
**REQUEST FOR APPLICATIONS (RFA) FROM BDS PROVIDERS TO SUPPORT
ORGANIZATIONAL STRENGTHENING AND CAPACITY BUILDING FOR CROPS AND
DAIRY COOPERATIVES**

RFA-KCDMS-FY21-004

Feed the Future – Kenya Crops and Dairy Market Systems Activity
Issuance date: 15th June 2021
Deadline for questions: 21st June 2021
Closing Date: 25th June 2021
Method of Submission: By email to procurement@kcdmsd.rti.org
Agreement Manager: Productivity Component Lead
Type of Contract: Fixed Price Subaward
Location: Kenya

Duration of the contract 8 months

About KCDMS Activity:

The Kenya Crops and Dairy Market Systems (KCDMS) Activity is a component of the USAID funded Feed the Future project implemented by RTI International. The project is working in selected counties in Eastern and Western regions of Kenya to facilitate improved productivity and development of competitive, resilient, and sustainable market systems in the dairy, feed/fodder, and horticulture value chains. Key among the initiatives include working to ensure diverse production and improved productivity, improving access to inputs and services to smallholder farmers, and promoting strategies that increase dairy, feed/fodder, and horticulture productivity businesses sourcing from smallholder farmers.

Project Objective and Approach

Background

KCDMS's goal is to transform agricultural market systems to enable intensification and diversification into higher-value commodities and non-farm activities. The project is doing this by facilitating market-driven partnerships that bring together all players (farmer-based organizations/cooperatives, agro-dealers, dairy and horticulture input suppliers, aggregators, processors, and exporters) to invest in higher productivity, quality improvements, and greater supply chain efficiency. Alongside efforts to enhance productivity in the priority value chains across the project's zone of poverty alleviation, KCDMS intends to ensure the availability of food that has been produced safely and to improve household nutritional status and incomes by reducing post-harvest losses.

KCDMS Theory of Change and Approach combines simultaneous pull market interventions to reduce business risk and push productivity interventions to reduce production risk. Simultaneous pull market interventions to reduce business risk and push productivity interventions to reduce production risk enable farmers with profit

potential to step up into competitive value chains and branch out into higher-value crops, value addition, and non-farm enterprises and employment. The overall goal is to create a competitive, inclusive, and resilient agricultural market systems.

Business Development Services (BDS) for Cooperatives

Cooperatives societies in Kenya and farmer groups represent significant commercial and economic development opportunities that, if well exploited, can improve the incomes of small-scale producers. Despite having suitable inputs in land and other related activities, they often operate inefficiently in scale and scope.

In 2018, KCDMS conducted Producer Organization Sustainability Assessment (POSA) for various farmer cooperatives, upon which a number were selected for continuous support through BDS. In 2019/2020, KCDMS contracted BDS consultants conduct a rapid assessment of the select cooperatives and establish capacity development plans. They focused on governance, structures, leadership development, technical training and support with linkages, strategic plan preparation, and Cooperative peer learning sessions. This assignment was satisfactorily achieved with the selected cooperatives awarded grants through KCDMS Partnership Innovation Fund (PIF).

Despite the capacity-building training carried out by BDS consultants in 2019/2020, the cooperatives continue to experience almost similar business challenges, including; low production, produce intake and capacity utilization, declining sales turnover, and profitability. A declining number of active suppliers and poor service delivery to farmers, lack/absence of business planning, strategic planning, annual operational planning and budgeting, lack of value-added services and loyalty schemes for members to ensure farmers remain active members, suppliers, and shareholders in the cooperatives and late farmers payments and payment arrears in some cooperatives – negatively affecting delivery and volumes traded or processed. The cooperatives additionally lack guidance in implementing the KCDMS awarded a grant.

Despite support by KCDMS staff, the cooperatives often require hand-holding and one-on-one guidance as they strive to implement their projects. This limited capacity is attributed to the short assignment period for the BDS consultants to unlock key issues and the slow learning curve relating to how long it takes for the cooperatives to acquire new skills or knowledge.

This has a direct effect on overall business performance. Therefore, it is of paramount importance to provide customized BDS support to the Dairy and horticulture cooperatives to increase sales by improving their efficiency and creating incentives for the informal networks to participate in the formal markets. This will primarily strengthen the business side of the cooperatives and put the businesses on a more robust profitability path.

Objective of the Assignment

This assignment's overall objective is to build cooperatives' capacity using a sustainability-focused model that incorporates peer learning to create networks of strong institutions. The activities will develop a capacity plan with a focus on governance, structures, leadership development, financial management, technical training, and support with linkages. The consultant is expected to align support activities to the previously developed strategic plans and support horticulture cooperatives in the effective implementation of the KCDMS grant.

The work period is for 8 months commencing July 2021 and ending on March 31st 2022

Deliverables are listed below.

