Terms of Reference

REFERENCE: Selection of local company for Project products merchandising at “Bravo” supermarkets and “ABAD” ethnoboutiques under "Support to the development of small family businesses in the Sheki-Zaqatala Economic Zone through ABAD regional centre in Balakan" project. RFP N ABAD 01/2020

Position: Rendering services on products merchandising at “Bravo” supermarkets and “ABAD” ethnoboutiques. The proposal should be signed and stamped.

Project Title: "Support to the development of small family businesses in the Sheki-Zaqatala Economic Zone through ABAD regional centre in Balakan"

Duration of Engagement: 07 September, 2020 – 16 September, 2020

Duty Station: Baku and Sheki

Office: UNDP Azerbaijan

a. Background

The overall objective of the project is to contribute to the socio-economic development of the regions of Azerbaijan through enhancing capacity of the ABAD regional centre in Balakan and fostering the creation of modern and sustainable family businesses in rural areas, and enabling equal opportunities and inclusivity in line with European standards and practices. Through collaboration with and provision of support to the work of “ABAD” public legal entity and selected target families, the project will address the challenges that prevent and impede the development of community-based family businesses and rural entrepreneurship, economic regeneration and job creation in the Sheki-Zaqatala Economic Zone.

The project will contribute to the Sustainable Development Goal 8: “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; Target 8.5 “By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. The overall objective of the project is to increase the role of the civil society in advancing socio-economic rights of vulnerable populations.

b. Objective of the assignment

The general objective of the assignment is hiring a Local Company who will prepare and realize the merchandising processes of certain goods produced with support of the Project, under the supervision of the Project Lead Expert. The Local Company shall purchase those goods with given requirements, train their personnel, provide advertisement and tasting services for general public and stay in touch with the Project Lead Expert for any immediate change. The Local Company should take into consideration that the social message, international actors’ role and Project details should be an integral part of the advertisement.

c. Technical assistance and supervision
The work planned under this TOR will be conducted under the supervision and in close collaboration with the Project Lead Expert.

d. Scope of Assignment

The Local Company shall consider the following topics when preparing and realizing merchandising activities:

- **Technical details**
  - Food products must be displayed at 3 “Bravo” hypermarkets, defined by Project.
  - Souvenirs must be displayed at 2 “ABAD” boutiques, one in Baku and one in Sheki.
  - Access to Hypermarkets and ethnoboutiques will be obtained by the Project team. Entry, exit and display details will be coordinated by a contact person defined by the Project team. Company must organize necessary transportation for goods and its personnel, both in Baku and Sheki. Company is responsible for its personal allowances in Sheki.
  - Company is responsible for storage of goods both in Sheki and Baku.
  - All company staff assigned to the task must be trained in delivering information on products, production details, project, actors, beneficiaries and other details. All necessary information will be provided by Project Lead Expert.
  - Company must organize at least one training session led by the Project Lead Expert to its task force during preparatory period.
  - All assigned staff must wear an outfit with the Project name and logos on it. Colors and technical details must be discussed with the Project team.
  - Company must have display tables with project name and logos on it for products` display; necessary tools for tasting purposes.
  - Company will be responsible for food products` quality during the display and must assure right environment and temperature during the assignment.

- **Product purchase**
  - Company must purchase displayed goods, in a volume necessary for 5 day display.
  - For food products, Company must stock at least: 100 packages of dried nuts; 50 packages of Alana; 150 bottles of hazelnut, walnut and garlic oil; 30 packages of mushroom; 100 chicken eggs; 30 packages of cheese and cottage; 10 chickens; 10 pheasants; 100 compotes; 50 packages of dried persimmons. Additional products may be added by the Project Team depending on their market entry. Total product value will not exceed 3,500 AZN. Products indicated in this list will be on free sale at Bravo supermarkets.
  - For handicraft products, company will purchase a total of handicrafts not exceeding 500 AZN in value. Other handicrafts will be provided by the Project team for display.
  - During the merchandising activities, purchased souvenirs, with producer information and Project logos will be distributed as gifts to the general public. Company must propose an easy scheme of distribution, based on an easy quiz, question-answer game, etc. which promotes the UNDP values, Project and beneficiaries` information (for ex.: it might be questions what the UNDP is, what SDG means, how many districts there are in the Project region, what for the region is famous, how to describe the products best, etc.).
  - At the end of the assignment, all products left after tasting, in excellent quality and in proper packaging, must be used for charity, determined by the Project team.

- **Visibility**
  - Both Company and the Project team will take photos and videos of action. Company agrees, that any display of the action on any media, including social media is totally lawful and legal. This includes images
of the assigned staff to the task, about which Company must provide a written agreement with signatures and ID number of each staff member.

