



Fostering Agricultural Markets Activity II (FARMA II)

This assistance is from the American and Swedish people

RFP No. AID-168-C-16-00001/Sub-010-2018
Request for Proposals

Implementation of Food Safety and Quality Standards

Date of Issue: February 5, 2018

Closing Date for Proposal: March 5, 2018

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Submission Details

Submission Deadlines and Details

All submissions for responding to this request must be submitted via e-mail to grants@farmabih.ba, or by mail or personally to the USAID/Sweden FARMA II offices in either Sarajevo, Banja Luka or Tuzla no later than:

March 5, 2018, at 04:00 pm local time

Questions and Clarifications

All questions or clarifications must be submitted in writing (via email to the contact person(s) below), no later than

February 12, 2018, at 04:00 pm local time

No questions will be answered by phone. If any questions are submitted, a written response will be circulated to all offerors.

Contact Persons:

Meriha Manojlovic

Email:

grants@farmabih.ba

On February 15, 2018, at 10:30 am, USAID/Sweden FARMA II will organize an information session to discuss the Scope of Work and to provide instructions for submitting proposals to interested bidders. The session will take place at USAID/Sweden FARMA II's offices in Sarajevo, Fra Anđela Zvizdovića 1, Tower B, 18th Floor. All organizations interested in submitting proposals are encouraged to participate.

Validity of the proposal: Proposals must be valid for 60 days from the closing date of submission.

Document standards:

- Technical proposals must be in Microsoft Word
- Budget must be in Microsoft Excel with formulae showing

Introduction and Executive Summary

USAID and the Government of Sweden have awarded Cardno Emerging Markets USA a five-year contract for implementation of the Fostering Agricultural Markets Activity II (FARMA II) project in Bosnia & Herzegovina (BiH).

The purpose of the USAID/Sweden FARMA II Project is to create agricultural and agribusiness economic opportunities for BiH farmers and entrepreneurs. USAID/Sweden FARMA II will achieve this by assisting agricultural producer organizations to adopt European Union (EU) and international agricultural and food standards and new production techniques, produce new high value products and expand their access to foreign and domestic markets. The USAID/Sweden FARMA II project will also support the BiH government to implement new and revised laws and regulations that comply with EU and international requirements and strengthen institutional capacities.

This Request for Proposals (RFP) aims to support and contribute to the achievement of these objectives through a comprehensive program of training and technical assistance to build domestic capacity for introducing and implementing product quality standards.

Project Background

The international trade rules, EU's regulations and import procedures, private industry quality standards as well as additional performance or quality marks (that are not necessarily legally required, but become de facto market access conditions), can be a difficult hurdle for BiH companies wishing to enter the EU and other international markets. In most cases, products/production must be certified to ensure compliance with importer requirements - to prove EU requirements and private industry quality standards are being met. As a consequence, exporters from BiH not only need appropriate production, processing, handling, etc. but also appropriate certificates. Cost of compliance with standards is high and has a big economic implication on BiH exporters as this might weaken the competitive position of BiH producer organizations (POs) or reduce the profitability of their export-oriented activities. In addition to administrative and technical burdens, given high compliance costs, these private food safety and quality standards are often considered as barriers to the EU markets for small-scale producers, processors or export companies from BiH. Costs of compliance usually include recurring costs – certification costs (maintaining regular control systems and laboratory testing programs, costs associated with annual verification audits, implementation of traceability systems etc.). Non-recurring cost are time-limited investments made in order to be able to achieve compliance and could include cost such are: the upgrading of processing facilities, establishing new procedures and the associated training of personnel, the costs of designing new management systems, the development of centralized systems for handling produce, storing fertilizers and crop protection products, use of professional spraying teams and protective equipment, air-conditioning and ventilation systems, equipment to attain very high standards of hygiene etc.

One of USAID/Sweden FARMA II's goals is to improve access to the EU and other international markets by ensuring that local produce meet EU and other international standards and obtain necessary certifications. BiH agricultural and food producers, potential exporters, must obtain certification. Implementation of standards in BiH will improve farm management, achieve higher product quality, safety and improved environmental outcomes as well as assist producers maintain or access new EU markets. As part of this effort USAID/Sweden FARMA II will implement a comprehensive program of training and technical assistance to build domestic capacity for introducing and implementing product quality standards.

