



**Terms of Reference (ToR) for appointing 3 Facilitating Agencies (FAs) for supporting enterprises linkages with Banks/ Self Finance primarily through facilitation of market linkages in select 4 Project States (Jharkhand & Odisha, Assam and Tripura)**

**Tender No. FMC/EU/21-22/FMC/EU/22-23/04-A (Addendum)**

**BL- 5.7.7**

The Tender is available at <https://fmc.org.in/tender/> Please apply by 11<sup>th</sup> July, 2022 (till 5.30 PM). Please note that the financial quote (password protected) and technical quote (password protected) must be electronically submitted at [euprocurement@msmefoundation.org](mailto:euprocurement@msmefoundation.org) and in original with signature and seal in a separate envelope clearly mentioning “For appointing Facilitating Agencies (FAs) for supporting enterprises linkages with Banks/ Self Finance primarily through facilitation of market linkages in select Project States (Jharkhand & Odisha, Assam and Tripura)” at the below mentioned address, FMC shall open the financial quote, once the technical evaluation stage is completed. The Technical Bid will provide (i) Credentials of the bidder agency (Brochures, website link, Testimonials by the client(s) of similar work done, (ii) Undertakings and Supporting documents as per the requirements explicitly mentioned in this ToR.

For any query, please email at [euprocurement@msmefoundation.org](mailto:euprocurement@msmefoundation.org) with a copy to [amit.tyagi@msmefoundation.org](mailto:amit.tyagi@msmefoundation.org)

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**Award of Contract: 15<sup>th</sup> July 2022**

**Addendum date (Revised): 19<sup>th</sup> August 2022**

**Please send your bids in hard copy to:**

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Procurement Officer

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**Project Background:**

The Foundation for MSME Clusters (FMC) has been implementing a project: ‘Promoting MSME Bamboo Clusters in India’ in 9 states (Viz: Assam, Arunachal Pradesh, Meghalaya, Mizoram, Tripura, Odisha, Chhattisgarh, Jharkhand & Madhya Pradesh) in India with the overall objective of promoting bamboo as sustainable resource and generate green jobs for a

period of 4 years. The project started in 2018 and ends in October 2022. The project is designed to help the local community and other stakeholders collaborate for the promotion of green economy, sustainable growth, economic prosperity and poverty reduction in the MSME sector along with mitigation of climate change.

Specific objectives of the project are as follows:

1. Support enterprise development for sustainable supply of bamboo products and generate improved livelihoods
2. Promote select new bamboo products among high potential buyers
3. Sustain and upscale local initiatives through community-led multi-stakeholder development models
4. Promote sustainable linkages between financial institutions and local enterprises.
5. Strengthen policy dialogue and dissemination of proven development models relevant for bamboo sector.

Till march 2022 with 9 facilitating agencies already stationed in 9 states the project has created/strengthened 2217 enterprises out of a target of 2250 (excluding the additional target of 425 enterprises) enterprises out of which 1788 are women owned enterprises, target for which was 900 (excluding the additional target of 170 enterprises). The project has also generated a market linkage of 2.58 million euros (target for which is 3.53 million Euro) with a credit linkage of 2.13 million euros (target for which is 1.88 million euro).

### **Role of additional 3 FA(s) in the Project during the last 4 months of the project duration**

In this project, the selected FAs will implement the EU Funded Project for creating capacities to serve the contemporary markets for the supported bamboo enterprises and other non-supported enterprises in the respective states and make them sustainable. FAs will select the **beneficiaries from enterprises supported and grounded** from the project locations in the 4 states (known as clusters), namely **Jharkhand & Odisha (as a single unit), Assam and Tripura** who produce diverse range of intermediate and final bamboo products with limited value.

Sr No	Name of Cluster	Hub	Spoke
1	Jharkhand	Dumka	Deogarh, East Singhbhum
2	Odisha	Sambalpur	Sonepur, Balangir, Bargarh, Anugul
3	Assam	Guwahati-Kamrup	Nalbari, Barpeta and areas in upper Assam
4	Tripura	West Tripura (Agartala)	North Tripura



The project has almost achieved most its target defined under the project. But through this push the project expects to strengthen the already achieved targets by appointing additional facilitating agencies with special focus on market linkage provision at the front end with buyers and backend with artisans. The additional 4 FAs will work with existing 9 facilitating agencies already stationed in the 9 clusters. Three FAs will be working in the 4 clusters mentioned above and 1 FA will be responsible for the front-end market linkage at the central level. Whereas FMC will be supporting by providing select tools in the cluster level hub to facilitate increased productivity for meeting the market demand, both existing and unmet and newly generated.

