

## REQUEST FOR APPLICATIONS (RFA) FROM INDIVIDUAL CONSULTANT(S) OR CONSULTING FIRMS TO UNDERTAKE A CONSTRAINTS ANALYSIS

### RFA-KCDMS-FY21-002

<b>Project:</b>	USAID Kenya Crops and Dairy Market Systems (KCDMS), managed by RTI
<b>Activity Name:</b>	Constraints Analysis
<b>Issuance date:</b>	February 8, 2021
<b>Deadline for questions:</b>	February 12, 2021
<b>Closing Date:</b>	February 21, 2021
<b>Method of Submission:</b>	By email to <a href="mailto:procurement@kcdmsd.rti.org">procurement@kcdmsd.rti.org</a>
<b>Agreement Manager:</b>	Chief of Party
<b>Type of Contract:</b>	Fixed Price Subaward (Firms); Fixed Price Consultant Agreement (Individuals)
<b>Location:</b>	Kenya
<b>Value Chains:</b>	i) Dairy (including feed and fodder) ii) horticulture (mango, banana and avocado).
<b>Start date:</b>	Upon contract signing (estimated March 2021)
<b>Duration:</b>	Two months from contract signing

#### Attachments to RFA:

- 1) Scope of Work
- 2) All Terms and Conditions are listed on our website set forth at: <https://www.rti.org/sites/default/files/rti-purchase-order-terms-and-conditions-v1.16.pdf>, [http://www.rti.org/files/PO\\_FAR\\_Clauses.pdf](http://www.rti.org/files/PO_FAR_Clauses.pdf) or for commercial items: [http://www.rti.org/files/PO\\_FAR\\_Clauses\\_Commercial\\_Items.pdf](http://www.rti.org/files/PO_FAR_Clauses_Commercial_Items.pdf) (hereinafter the “Terms”).
- 3) Supplier’s delivery of products, performance of services, or issuance of invoices in connection with this purchase order establishes Supplier’s agreement to the Terms. The Terms may only be modified in writing signed by both parties.

All bidders are responsible for carefully reviewing each attachment and following any instructions that may be relevant to this procurement.

#### 1.0 About USAID KCDMS

The USAID Feed the Future Kenya Crops and Dairy Market Systems (KCDMS) Activity is a five-year project implemented by RTI International. The Activity is working in 12 counties that include **Homa Bay, Migori, Kisii, Kisumu, Siaya, Kakamega, Bungoma, Busia, Vihiga, Kitui, Makueni and Taita Taveta**. KCDMS’s goal is to transform agricultural market systems to enable intensification and diversification into higher value commodities and non-farm activities. The Activity is doing this by facilitating improved productivity and facilitation of the development of competitive, resilient and sustainable market systems in the dairy, feed/fodder, and horticulture value chains by working in partnership with public and private sector market actors who include dairy and horticulture input suppliers, aggregators, processors, trade associations, County governments, government agencies, and commodity exporters, among others.

## 2.0 Background of the Constraints Analysis

The USAID KCDMS Activity works with local public and private sector actors on 12 value chains that include dairy, feed and fodder, mango, avocado, passion fruit, pineapples, bananas, indigenous vegetables, sweet potato, sorghum, poultry and green grams. With a historical focus on market systems impact at county level, KCDMS now seeks to exponentially scale up domestic, regional, and international trade for specific high potential value chains. It is for this purpose that KCDMS seeks to engage a consultant(s) or consulting firm to undertake a constraints analysis for dairy (including feed and fodder) and horticulture (mango, banana and avocado). The analysis is anticipated to culminate in a comprehensive evidence-based strategy for expansion of the value chains' produce and processed products' trade in the domestic, regional and international markets as deemed appropriate. The analysis should identify both opportunities and binding constraints to market expansion, evaluate comparative and competitive advantage, potential for value addition, possible high value niche markets, and other strategies to promote systemic market change.

Despite significant investment by both public and private sectors in key agricultural value chains, the pace of growth remains relatively slow in relation to the investment made. KCDMS has identified dairy (including feed and fodder) and horticulture (mango, banana and avocado) as high potential growth sectors that can be harnessed for both local and international trade. In order to test this hypothesis, KCDMS seeks to undertake a constraints analysis of each of the aforementioned value chains.

It is imperative that this exercise is undertaken in a consultative and participatory approach with final findings and recommendations validated and endorsed by key public and private sector players. The recommendations are expected to inform market system change interventions including but not limited to the institution of requisite incentives and capacities to improve industry performance across domestic, regional and international markets.