With this activity USAID/Sweden FARMA II plans to support POs to implement following standards:

1. *The GlobalG.A.P. Standard*

In most cases BiH producers wishing to export fresh fruit and vegetables to EU markets must have GlobalG.A.P. certification. Implementation of the GlobalG.A.P. standard will improve farm management practices, help achieve higher product quality and improve environmental outcomes as well as assisting producers to maintain, or gain access to, new EU markets. The USAID/Sweden FARMA II project intends to promote the implementation of the GlobalG.A.P. standard among assisted POs in BiH for the following reasons:

- GlobalG.A.P. remains the most important international standard necessary for producers wishing to access EU markets, especially the fresh market.
- Only a very small proportion of BiH producers are certified in this standard, hence efforts are needed to implement GlobalG.A.P. more widely in BiH.
- The GlobalG.A.P. standard provides an excellent framework for the introduction of Good Agricultural Practices, which include the best environmental practices as well as meeting increasingly strict local and EU food safety standards.

2. *The GRASP - GlobalG.A.P. Risk Assessment on Social Practice*

BiH producers wishing to export fresh fruits and vegetable to the EU especially to Germany are required an addition to GlobalG.A.P. The GLOBALG.A.P. Risk Assessment on Social Practice (GRASP) is a voluntary assessment that can be conducted at the same time as a GLOBALG.A.P. audit. Its main objective is to raise awareness on social practices in primary production. The outcome of the assessment doesn't affect the GLOBALG.A.P. Certification but serves as an additional information to supply chain partners.

3. *The IFS – International Featured Standards*

The IFS Standards currently comprise eight standards, which have been developed for and by the stakeholders involved in all parts of the supply chain. All standards are process standards which help users when implementing legal provisions regarding food and/or product safety, and provide uniform guidelines on food, product safety and quality issues. An IFS certification shows that the certified company has established processes which are suitable for ensuring food and/or product safety, and that it has considered and implemented customer specifications. Implementation of this standard applies to all sectors FARMA II supports – producer organizations (POs) from the poultry sector already expressed an interest to USAID/Sweden FARMA II for support in the introduction of IFS standard; the interest for this standard also exists in the F&V sector.

4. *The Organic Standard*

Organic agriculture is an environmentally friendly production method that combines the best environmental practices, a high level of biodiversity, preservation of natural resources, high animal welfare standards and production methods which conform to the preferences of certain consumers for products produced using natural substances and processes. Most of the producer organizations (POs) in BiH are not aware of the many advantages that can be gained with the implementation of organic standards, and in general there is a lack of awareness about the

importance of certification and the production and marketing of safer, superior quality products. USAID/Sweden FARMA II will provide assistance to existing, and potential, organic producers to meet the requirements of organic standards defined by EU Regulations, so they can obtain certification and gain access to the EU market for organic products. USAID/Sweden FARMA II will provide support to POs from the Medicinal and Aromatic Plant (MAP) sector, beekeeping, poultry and the fruit and vegetable (F&V) sector in fulfilling the requirements for certification.

5. *The Halal standard*

Halal refers to food products that are prepared following Islamic dietary laws and regulations that determine what is permissible, lawful and clean. The word halal literally means “permissible.” It is required by lucrative markets, such as Middle East and South Asian market and is important for Muslim consumers to know the Halal status of certain food products to ensure that the foods meet their dietary requirements. In recent years Halal standard is required in Europe as well. Halal standard is mostly applied in food and pharmaceutical industry, as well as in the production of natural cosmetics.

Detailed Scope of Work

Wider Objectives of the Activity

The focus of USAID/Sweden FARMA II is on wider adoption of international standards within BiH as well as developing initiatives that will make implementation of standards more efficient and effective. The purpose of this activity is to assist BiH producer organizations (POs) to achieve compliance with standard and the capacity to produce food that meets international quality and safety standards. By this activity USAID/Sweden FARMA II intend assist POs to be able: to achieve compliance, to significantly improve competitiveness of POs and increase their opportunities on the international market. In addition, assisted PO's will have sounder business practices and achieve food safety and environmental benefits.

