



USAID | **KENYA**
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USAID KENYA DAIRY SECTOR COMPETITIVENESS PROGRAM

623-C-00-08-00020-20

CAPACITY BUILDING OF KDPA AND MEMBERS

Contractor Information:

Land O'Lakes, Inc.
Peponi Plaza, Block B, Second Floor
Off Peponi Road, Westlands
Tel. +254-20-374-8685
Fax +254-20-374-5056

RFA Number: 623-c-00-08-00020- 42

Issuance Date: 12.03.2010

Closing Date: 26.03.2010

Closing Time 12.00 noon

REQUEST FOR PROPOSALS

Applications are invited from Local registered firms, individual consultancies or consortiums to conduct capacity building for Kenya Dairy Processors Association (KDPA) and its members per the attached solicitation.

Under this solicitation, KDSCP, based on an open competitive selection process, will award a subcontract with a value of an agreed upon amount. If you decide to submit a bid, it must be submitted in accordance with the attached solicitation and received no later than the date and time indicated.

1. Background:

The USAID Kenya Dairy Sector Competitiveness Program (KDSCP) is 5-year effort to improve Kenya's dairy industry competitiveness, implemented by Land O'Lakes, Inc., with the financial and technical support of the United States Agency for International Development (USAID). The goal of KDSCP is to increase smallholder household income from the sale of quality milk.

KDSCP is implemented through a range of activities grouped together into three broad programmatic components. First, the program will upgrade the capacity of the dairy industry to compete in local, regional and international markets. Second, it will transform dairy smallholder business organizations into viable enterprises that supply quality milk to the market and facilitate access to critical services and inputs to farmer-members. Third, the program will strengthen support markets, increasing the availability and utilization of market-link dairy business development services, inputs, technologies provided by business service providers to dairy enterprises.

Land O'Lakes intends to promote a milk shed development model whereby the focus will be to encourage collection of 50,000 to 100,000 liters or more from multiple collection centers within a given milk shed. The milk shed development approach will maximize farm productivity, collection and transport efficiencies to reduce costs and install best quality assurance practices throughout the milk shed. Land O'Lakes will facilitate the formation of strategic public-private alliances with, and fostering dialogue and negotiations between, leading dairy processors, SBOs, financial service providers, input and service providers, local authorities and development partners to build sustainable milk sheds. Critical to the success of this approach are strong vertical linkages—between farmers and SBOs, between SBOs and processors, and between processors and retailers/exporters—as well as strong horizontal linkages among SBOs.

To provide efficient and effective services along the value chain, there is need for institutional capacity building for Industry-level institutions such as the revived Kenya Dairy Processors Association. Its members plays a critical role in milk collection at milk bulking centers, in dairy product development and in promotion, distribution and marketing of dairy products. This vital role if not well managed can easily collapse the sector. A number of these processors are underperforming due to limited resources, weak institutional capacity, and/or poor marketing of products /services to the consumers/beneficiaries.

KDSCP wishes to engage local expertise to conduct targeted training and/or individual consulting services for KDPA members on market expansion of milk and value-added dairy products. KDSCP will support interventions including industry-led promotions to educate consumers that “quality pays,” strengthening vertical linkages between dairy processors and modern retailers who are driving consumer goods sales in Kenya, and increasing access to domestic and export market and trade information that can guide strategic business planning and marketing. The economic returns on investment of paying premiums for graded milk such as extended retail shelf life, reductions in product rejections at milk collection and retail, and access to new domestic and export markets will be quantified and communicated to industry stakeholders under the “quality pays” theme.

II. Assignment Objectives

Create a data base of active processors

Conduct a needs assessment for all identified processors

Provide capacity building on key constraints that impend competitiveness of KDPA and Members with a focus on the process of national and international certification, market expansion of milk and Value-added Dairy Products

III. Scope of Work

- a) Create a database of key processors in the selected milksheds and identify those willing and requiring KDSC support
- b) Sensitize them on the benefits of the revived Processor association
- c) Conduct a needs assessment of the 10 processors within the milk sheds and members of KDPA (among them, Limuru, Sundale, Muki, Kabianga, Pamside, Eldoville, Raka, and Kericho Processors Limited). Identify key constraints and recommend viable, cost effective options to address the challenges
- d) Prioritize the needs of the Processors as per the assessment report and assist the processor to design appropriate interventions with the relevant departments for implementation for the first three constraints that relate to market expansion, milk and Value added dairy products or national or international certification.
- e) Sensitize KDPA members on the economic returns on investment of paying premiums for graded milk such as extended retail shelf life, reductions in product rejections at milk bulking Centers and retail outlets. (Share methods of quality payment systems)
- f) Sensitize the KDPA members on the need for National and international certification and expose them to the process of certification.
- g) Make recommendations to KDSCP on other areas that would require support to KDPA members to improve their current performance. (Macro and Micro level)

IV. Deliverables

Deliverables under this consultancy will include the following.