- Review existing horticulture and dairy cooperatives' strategic plans and guide in the implementation of key strategic objectives.
- Support the cooperatives to improve the farm produce, volume & quality of milk collected and marketed through formal and informal channels.
- Build the capacity of the Board and management on cooperative governance for enhanced business performance.
- Strategies to improve operational efficiency and business turnaround for the Dairy and horticulture cooperatives.
- Support the targeted cooperatives to develop strategies geared towards shares, membership mobilization, and initiate member loyalty programs.
- Support the horticulture and particularly the Dairy cooperatives to initiate embedded extension services for farmer access to extension information, inputs, A.I, animal health services and strengthen existing strategies to link extension for increased milk and member mobilization, as well as support of the DFA personnel.
- Guide in the implementation of the cooperative grant's activities recently awarded by KCDMS.

Skills and Experience required

KCDMS is looking for a consulting firm with strong technical competence in dairy and horticulture or both value chains development, business modeling, experience in and understanding marketing systems.

Eligibility is based on the following.

- a) Proven experience in horticulture and dairy cooperatives development.
- b) Have an excellent conceptual understanding of the market-led approach in the agriculture and dairy sub-sector.
- c) Experience working with multiple stakeholders.
- d) Able and willing to travel into rural areas.
- e) A proven record of accomplishing related tasks and on time.

Managing Delivery

The BDS will report and work closely with KCDMS teams in Nyanza and Western regions and call on the expertise and support of the technical leads

KCDMS Offerings

KCDMS will offer the following support to the BDS consultant.

- Guidance in setting the overall measurement system to be used.
- Jointly set out the KPIs to be monitored and reported on and provide; reporting framework using the standardized KCDMS M&E tools'.

Eligibility Criteria

The submitted RFP will be evaluated based on the following criteria.

(A) Technical Proposal reflecting the following		
No	Activity	Score
I.	The expertise of Firm/Organization- this section should provide details regarding the management structure of the organization, organization capability/resources, and experience of organization/firm, the list of projects/contracts (both completed and ongoing, both domestic and international) which are related or similar in nature to the requirement of this assignment.	20%
II.	Proposed Methodology, Approach, and Implementation Plan- This section should demonstrate the proposers' response to the Terms of Reference (RFA) by identifying the specific components proposed, how the requirement shall be addressed, as specified, point by point and demonstrating how the proposed methodology meets and exceeds the specifications.	40%
III.	Key Personnel to be engaged in the assignment – this section should include comprehensive curriculum vitae (C.V.s) , maximum of 3 pages of key personnel that will be assigned to provide the consultancy service, clearly defining the roles and responsibilities vis-à-vis the proposed methodology. C.V.s should establish competence and demonstrate qualifications in areas relevant to the RFA. In complying with this section, the Proposer assures and confirms to KCDMS that the personnel being nominated are available for the contract on the dates proposed.	20%
(B) Financial Proposal reflecting the following		
No	Activity	Score
I.	Financial budget (with explanation of line items and level of efforts) with clearly defined terms of payment. All sums need to be stated in gross amount with all taxes included.	20%
	Total Score	100%

Duration of Assignment:

This activity is targeted to commence in July 2021. The anticipated Level of Effort is 16 days spread over 8 months per cooperative.

Submission Guidelines

Application including cover letter, technical proposal and financial proposal should be submitted electronically to procurement@kcdmsd.rti.org by close of business on **June 25th, 2021** with **KCDMS Cooperatives BDS support for Crops and Dairy** in the subject line reference. The applications should be written in the English language and follow the guidelines in the following scope of work.

Disclaimer: 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.

APPENDIX 1: Scope of Work (SoW) for technical assistance on capacity building and support organizational strengthening through business development services (BDS) for dairy horticulture cooperatives

Scope of Work and Objectives

The scope of the assignment is to support the improvement of the cooperative's strategic functions, including field services, produce collection/bulking operations, processing, and marketing. The activities under this engagement will include but not limited to the following:

- Conduct a detailed needs (sustainability) assessment from previous reports under the first BDS assignment and discuss with cooperative board members on emerging issues.
- Identify critical capacity gaps and develop a detailed, customized scope of work (SOW) for each cooperative and work plan on how to implement the capacity-building activities. These will form part of the inception report.
- Provide customized training on strategies to manage the cooperative's operations in the collection, bulking, and value addition, sales, and marketing, with specific technical training and support with linkages.
- Refocusing the attitude on produce/milk aggregation operations to a more commercial enterprise and building solid relationships with suppliers
- Strengthening governance, transparency, financial management, and relationships with members, i.e., cooperative peer learning session
- Developing business growth and turnaround strategies for the cooperative through the preparation of sustainability plans.
- Support cooperatives in overall KCDMS grants management in liaison with KCDMS regional teams and relevant county government staff and county programs such as NARIGP, ASDSP, and KSCAP, where applicable
- Guide and support partnership engagements to create business value for both the private and public sectors.
- Submit periodic reports, clearly highlighting progress, recommendations, and way forward on key performance aspects.