Specific objectives of the Activity

The specific objectives of the activity is to:

- 1) Provide expertise, training and coaching to producer organizations (POs) to improve their ability to implement appropriate and needed international food safety standards within their organizations and to obtain certification for the GlobalGAP, GRASP, IFS, Organic Standard and/or Halal to better respond to EU and other international market requirements. Technical assistance will be provided in the form of direct support to selected POs, and/or individual farmers, in order to prepare them for external inspection and certification by a qualified certification organization. This will include field work, trainings, document preparation, etc.

- 2) Provide expertise, training and coaching in quality and food safety standards implementation and certification processes to at least 10 young agronomists involving them in specific train of trainers activities.

Target beneficiaries:

The beneficiaries of this activity will include both individual farmers and Producer Organizations (POs) involved in the production and processing of MAP, beekeeping, poultry and F&V products within the USAID/Sweden FARMA II target value chains. It is expected that at least 50 POs and 100 individual farmers will implement these food safety and quality standards and to obtain certification. For Organic Certification USAID/Sweden FARMA II will target only POs which are in the second year of conversion (for cultivation), as well as collection of wild MAPs. In addition to primary production, Organic Certificate will target those POs which are producing final products.

Target beneficiaries shall also include at least 10 young agronomists who will benefit training of trainers program during the activity implementation and will be issued a Certificate of Completion upon finalization of learning process.

Activities Planned for this Sub-Contract:

The activities planned under this specific sub-contract assignment are as follows:

1. Define the processes, and the necessary steps to be undertaken, and outline the methodology for implementation;
2. Identify and select potential PO's or/and individual farmers who are committed to the implementation of standards;
3. Provide direct advisory assistance to the designated PO's or/and individual farmers in the implementation of the relevant standards to prepare them for certification;
4. Deliver trainings and provide technical assistance to the PO's and farmers;
5. Conduct an internal audit and provide corrective measures (if any) in order that that the PO's and farmers are fully ready for an audit by an external certification body;
6. Conduct a test and/or spot check of young agronomists to estimate their level of knowledge gained during the ToT process to assess their readiness to implement similar activities within their organizations in future;
7. Assist POs/producers in selecting the certification body;

Deliverables:

1. Prepare Action plans and methodologies for the implementation of standards;
2. Train and assist up to 50 PO's and 100 individual farmers to implement different food safety and/or quality standards. Global G.A.P certificate may include both options: for individual – Option 1, and group certification – Option 2); (Note: The contracts under this RfP may be awarded to several organizations).
3. Prepare narrative monthly reports on project implementation;

4. Provide a final technical report regarding the implementation of all activities upon completion of all proposed activities.
5. Provide copies of certificates issued by certification body;

All project documents should be prepared in English. The documents which will refer to the assessments of the situations, and the recommendations for complying with the respective standards for the POs, should be prepared in the BiH language as well.

Environmental considerations

For assistance to be provided under this SOW sub-contractor will comply with USAID environmental requirements in accordance with CFR 216, namely the FARMA II-approved Initial Environmental Examination and the USAID/Sweden FARMA II-approved Programmatic Environmental Assessment (PEA) and the Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP), as directed by USAID/Sweden FARMA II. Specifically, any technical assistance (TA) must comply with the following:

1. USAID/Sweden FARMA II Programmatic Environmental Assessment (PEA), Section 7.3.1. (b), where all TA must promote Good Agricultural Practices (GAP's),
2. All pest management advices must comply with USAID/Sweden FARMA's II approved Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP). Only pesticides approved in the PERSUAP may be used and recommended during training events, including any written material prepared by the implementer. It is USAID policy that all pest management advices must follow the principles of Integrated Pest Management (IPM). The approved pesticide list, in addition to the full PERSUAP, will be provided to the selected implementer prior to the signing of the contract and shall be fully complied with.

In addition, USAID/Sweden FARMA II encourages applicants to consider and address in the application necessary measures that proposes mitigation against environment and climate related risks.