- Any visibility product of the merchandising and charity delivery process, if displayed by the Company itself as a portfolio of their work or in any other case, must be accompanied by the Project name and mention UNDP Azerbaijan.

e. **Deliverables**

<table>
<thead>
<tr>
<th>N</th>
<th>Deliverable</th>
<th>Timeline</th>
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</thead>
<tbody>
<tr>
<td>Deliverable 1</td>
<td>Technical preparatory works and product stock ready</td>
<td>3 days prior to display</td>
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<tr>
<td>Deliverable 2</td>
<td>Submission of quiz/questionnaire for gifts and Training led by Project lead expert</td>
<td>Within 4 days after signing the contract</td>
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<tr>
<td>Deliverable 3</td>
<td>Merchandising</td>
<td>11-15 September</td>
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<tr>
<td>Deliverable 4</td>
<td>Charity distribution</td>
<td>16 September</td>
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</tbody>
</table>

f. **Detailed provision of monitoring and progress controls, including reporting requirements, frequency, format and deadlines;**

Monitoring and progress control will be conducted by the Project Lead Expert in consultation with the UNDP Programme Officer.

Reporting, its frequency, format and deadlines will be done in accordance with the phases and deliverables shown in the respective section below.

g. **Deliverables, timing and proposed payment terms**

The Company should take into consideration that the service fee/the offer should be inclusive of service fee, translations and other related expenses. The payment will be a **lump-sum** payment upon successful completion of the task subject to approval of the UNDP and submission of the all deliverables.

h. **Approval Process**

The authorisation for payment will be made after acceptance of all deliverables by Project Lead Expert.

i. **General qualification Requirements**

The company should provide:

- Company Profile
- Technical proposal, methodological approach to work
- Financial proposal, password protected
- Tax Registration/Payment Certificate issued by the Internal Revenue Authority evidencing that the Bidder is updated with its tax payment obligations, or Certificate of Tax exemption, if any such privilege is enjoyed by the Bidder
X Certificate of Registration of the business, including Articles of Incorporation, or equivalent document if Bidder is not a corporation

X Official Letter of Appointment as local representative, if Bidder is submitting a Bid in behalf of an entity located outside the country

X Quality Certificate (e.g., ISO, etc.) and/or other similar certificates, accreditations, awards and citations received by the Bidder, if any

X Acceptance of General Terms Conditions;

X Written Self-Declaration that the company is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List

X VAT excluded from the financial offer
Criteria for the Assessment of Proposal

<table>
<thead>
<tr>
<th>Summary of Technical Proposal Evaluation Forms</th>
<th>Score Weight</th>
<th>Points Obtainable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.</strong> Expertise of Firm / Organization</td>
<td>25%</td>
<td>25</td>
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<tr>
<td>- Proven track record of merchandising works</td>
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<tr>
<td>with local brands</td>
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<td><strong>2.</strong> Proposed Methodology, Approach and</td>
<td>25%</td>
<td>25</td>
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<td>Implementation Plan</td>
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<td><strong>3.</strong></td>
<td>50%</td>
<td>50</td>
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<td>- Minimum of 2 years of marketing,</td>
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<td>merchandising, advertisement experience;</td>
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<td>Availability of necessary transportation</td>
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<td>possibilities</td>
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<td>Company is capable of excellent display and</td>
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<td>storage</td>
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<td>Fully meet Qualifications and Competencies</td>
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<td><strong>Total</strong></td>
<td><strong>100</strong></td>
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Combined scoring method, the formula for the rating of the Proposals will be as follows:

**Rating the Technical Proposal (TP):**

\[
TP \text{ Rating} = \left( \frac{\text{Total Score Obtained by the Offer}}{\text{Max. Obtainable Score for TP}} \right) \times 100
\]

**Rating the Financial Proposal (FP):**

\[
FP \text{ Rating} = \left( \frac{\text{Lowest Priced Offer}}{\text{Price of the Offer Being Reviewed}} \right) \times 100
\]

**Total Combined Score:**

\[
(\text{TP Rating}) \times (\text{Weight of TP, e.g. 70%})
+ (\text{FP Rating}) \times (\text{Weight of FP, e.g., 30%})
\]

**Total Combined and Final Rating of the Proposal**

**Note 1:** offers that are rated 70% and above will participate in the next stage of evaluation

**Note 2:** The Contractor will be responsible for all issues connected to the implementation of tasks, including payment of lump sum for local field workers.
Offer should include lump sum with taking into consideration all visits of experts to pilot zone (field trips/works, professional fees, interviews, transportation, hotel fees, accommodation and all other related etc.) excluding expenses for training participants which will be covered by the project separately.