- a) A complete database of key processors in the country
- b) A needs assessment report for selected 10 processors per (c) in the SOW

c) Workshop/forum report to take care of items b, e, and f as per the SOW and a recommendation report on what areas KDSCP could support each one of them or as an Association.

d) An overall final report containing an assessment of those that will be interested after the workshop (minimum 10) and covering items d – g in the scope of work

V. Time frame and proposed Level of effort

This assignment will take place within a period not exceeding 20 man days spread over a duration of three months starting April 2010. You are expected to propose a staffing scenario consistent with the requirements of the terms of reference.

VI. Application Submission Requirements:

All interested candidates will submit their proposal organised as follows:

1. Technical proposal (not exceeding 10 pages). The technical proposal should reflect how the offeror will undertake all the tasks in the Scope of work.

The offeror will provide a detailed plan of specific activities and timetable for carrying out the assignment.

2. Financial Budget The offeror shall propose a realistic cost estimate for this assignment, including a breakdown of the budget and justification of expenses. The budget shall include only those costs that can be directly attributed to the activities proposed. (with explanation of line items) Bidder must show existence of financial and administrative systems to adequately account (USAID and GAAP) for funds provided under this assignment.

3. Personnel The offeror shall list and briefly describe the name and qualifications of the consultant(s) proposed to work on the assignment. (CVs of proposed personnel to be included in an annex)

4. Experience of the firm A two to three page capability statement (Typically including organizational overview, technical representatives and qualifications of staff to carry out the assignment.

All interested applicants must provide a list of all contracts, grants, or cooperative agreements involving similar or related assignment in the last one year before this application submission. Reference information must include the location, award numbers if available; a brief description of work performed; contact with current telephone numbers.

VII. Criteria for Evaluation:

Proposals will be evaluated according to the following Criteria

1. Technical approach and methodology (40%)
2. Proposed Personnel - ability to address different components of the assignment (20%)
3. Relevance of the firm or organization's core capability/skills base to service request, and capacity to implement or manage the assignment and funds awarded (15%)
4. Budget Justification, Cost Realism (25%)

The KDSCP is authorised in accordance with the US Foreign Assistance Act and USAID Contract # 623-C-00-08-00020-00.

Grants/Contracts will be administered in accordance with provisions contained in ADS Section 302.5.6, "Grants under contracts" ADS Chapter 303, "Grants and Cooperative Agreements to non- governmental organizations" and within the terms of the USAID standard provisions applicable to non-US, non-governmental recipients. Information on these provisions can be assessed through the USAID external website at www.info.usaid.gov "Business & Procurement" section. Per ADS section 302.5.6(f), Contractors/Grantees are authorized to execute cooperative agreements on USAID's behalf.

KDSCP and USAID/Kenya reserve the right to fund any or none of the applications submitted. Registered local firms and organizations interested in implementing this assignment are requested to submit a proposal (typed no smaller than 11-point font) by **Friday, 26th 12.00noon March 2010** to the Grants Manager at:

Land 'O' Lakes Inc.
Peponi Plaza, Block B Second floor
Off Peponi Road Westlands
GPO 45006-00100
Nairobi, Kenya

Submissions must be in English and typed single-spaced on standard 8 1/2" x 11 or A4 (210 x 297 mm) type white paper. Submissions must contain **one single-sided hard copy original** of the proposal (each with a complete set of appendices/attachments where applicable), and **two copies**. The original should be "photo ready, " i.e., printed on one side only and unbound. All pages must be numbered and include the RFP reference number and name of organization on each and every page. Hard copies can either be submitted in person or at the Land O Lakes mailing address, however these must be received no later than the deadline specified above. **In addition, an electronic copy of the proposal should be submitted** either on a diskette/CD or through an email to bids@landolakes.co.ke.

Please include the name of the person in your organization who will be involved with the subcontract/grant application as well as your telephone, fax and email contact.