Gender Equality Considerations: Special attention must be paid to gender equality issues and the inclusion of women and young farmers in this activity. USAID/Sweden FARMA II places an emphasis on providing support to women participants and farmers in this training program to the largest extent possible, especially within the MAP sector. Women's participation will be tracked separately and evaluated. Narrative reports on project implementation and the final technical report should contain specific information on how sub-contractor(s)' activities influence gender equality.

Offeror Qualifications and Experience

Eligibility Requirements:

USAID/Sweden FARMA II Fixed Price Sub-contracts may be awarded to local not-for-profit, for-profit, and non-governmental organizations (NGO), educational institutions and other local business development service providers, providing that they are legally registered in BiH and recognized under the laws of BiH. Government organizations and institutions are not eligible for funding under this subcontract.

Required Qualifications:

To be eligible for the award of a sub-contract, the Applicant must:

- A. Have a minimum of five years of experience in relevant business activities;
- B. Submit copies of financial records for at least the last two years of operations;
- C. Submit copy of registration and other relevant registration documents;
- D. Submit a reference list that includes the names of Producer Organizations assisted in the past to implement similar activities;
- E. Submit a budget (financial proposal) for each of proposed activity. The budget will also be reviewed for accuracy and congruity with the activities proposed in the technical application.
- F. Submit a training program/curriculum, a training agenda, power point presentation(s) and key personnel for each proposed sector separately. Key personnel must have:
 - Relevant university degree and experience in the related topics;
 - Proven skills and expertise in implementing the requirements, proven by certificates;
 - At least five years of professional experience in the related topics
- G. Printed materials such as: publications, brochures and similar will be included in the Proposal as applicable.
- H. Have the ability to engage experts (if needed) with proven experience in specific standards implementation;
- I. Have the ability and experience to organize and work with farmers / POs of all ethnic groups, including women all over BiH.
- J. Have experience implementing similar activities for USAID and/or the Government of Sweden.

Contents and Structure of Proposal

The structure of proposal should follow the structure as described below:

- **Technical Approach:** Present a narrative that demonstrates understanding of the request for proposal, relevant experience and expertise from implementing similar activities before, ability to meet the specific objectives as identified in the scope of work. This section should demonstrate the Offeror's approach, providing a detailed description of the activities, tools,

methodologies, management, logistics, and external resources (if any), within the proposed timeframe (12 months).

- Detailed Implementation Plan: Present a narrative that demonstrates understanding, relevance and added value for the tasks identified in the scope of work.
- List of Key Personnel and experts/partners to be used for specific standards implementation preparation and activities: CVs for key personnel may be included in an annex to the technical proposal. The Offeror shall determine, define and propose a team that has the appropriate range of skills and personnel positions necessary to implement the scope of work. The roles and responsibilities of each team member should be described.
- List of current and past clients (not more than 2 years old): This section should provide a brief description of the Offeror's past and present activities. It should focus on services related to the proposal.
- Names and contact information of at least 3 references
- Declaration of financial stability and conflict of interest (financial records)
- Detailed price structure (detailed budget)
- Attach registration documents;

Assumptions & Constraints

This will be a fixed price subcontract with payments made against specific deliverables. The budget may show necessary and allowable costs expected to occur during a course of the activity and be linked to the execution of the deliverables such as organization' and trainers fees, trainer(s) per diem, travel expenses (if any), logging, training materials and other direct costs.

Terms and Conditions

- A. The award of a subcontract to procure the services related to this Request for Proposal (RFP) is subject to the availability of funds.
- B. The USAID/Sweden FARMA II project reserves the right to reject any and all proposals. No obligations either expressed or implied exist on the part of contractor (FARMA II) or USAID / Government of Sweden to make an award for the work or for the cost incurred in the preparation of proposal in response to this RFP.
- C. The Proposal shall be submitted in accordance with the instructions set forth herein. Applicant shall submit its Proposal in two (2) hard copies and an electronic copy (USB Stick) in a sealed envelope marked as follows:

RFP No. AID-168-C-16-00001/Sub-010-2018

The Proposal shall be submitted by via e-mail to grants@farmabih.ba or by mail or personally to any **ONE** of the following USAID/Sweden FARMA II addresses:

USAID/Sweden **FARMA II, 75000 Tuzla, Marsala Tita 34A/III**
or

USAID/Sweden FARMA II, 71000 Sarajevo, Fra Anđela Zvizdovića 1, Tower B, 18th Floor
or
USAID/Sweden FARMA II, Vidovdanska bb, 78000 Banja Luka,

