table below:

Table 1.2: Breakdown of Activities and Targets

|  |  |
| --- | --- |
| **SL.** | **Activity** |
| **5.1** | **Needs Assessment and Baseline Survey** |
| 5.1.1 | Plan for extensive literature review  |
| 5.1.2 | Propose a representative sampling plan following a credible scientific method:* select a representative sample size
* design a sampling scheme that details where, how and when samples will be taken
* design data collection and storage formats
 |
| 5.1.3 | Propose an overall work plan (schedule of activities in a Gantt Chart) |
| 5.1.4 | Propose sufficient man-days to develop questionnaires. Questionnaires do not have to be in the technical proposal as it will be developed in collaboration with Shujola and water technology companies. However, the work plan should reflect data collection for:* Survey/FGD with RMG cluster community members and related information for baseline
* KIIs with any stakeholder who have an influence on the RMG workers’, such as factory staff, community leaders, other relevant government officials, local shopkeepers, etc. Apart from that Dhaka Wasa, Department of Public Health Engineering (DPHE), landlords, BGMEA officials, BKMEA officials, water technology company officials, community-based water entrepreneurs or staffs, etc.
 |
| 5.1.5 | Include days for pre-testing questionnaire and improvisation  |
| 5.1.6 | Plan for data triangulation, cleaning and analysis  |
| 5.1.7 | Plan for draft report submission and presentation of findings to Shujola and water technology companies.  |
| 5.1.8 | Incorporate feedback and submit the final report.  |
| 5.1.9 | Prepare a dashboard for Shujola where we can efficiently summarize and view key project outcome indicators  |
| 5.1.10 | Propose associated human resource required to implement the planned activities |
| **5.2** | **Budget**  |
| 5.2.1 | Please propose associated budget for each of the activities with necessary break-down of all estimated costs. The proposed budget must be inclusive of applicable Tax and VAT. |

## **The role of Swisscontact will be to:**

* Provide approval of the methodology and work plan;
* Review and approve the questionnaire;
* Supervise data collection, cleaning and analysis through active participation;
* Provide feedback on the draft report;
* Approve personnel proposed for conducting surveys, FGDs and KIIs;
* Cover all associated costs for this assignment upon submission of appropriate supporting documents, bills and vouchers (as per the agreed budget with the winning bidder);
* Provide approval for the final report;
* Learn to update and operate the dashboard prepared

# 6. Deliverables, deadlines and Schedule of Payment

The table below outlines some important deliverables and their respective deadlines. Invoices will be paid upon receiving the pre-set deliverables as mentioned in the table below[[1]](#footnote-1):

Table 2: Specific deliverables, deadline and schedule of payment

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl.** | **Deliverables** | **Deadlines** | **Payment Schedule** |
| 1. **.**
 | Signed Contract  |  28 December 2019 | 30% of contract value (upon submission of deliverables 1,2,3 and 4) |
|  | Approved work plan |
|  | Literature review report  |
| 1. **.**
 | Approved questionnaires for surveys and checklists, key informant interviews and focus group discussions | 30 January 2020 |
| 1. **.**
 | Filled up questionnaires (hardcopy) and database (softcopy). In case of online surveys (if applicable), submit the information database | 40% of contract value (upon submission of deliverables 4 and 5) |
| 1. **4.**
 | Submission of the Final Report (hardcopy and softcopy) | 15 March 2020  | 30% of contract value (upon submission of deliverables 6 and 7) |
| 1. **5.**
 | Presentation and handover of the dashboard prepared for Shujola’s outcome indicators  |

7. Technical and Financial Proposal Parameters

The selection criteria are divided into two parts:

* Technical Proposal (70% of the total possible score);
* Financial Proposal (30% of the total possible score).

The bidder is required to submit a technical proposal. The technical proposal should include the following elements:

* Detailed plan as per requirements stated in *Section 5 and 6, Table 1.1: Breakdown of Activities and Targets,* and *Table 2: Specific deliverables, deadline and schedule of payment;*
* Description of organizational capabilities and related experiences;
* Proposed staff members who will be assigned to this assignment, including the percentage of time to be devoted for this assignment and the description of staff experience. The CVs of the proposed personnel should include signed confirmation of their availability for the assignment. The CVs should be submitted as Annex and maximum three pages should be allocated for each CV;
* References: please include names, contact numbers and the main types of services that your organization provides/provided for the current and former clients.

Along with the technical proposal, the bidder is required to submit a financial proposal, in a separate envelope. The financial proposal will be opened only for the agencies scoring 70% and above in the technical proposal. The financial proposal would be evaluated based on:

* Competitiveness of the financial offer;
* Relevance and consistency with the technical proposal.