## 3.0 Assignment's Objectives

The key goal of the assessment is to determine pathways for market system change towards increased trade in the 4 target value chains. The assessment will identify specific markets that present opportunities for exporters and processors, determine root causes to constraints that curtail private sector engagement and investment in the high potential markets and recommend specific market system changes that are required for improved and expanded performance in the value chains' domestic, regional, and international marketing. The assignment will utilize the market systems development methodology to assess **binding constraints** across the target value chains' various interconnected systems including the core value chain processes, supporting functions as well as rules and norms. The specific objectives of the assignment include:

- I. **Analysis of market systems structure:** This will include an analysis of the structures, dynamics, and interactions in the target value chain. Key questions to address include:
  - Who is participating in the market-end of the value chain? Who are the leading private sector actors in terms of volume and value of commodities and products traded? Which market function is missing, if any? What are the weakest points in the market system in as far as scaling up the domestic sale, processing and export performance of the target value chains is concerned? What are the underlying causes of the systems' underperformance?
  - Which market-end business support institutions such as associations and regulatory agencies exist in each of the target market systems? What roles do they play? What is their level of effectiveness? In what ways should their role be enhanced if at all?

- What hidden costs or other concealed forms of informality contribute towards un-competitiveness and underperformance of the target market systems if any?
  - What critical market support functions are missing and/or underperforming?
  - What formal and informal rules and norms, including policies, are hindering expansion and scale up of the target market systems?
  - Analysis of the prevailing political economy for each commodity.
  - What factors at the core function of the market system hinders market expansion?
  - What/who are the gatekeepers and critical drivers of systemic change and transformation in the target sectors?
- II. **Assessment of growth and expansion opportunities:** This will include an evaluation of domestic, regional and international opportunities against Kenya’s capacity to effectively compete in the target sectors. Key questions include:
- What are the key high potential domestic, regional and international markets that Kenya can pursue in each of the target sectors? What is the volume and value of each high potential market? What are the key drivers of demand and how is this changing?
  - Assess Kenya’s competitiveness or lack thereof to compete in the identified markets and propose possible solutions. This should include an assessment of Kenya’s market actors’ ability and capacity to meet end-market requirements and any binding constraints thereof.
  - What job creation opportunities exist?
  - What global lessons can Kenya benchmark and learn from?

#### 4.0 General Requirements

The Buyer (RTI) intends to purchase the services identified in Appendix I based on the deliverables identified in it. The term of the Fixed Price Subaward shall be for the period specified unless extended by mutual agreement of the parties. The Buyer intends to award to an “approved” supplier(s) (firm or individual) based on conformance to the listed specifications, the ability to service this contract, and selling price. RTI reserves the right to award more than one bidder.

KCDMS is soliciting fixed-price bids. Consultant(s) and consulting firms should submit their bids and budgets for the services to be offered under the **subaward (or consultant agreement for individuals)**. The application should detail how the firm will accomplish the assignment according to the SOW in Appendix I. Offerors may choose only **ONE** of the options listed below. RTI reserves the right to award more than one contractor agreement.

- (a) Dairy value chain, including feed and fodder, only
- (b) Horticulture value chains-mango, avocado, and banana-only

#### 5.0 Application Instructions (See additional details in APPENDIX I: Scope of Work herein attached)

All offerors should submit a proposal which contains offers for one of the options listed above in Section 4.0 of this RFA. All information presented in the Offeror’s quote/proposal will be considered during RTI’s evaluation. Failure to submit the information required in this RFA may result in the bidder’s offer being deemed non-responsive. Bidders are responsible for submitting offers, and any modifications, revisions, or withdrawals to reach RTI’s office designated in the RFA by the time and date specified in the RFA. Any offer, modification, revision, or withdrawal of an offer received at the RTI office designated in the RFA after the exact time specified for receipt of offers is “late” and may not be considered at the discretion of the RTI Procurement Officer.

Special Note: The bidder, by their response to this RFA and accompanying signatures, confirms that the terms and conditions associated with this RFA document have been agreed to and all of its attachments have been carefully read and understood and all related questions answered.

## 6.0 Questions regarding the RFA

All questions in regard to this RFA must be directed to Irene Mue through the email address [imue@kcdmsd.rti.org](mailto:imue@kcdmsd.rti.org) copying [procurement@kcdmsd.rti.org](mailto:procurement@kcdmsd.rti.org)

The cutoff date for questions is close of business on February 12, 2021. All bidders shall receive a copy of questions and responses.