- D. Applicants may submit Proposals for the work described in the Scope of Work. An Applicant may join with a partner organization(s) to perform the Work. However, the Proposal must be submitted in the name of one company only, and in the event the Proposal is accepted, USAID/Sweden FARMA II will subcontract with that company only.
- E. Ownership of Proposals: All Proposals received in response to the RFP will be the property of the USAID/Sweden FARMA II project and will not be returned.
- F. FARMA II expects that work will start in March 2018 and be completed no later than September 2019.
- G. All taxes of every nature and kind, including occupation, or property taxes, shall be the responsibility of the contractor. The contractor shall report and pay all taxes applicable to amounts received from FARMA II hereunder. However, FARMA II will exempt each invoice, submitted by the Vendor, from VAT (value added tax).
- H. USAID requires the purchase of Defense Base Act (DBA) insurance for work performed outside the United States. DBA insurance should be budgeted at a rate of 2% of employee salary. Employee salary does not include per diem, housing allowance, travel expenses, temporary quarters allowance, education allowance, and other miscellaneous post allowances.

The successful offeror must obtain DBA insurance from USAID's authorized vendor, Allied World Assurance Company. Contact Allied's agent, Aon Risk Insurance Services West, Inc. at:

AON Risk Insurance Services West, Inc
2033 N. Main St., Suite 760
Walnut Creek, CA 94596-3722
Hours: 8:30 A.M. to 5:00 PM, Pacific Time
Primary Contact: Fred Robinson
Phone: +1 (925) 951-1856
Fax: +1 (925) 951-1890
Email: Fred.Robinson@aon.com

Type of Resulting Contract

This will be fixed price subcontract with payments against specific deliverables.

Selection Criteria

- A. The Applicant shall assume that there is only one opportunity to submit a Proposal in response to this RFP. Therefore, careful attention is required in order to ensure that all of the technical documentation and other information necessary to support the Proposal are included therein.

The level of responsiveness to the details of this proposal as well as the overall quality and clarity of the proposal will be considered by USAID/Sweden FARMA II as an indicator of the work quality that the Applicant is likely to provide during project implementation assuming award.

- B. The evaluation will result in a determination that the Applicant's Proposal is acceptable or unacceptable. When the Proposal is determined to be unacceptable, no further consideration will be given to the offer. If an Offeror's proposal fails to fulfill requirements of the RFP in any respect, contains an irregularity, or contains a deviation from the requirement, it will be considered non-responsive and may be rejected.
- C. Proposals will be evaluated according to following criteria:
- Clarity and logical coherence
 - Understanding of Scope of Work
 - How implementation and results of the proposed activities will support USAID/Sweden FARMA's II objectives
 - Documented past performance consistent with type and scope of proposed activities
 - Competency of proposed staff
 - Feasibility of proposed activities considering proposed budget

Example of Criteria Evaluation Form

	Criteria	Score (From 1 to 5)	Weight	Total
1	Technical Proposal (understanding of Scope of Work, how implementation and expected results of the proposed activities support USAID/Sweden FARMA's II objectives)	5.00	30%	1.50
2	Proposed organization and/or consortium of organizations (experience, technical scope and range of expertise etc.)	5.00	20%	1.00
3	Proposed Staff (experience implementing similar activities, competency of proposed staff)	5.00	30%	1.50
4	Cost (cost proposal is realistic, and includes necessary cost for implementation of SOW)	5.00	20%	1.00
	Score	20.00	100%	5.00

Disclaimer

Issuance of this RFP does not constitute an award commitment on the part of FARMA II, USAID/Government of Sweden, or Cardno, nor does it commit FARMA II, USAID/Government of Sweden or Cardno to pay cost incurred in the submission of proposals.

Nothing in this document shall be construed as an offer by FARMA II, USAID/Government of Sweden or Cardno and no terms, discussions or proposals shall be binding on either party prior to execution of a definitive agreement. FARMA II, and Cardno reserve the right to accept or reject any offer in part or full or to cancel the procurement without any obligation to any offeror.