At the beginning of the project, the existing artisans in these locations often used **untreated bamboo**, lacked awareness about **product standards & contemporary markets**, used **age-old designs**, lacked **technical skills** and had limited access to **institutional credit**. **Techno-managerial & financial inputs** were made available to them through **customization, coordination and convergence** as an integrated package, **leading to generation of enterprising opportunities, green jobs and promotion of bamboo as a sustainable alternate resource**. However, at present local level eco-systems and their governance still have many **limitations** to address all the challenges. Strategic quality business development service providers (BDSPs), equipment suppliers and linkages with high-end buyers are not often locally available and connected.

**The project** will help provide, connect with market opportunities for these marginalized artisans through technical and non-technical support and guidance. Micro Enterprises (MEs) need to be provided **with exposure to new market opportunities** for **upgraded and new range** of bamboo products to ensure higher local value addition and **higher replacement** of less sustainable materials. Besides, the project will also ensure provision of a range of commercial services through **establishing a Bamboo Hub which will work as a state level hub for supporting the enterprises in design developments, inventory management, skill development and will be established in all the 4 states that are Odisha, Jharkhand, Assam and Tripura**. The hub will also ensure that the orders received are **executed in the decided time, required quality, quantity, price and with pre-defined**. Existing enterprises and/or Producer Organizations created need to undertake specific group based actions such as, **undertaking common production of new or upgraded products** by investing into select common equipment beyond the investment capacity of individual MEs, **common buying** of treated bamboo materials & other service/ material inputs or **collective marketing** of their products or a combination of these business functions.

**Primary objective** is to support the existing grounded enterprises and several new ones to increase their average investment size by linking them up with new markets and ensuring grounding of units by provision of market linkage support that will thus indirectly support these

enterprises to make increased financial investments (either through bank loans, linkage through MFIs/NBFCs etc. or self-investment).

### Duration

The total duration of assignment is 3.5 months from the date of signing of the contract. Please note that if the performance of the FA is not satisfactory then the contract will be foreclosed with a month's notice.

### Scope of work

The FA shall provide various professional services necessary for efficient market operations of the enterprises. The target group of the program shall be potential as well as existing entrepreneurs in the project states. The FA is also required to perform the role of a meso level BDS provider to provide various strategic services under one umbrella. The role of the FAs include the following:

### FA(s) Role In the Project

FMC Inputs	Deliverables for the 3 state FAs
CFC EQUIPMENT	For every provided equipment set, partner needs to install and train 100% of its staff on its usage
CENTRAL RESOURCES	
- SALES HEAD	As Sales person brings in opportunities, partner must ensure that with given facility they are able to complete order within committed delivery time and as per agreed QA standards
- PROGRAM CO-ORDINATOR	Work closely with coordinator to prepare for trade shows & exhibitions. In a span of 3.5 months, participate in at least 3 such events. Ensure that for all resources provided, partner in turn co-operates with FMC representatives to bring out total productivity. In case of any hurdles, work closely with coordinator and find solutions, but at no cost bring development processes to a standstill
- BACKOFFICE PROCESS SPECIALIST	With guidance from this person, ensure all back-office processes are set with SOPs in place.
	All office staff members must be well trained to do all needed documentations - handle customer enquiries, prepare quotations, raise invoices, cataloging of products, record inventory.
	Staff also must have complete knowledge of costing and pricing of