## 7.0 Evaluation and Award Process

The RTI Procurement Officer will award an agreement contract (s) resulting from this solicitation to the responsible firm (offeror) whose quote conforms to the RFA and will be most advantageous to RTI, price and other factors considered. The award will be made to the firm representing the **best value** to the project and to RTI. RTI intends to evaluate offers and award an Agreement without discussions with Offeror. Therefore, the Offeror's initial quote should contain the Offeror's best terms from a price and technical standpoint. However, RTI reserves the right to conduct discussions if later determined by the RTI Procurement Officer to be necessary.

The factors stated in **Appendix I, Scope of Work, Section E** will be considered in RTI's best-value evaluation.

## 8.0 Duration of Assignment:

This activity will be undertaken over a 2-month period from the contract signing date.

## 9.0 Submission Guidelines

Interested firms and individual applicants should submit the required documentation electronically to [procurement@kcdmsd.rti.org](mailto:procurement@kcdmsd.rti.org) by close of business on **February 21, 2021** with "**RFA-Constraints Analysis**" in the subject line reference. The applications should be written in the English language and follow guidelines in this RFA and the following scope of work.

## 10.0 Validity of Offer

Issuance of this RFA does not constitute an award commitment on the part of KCDMS nor commit the project to pay for costs incurred in the preparation and submission of an application. Further, KCDMS reserves the right to reject any or all applications received. Similarly, an invitation for further negotiation or to submit a full application is not a commitment to fund that application. Your proposal shall be considered valid for 90 days after submission.

## **11.0 Anti- Kick Back Act of 1986**

The Anti-Kickback Act of 1986 as referenced in FAR 52.203-7 is hereby incorporated into this Request for Application as a condition of acceptance. If you have reasonable grounds to believe that a violation, as described in Paragraph (b) of FAR 52.203-7 may have occurred, you should report this suspected violation to the RTI's Ethics Hotline at 1 877-212-7220 or by sending an e-mail to [ethics@rti.org](mailto:ethics@rti.org). You may report a suspected violation anonymously.

## **12.0 John S. McCain National Defense Authorization Act for fiscal year 2019 - section 889**

RTI cannot use any equipment or services from specific companies, or their subsidiaries and affiliates, including Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, and Dahua Technology Company ("Covered Technology"). In response to this request for application, please do not provide a quote which includes any Covered Technology. Any quote which includes Covered Technology will be deemed non-responsive. Additionally, if the United States Government is the source of funds for this RFA, the resulting Supplier shall not provide any equipment, system, or service that uses Covered Technology as a substantial or essential component.

## APPENDIX I: Scope of Work

### A. Assignment Activities and Expected Deliverables

The scope of work for both the dairy and horticulture assignments will include but not be limited to the following:

1. **Inception meeting** – The assignment will begin with an inception meeting between the successful applicant(s) and the KCDMS technical committee to align the assignment approach, execution methodology, deliverables and timelines. The successful applicant(s) will also have an opportunity to gain further understanding of KCDMS’ intended results and expectations from the constraints analysis. This initial meeting will include KCDMS’s public and private sector counterparts as well as USAID representatives.

**Deliverable: Inception report with revised work plan and deliverables.**

2. **Literature Review** – The consulting firm will review all available reports and information to assess the competitiveness and potential for increased domestic, regional, and international trade of fresh and processed products from the assigned value chain(s). This process is expected to result in the preliminary identification of opportunities, constraints for the assigned value chain(s), as well as potential market actors and institutions with whom KCDMS could collaborate.

Some of the documentation to review includes but is not limited to:

- a) National Avocado Strategy
- b) National Mango Strategy
- c) Kenya Avocado Commodity Business Plan 2012-2022
- d) Kenya Mango Commodity Business Plan 2012-2022
- e) KCDMS’s value chain assessments
- f) Horticulture Crops Directorate (HCD)’s Horticulture Validated Reports
- g) Additional relevant secondary data and reports.

**Deliverable: Preliminary Findings PowerPoint Brief and the Proposed Draft Outline of the Final Industry Strategic Plan in Word Format segregating each focus value chain under different sections.**

3. **Key Informant Interviews (KIIs)** – To augment findings from the literature review, the consultant(s) or consulting firm will interview key informants including but not limited to the following institutions.