# 8. Scoring criteria

The scoring criteria will be as follows:

| **Criteria** | **Weight** |
| --- | --- |
| Background and experience of the bidder | 15 |
| Personnel involved in the assignment  | 15 |
| Strategic thinking and technical knowledge | 20 |
| Efficiency of the proposed work plan  | 20 |
| **Total** | **70** |

*Table 3: Selection Criteria for Evaluation of Technical Proposal*

The following criteria will be applicable for evaluation of the potential firm[[2]](#footnote-2):

* Quality and cost-based evaluation will be applied by an evaluation team comprising of members of the Shujola project and Swisscontact administration team;
* The bidder achieving the highest score in the proposal will be awarded the contract, provided both parties reach an agreement on the final budget. If there is no agreement on the final budget, then the bidder with the second highest score will be considered.

# 9. Required Documentation

In addition to the technical and financial proposals, it is mandatory for bidders to submit necessary documents demonstrating their legal, taxation and financial statuses. The documents should be part of the technical proposal and include the following:

* A certificate of incorporation (for individual companies- a trade license);
* Joint stock registration certificate (if applicable);
* An organizational organogram of key personnel, inclusive of the names of such personnel;
* Tax Identification Number (TIN);
* VAT registration number;
* Proof of a segregated account (providing the name and address of such an account);
* Other valid papers (Provided by Government institutions);
* The vendor has to bear all Annual Income Tax (AIT) and VAT. The total amount of VAT should be mentioned in the financial proposal.

# 10. Submission Guideline

Interested bidders should submit the technical and financial proposals and other necessary documents as hard (financial and technical proposals in two separate envelopes) and soft copies by **10 December 2019 before 5:00 PM**  to the address mentioned below:

Coordinator - Finance & Procurement,

Swisscontact, House 19, Road 11, Baridhara, Dhaka-1212, Bangladesh

**E-mail to tamiz.mullick@swisscontact.org**

# Annex I: List of Indicators of Shujola Interventions

Specific outcome Indicators of the Shujola Project are as listed (but not limited to) as below:

1. **Access Dimension Indicators:**
	1. Number of households that have access to safe water for drinking and bathing in RMG clusters;
	2. Average time spent per consumer to collect safe water for drinking and bathing;
	3. Average distance travelled by consumers to get safe water for drinking and bathing;
	4. Number of RMG workers having access to smart cards for safe water;
	5. Number of MoUs signed between water technology companies and commercial banks;
	6. Banks now offer loans to water entrepreneurs;
	7. Number of bundle-offers proposed by the banks;
	8. % of people who have access to improved water sources;
	9. % of people having improved sources of water in their premises;
2. **Usage Dimension Indicators:**
	1. Number of RMG workers who are using safe water for drinking and bathing from each water ATMs;
	2. Number of community members using smart cards or any form of logbooks;
3. **Knowledge Dimension Indicators:**
	1. Number of RMG workers aware of water borne diseases;
	2. Number of RMG cluster community members aware of the benefits of using safe water for drinking and bathing;
	3. Number of people in the RMG communities who have applied for the smart card or other membership options;
	4. % of people in RMG communities possessing knowledge on water contamination and its negative impacts;
	5. % of water entrepreneurs with knowledge about the business operation;
4. **Socio-economic/Health Dimension Indicators:**
	1. Frequency of illnesses caused by water-borne diseases among consumers;
	2. Average expenditure on medicine and medical purposes due to illnesses caused by water-borne diseases among consumers;
	3. Number of entrepreneurs who receive loans from the banks;
	4. Average cost per liter of water for residents in RMG cluster;
	5. % of households suffering due to Arsenic contamination;
	6. % of people suffering from dysentery each month;
	7. % of people facing coli-infected diseases per month;
	8. % of people suffering from cholera per month?
	9. % of people suffering from typhoid fever per month?
	10. % of people consuming water contaminated with faecal matter?
5. **Environmental Dimension Indicators:**
	1. Assess quality of available Drinking water;
6. **Other Shujola Project Indicators:**
	1. Number of water entrepreneurs
	2. Number of water technology companies engaged;
	3. Number of consumer reached by the promotional /awareness campaign;
	4. Number of MoUs signed between water technology companies and commercial banks;
1. Modification of the table can be made on a mutual agreement with the selected organization as per necessity. [↑](#footnote-ref-1)
2. a) Swisscontact has no obligation to award the contract to any applicant if the proposals submitted do not match the quality and/or the budget requirements of Swisscontact

 b) Swisscontact has no obligation to provide any further information to bidders or any other third party about the evaluation process and its results [↑](#footnote-ref-2)