	products.
	In case when orders are received, back-office persons should be able to ensure timely delivery as per agreed T&C with buyers
PRODUCTION STANDARDS SPECIALIST	- With guidance from this person, all parameters of product quality assurance must be addressed, recorded and training given to all staff
	Library of standards to be established in each CFC and same to be learnt and followed by all staff persons in back office as well as CFC
	Necessary jigs and moulds to be created for existing line of products and also, for new developments shared by designer.
	For future design developments - establish methods to create new jigs & moulds
DISTRICT RESOURCES	
- DESIGNER	Provide all needed resources to designer so they can develop 10 new products every month with complete technical drawings and production specifications
	work with designer for the photography of all products in hand. Provide designer with needed props, manpower or any other such needs to ensure that photography is done in good aesthetics
	Prepare 1 catalog / brochure of global standards with designer's inputs
	Set branding templates with designer's inputs - for invoices, letterheads, brand logo, etc.
PRODUCTION MANAGER	Will be responsible for production of orders received from central FA ensuring the requirements related to quality and quantity keeping in mind the time discussed. FA will be responsible for all the necessary support as required by the production manager.

In addition, the FA is expected to perform the following roles.

- Hire the district level resources
- Identification and motivation of potential entrepreneurs in the select bamboo cluster areas.
- Facilitating various kind of strategic BDS to enterprises e.g., marketing, technology, ICT etc., for prospective as well as existing enterprises
- Leverage various promotional schemes of Government of India.
- Help the units in ensuring the necessary production tie-up and guidance for marketing the products.
- Provide necessary support to other project partners for execution of activities as and when required.

### 3.2 Eligibility criteria of the agency

The agency/consortium jointly would be expected to be highly experienced, qualified and skilled in the field and should have:

S. No	Criteria	Minimum Requirement
1.	Legal Entity	The FA has to be a registered legal entity and can be a for profit or not for profit organization (which has a developmental mandate for which suitable evidences / credentials to be enclosed) registered as NGO / Vo, trust, society, Section 8/25 company or any other form which is registered as a not for profit/ for profit organization.
2.	Background and work experience of the Agency	The agency should have minimum 2 years of experience in the livelihood and/or enterprise development sector (Prior experience of market linkages and development implementation will add value)
3.	Presence in the State	Should have at least one office in the state, or at least should have worked in the state in the past, or the agency should have presence in any of the project states.
4	Turnover of the agency	Not for Profit Agencies: Must have an average turnover of INR 2Crore for last 2 years.* For-profit Agencies: Must have an average turnover of Rs 2 Crore for last two years based on their revenue only from developmental activities.* Important : The FA shall submit an undertaking that they will not further subcontract their responsibilities in this project
5	Blacklisting	The FA should not have been blacklisted by any recognised / govt. Institution / organisation such as Rashtriya Mahila Kosh, etc.

**\*Addendum Note:** It is realized that the turnover criteria of Rs 2 crore for a payment of Rs 4 lakh to state agencies is not feasible and therefore the criteria be reduced to Rs 6 lakh per annum.

#### Documents required

1. Financial and technical proposals should either be on letterhead or duly signed and stamped
2. Must have a cover letter,
3. Must share last two years audited balance sheet or turnover certificate duly signed by CA,
4. Registration certificate of the company/ organization
5. Copy of PAN card
6. The authority letter of Signatory

### Technical Quote Scoring Sheet:

The selection is based on Quality and Cost Based Selection (QCBS) method with 80% weightage to the technical bid and 20% weightage to the financial bid.

S. No	Name	Experience of working in clusters (10)	Experience in Supply Chain Establishment (15)	Volume of order committed for supply (20)	Experience in Marketing of Bamboo / Artisanal products (10)	Experience in Bamboo Sector (15)	Experience in trainings and capacity building of Artisans (10)	Total (80)	Financials (Amount)	Financial Score (20)	Total Score
1	Abc										
2	Xyz										
3	...										

### Payment Terms

Sr No	Activity Completed	Payment Percentage to be Released
1	Submission of Inception Report	Rs. 1 Lakh
2	Out of the total target of Rs 2 Cr if any Order is under Process but not executed	1% of Order value under process
3	Order Executed during the project (Subject to upper limit of Rs 2 Cr)	Additional 0.5% of Order value executed



1. The upper limit for payment to FA is Rs 400000.
2. Formal workorders needs to be maintained and shared as evidences of orders given to micro enterprises for claiming performance fees under S No. 2 above.
3. Invoices raised and delivery challans (if available) as supporting document for release of performance fees under S No. 3.