Dairy	Mango	Avocado	Banana
<ul style="list-style-type: none"> <li>• Kenya Dairy Board</li> <li>• Kenya Dairy Processors Association</li> <li>• Kenya Dairy Farmers Federation</li> </ul>	<ul style="list-style-type: none"> <li>• Fresh Produce Exporters Association of Kenya</li> <li>• Fresh Produce Consortium,</li> <li>• Export and processing companies</li> <li>• Association of Kenya Mango Traders</li> </ul>	<ul style="list-style-type: none"> <li>• Fresh Produce Exporters Association of Kenya</li> <li>• Export and processing companies</li> <li>• Avocado Society of Kenya</li> </ul>	<ul style="list-style-type: none"> <li>• Jomo Kenyatta University of Agriculture and Technology (JKUAT)</li> <li>• Banana Growers Association of Kenya</li> <li>• Major banana offtakers</li> </ul>

Dairy	Mango	Avocado	Banana
<ul style="list-style-type: none"> <li>Dairy processing companies</li> </ul>			
<b>Cross-Cutting</b>			
<ul style="list-style-type: none"> <li>Kenya Private Sector Alliance (KEPSA)</li> <li>Agriculture Sector Network</li> <li>Kenya Association of Manufacturers</li> <li>Kenya Investment Authority</li> <li>Export Processing Zone Authority</li> <li>Horticultural Crop Directorate (HCD)</li> <li>Kenya Export Promotion and Branding Agency</li> <li>Kenya Agriculture and Livestock Research Organization (KALRO)</li> <li>Ministry of Industrialization, Trade and Enterprise Development</li> <li>Ministry of Agriculture, Livestock, Fisheries and Cooperatives</li> <li>National Horticulture Transformation Technical Committee</li> <li>Kenya Plant Health Inspectorate Services (KEPHIS)</li> <li>Select cooperatives across the target value chains</li> <li>Public and private sea and air freight institutions</li> <li>Planting material producers and distributors</li> <li>Development agencies/projects with current and past projects in the select value chains</li> <li>Additional national, regional, and international agencies and market actors as deemed necessary by the firm.</li> </ul>			

4. **Draft Industry Strategic Plan Development** – Utilizing findings from the aforementioned activities, the consultant(s) or consulting firm will synthesize secondary and primary data and information to develop a draft Industry Strategic Plan that will be presented to KCDMS, public and private sector counterparts and USAID representatives. This report will encompass recommendations and strategic interventions for KCDMS’s consideration.

**Deliverable: Draft Industry Growth Strategic Plan in Word Format (using an approved Final Industry Strategic Plan Outline) and a PowerPoint version for presentation purposes. This should include the list of KIIs, including names and titles of individuals interviewed. The strategic plan should segregate each focus value chain under different sections.**

5. **Stakeholder validation workshop** – Following incorporation of preliminary feedback from KCDMS, public and private sector counterparts and USAID, the consultant(s) or consulting firm will present the constraints analysis findings and recommendations to sector stakeholders for validation.

6. **Final Reporting** – The final step of the assignment will entail incorporation of feedback from sector stakeholders into a final Industry Growth Strategic Plan. The proposed recommendations and strategies will be used by KCDMS and its sector counterparts and stakeholders to design and/or prioritize specific initiatives. The report may also be used to assist the Government of Kenya at both the national and county level to enhance performance of the target value chains. Additional details on the expectations of the final report are covered under Section B of this Scope of Work.

***Deliverable: Final Report in Word Format and a PowerPoint version for presentation purpose.***

## **B. Final Deliverable Details**

The assignment's ultimate deliverable will be an Industry Growth Strategic Plan. The report will serve as a living document that will assist the GoK – both at national and county level – to understand and engage in the target value chains with full knowledge of the challenges and opportunities today and into the future. The report ("Industry Growth Strategic Plan") will include but not be limited to the following details:

1. A description of the current status of trade demand for each of the target commodities and their processed variants across the domestic, regional and international markets. This should include an analysis of the current data on demand volumes and values for all target value chains across specific potential markets against the current supply volumes and values as well as the prevailing market system dynamics therein and should bear in mind any varietal preferences.
2. A thorough analysis of the market systems structure, including an understanding of who the various market-end players are, the role they play in the market system, incentive structures, the interactions and/or behaviors that occur, the constraints they face, and the opportunities for improved profitability and competitiveness. In analyzing the market system structure, the offeror will also respond to the key questions presented in Section 3.0 of the RFA.
3. Critical analysis of key constraints and risks curtailing national, regional (EAC/COMESA) and international trade scale up for the target commodities and their processed variants, in specific relation to the opportunities identified above. In developing the critical analysis, the offeror will also respond to key questions presented in Section 3.0 of the RFA.
4. Critical analysis of the opportunities for exponential performance improvement of the assigned value chain(s) across various markets in quantitative and qualitative details. This should include computations on Kenya's competitiveness and description of market trends in the proposed target markets. In developing the critical analysis, the offeror will also respond to key questions presented in Section 3.0 of the RFA.
5. Assessment of Kenya's market actors' capacity or lack thereof to scale up operations to exploit the identified opportunities in relation to other regional and international competitors, with specific guidance on what would be needed to increase competitiveness at firm level as well as industry and regulatory level.
6. Recommendations for solutions to address identified constraints that would include but not be limited to: inhibiting or lack of effective legislation or policies; obstruction of value chain entry, lack of organization among value chain actors, examples of market distortion where cited, examples where the political economy inhibits value chain growth, and where well intentioned subsidies may be resulting in negative consequences.
7. Recommendations for strategic interventions or pathways using the market systems approach to exponentially scale up the competitiveness and performance of the target value chain(s) at national, regional, and international level.

### C. Deliverables, timelines, and payment terms per value chain selected

Deliverable	Milestone Payment
1) Inception meeting and report, with revised workplan and deliverables	10% of approved budget
2) Preliminary Findings PowerPoint Brief and the Proposed Draft Outline of the Final Industry Strategic Plan in Word Format	20% of approved budget
3) Draft Industry Growth Strategic Plan in Word Format (using the approved Industry Strategic Plan Outline) and a PowerPoint version for presentation purposes	30% of approved budget
4) Final Industry Growth Strategic Plan in both Word and PowerPoint	40% of approved budget
Total	100%

### D. Eligibility

This call is open to qualified and experienced consultant(s) or consulting firms. Applicants may only bid for either dairy (including feed and fodder) or horticulture (avocado, mango and banana) as defined in Section 4.0 of this RFA and **NOT BOTH**.

### E. Selection Criteria

- Understanding of and experience in Kenya's agricultural and agri-business sector.
- Knowledge and extensive experience in market systems development.
- Experience in regional and international trade facilitation in the COMESA region, Europe, the Middle East and beyond over the last 10 years.
- Evidence of rich regional and international networks that can be leveraged in the execution of the assignment.
- Extensive relevant experience in the tasks laid out in the Scope of Work.
- Value add and creativity of approach in the technical proposal.
- Value for money.

### F. Assignment duration

The assignment must be completed within two months of award.

### G. Reporting

The selected firm or individual shall report to the Chief of Party for the duration of the contract and will work closely with a KCDMS Technical Committee.

### H. Budget

This is a fixed price subcontract (firms). All formal firms are expected to be VAT registered and compliant. Proposed budgets should include all applicable taxes. Note: All disbursements will be subject to Withholding Tax and/or VAT.

## **I. Confidentiality**

It should be noted that all the information collected in the process of undertaking this exercise, together with the reports, shall be the property of KCDMS.

## **J. Conflict of Interest**

This assignment shall be executed as per the terms of reference contained in the contract entered into during partnership engagement, and any adjustment must be agreed upon by all parties in advance before the execution of the issue at hand. No conflict of interest is anticipated in the course of the undertaking this assignment.

## **K. Submission Guidelines**

Interested firms and individual applicants should submit the required documentation electronically to [procurement@kcdmsd.rti.org](mailto:procurement@kcdmsd.rti.org) by close of business on **February 21, 2021** with “**RFA-Constraints Analysis**” in the subject line reference. The applications should be written in the English language and follow guidelines in the Scope of Work.

## **L. Required documentation**

Proposal submission documentation should include the following:

1. A one-page cover letter that summarizes the firm or consultants’ technical experience and capability in undertaking this assignment. It should also indicate the availability of the proposed team and include contact details.
2. A technical proposal for the assignment and work plan (not more than 10 pages excluding annexes). The proposal should include the following:
  - a. A clear declaration of which option the offeror has chosen and a well outlined design and approach
  - b. Team composition including each team member’s role
  - c. One-page bios of the team to be engaged in carrying out the assignment (Annexed)
  - d. A list of at least three similar previous assignments carried out by the firm with a brief of the assignments, contact persons and contact details at the client firms.
3. The cost proposal (in the attached budget template) should consist of a comprehensive itemized budget including Level of Effort (LOE) for all value chains or a specified LOE for each value chain.