The targeted ten (10) horticulture cooperatives for this assignment:

Name of Co-operative	Value Chain	County
3KM SACCO	Banana	Bungoma
Luchedi SACCO	Banana	Bungoma
Kimaeti Cooperative	Banana	Bungoma
Kebuk	Sweet potato and Banana	Kakamega
Tangakona	Sweet potato and Banana	Busia

Kigaga Banana Cooperative	Banana and Dairy	Vihiga
Kabondo Sweet Potato	Sweet Potato	Homabay
Sidindi sweet Potato	Sweet Potato	Siaya
Gem Horticulture Co-operative	Banana	Siaya
Kibuye Traders	Horticulture produce Traders	Kisumu

The targeted twelve (12) dairy cooperatives for this assignment:

Name of Cooperative	County
Lakeland	Siaya
New Yala	Siaya
Kajulu	Kisumu
Osiepe Practical Action	Kisumu
Isebania Cooperative	Migori
Bomabobo	Kisii
Vihiga Dairy Farmers Cooperative Society	Vihiga
Sabatia Dairy Farmers Cooperative society	Vihiga
Adungosi Dairy Farmers Cooperative Society	Busia
Luli Farmers Union	Kakamega
Kaptama Dairy Farmers cooperative Society	Bungoma
Naitiri Dairy Framers cooperative Society	Bungoma

Specific activities and deliverables:

The consultant will complete the assignment and submit an invoice upon completion. The invoice will be based on time spent on the activity subject but limited to a maximum 16 days LOE per cooperative.

Specific activities and deliverables:

Activity	Deliverable	Due Date	% of budget upon submission of deliverable
Inception report highlighting the consultant's understanding of the assignment	Inception report submitted and approved	Within two weeks of contract award	20%
Development of Scope of Work for each of the targeted cooperatives	Scope of Work for each horticulture cooperatives	One month post contract award	20%

	submitted and approved		
<p>Training, business mentoring, and coaching including but not limited to:</p> <ul style="list-style-type: none"> • Corporate governance and leadership. • Technical training and support • Market and financial linkages • Data management and ICT/MIS adoption • Experiential learning • Partnership meetings with the private sector, relevant county government staff, and programs for alignment of activities • Cooperatives Grants management support 	<p>Training reports with approved M&E data, impact assessment reports.</p> <p>Approved cooperative milestones reports, including cost-share and M&E results</p>	End of 1 st quarter	20%
<p>Training, business mentoring, and coaching including but not limited to:</p> <ul style="list-style-type: none"> • Corporate governance and leadership. • Technical training and support • Market and financial linkages • Data management and ICT/MIS adoption • Experiential learning • Partnership meetings with the private sector, relevant county government staff, and programs for alignment of activities • Cooperatives Grants management support 	<p>Training reports with approved M&E data, impact assessment reports.</p> <p>Approved cooperative milestones reports, including cost-share and M&E results</p>	End of 2 nd quarter	20

Comprehensive final report and clear sustainability plan for each cooperative	Final report submitted and approved. Sustainability plans submitted and approved.	Final report	20%
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Expected Outcomes

Expected Results	Key Performance Indicators/ Targets	Expected Output
Cooperatives Needs Assessment	Based on previous work engagement and emerging issues, the BDS provider will conduct a Needs Assessment covering the following areas: <ul style="list-style-type: none"> • Operational efficiency • Strength and inclusivity of organization structures • Governance and transparency • Financial management capacity • Revenue potential • Member loyalty and sustainability of service provision to members 	Documented mentorship and cooperative requirements for each of the targeted cooperatives
Development of the Scope of work	The BDS Provider will agree with the cooperatives on a Scope of work for specific tasks to be undertaken under the KCDMS contract to address areas of weakness identified in the Needs Assessment. The SOW will be written and approved by the Board of the Cooperative, including specific outcomes and indicators, and roles and responsibilities for the BDS provider and the cooperative management	Documented SOW for each of the targeted co-operatives
Implementation including training and systems development – Business mentoring and coaching	Based on the SOW, the BDS provider will work with the cooperative management and relevant county government departments to implement activities	Business mentoring, training, and coaching reports.

	to enhance governance, improve financial management, and operational efficiency. This may include conducting experiential learning visits for benchmarking and adoption of new approaches to business	
KCDMS Grant Management	The BDS consultant will review cooperative grant contracts, work closely with the Cooperatives' Relationship Managers (RM), regional teams, and relevant county government staff/ programs (e.g., NARIGP, KSCAP, ASDSP, where applicable) to guide implementation of the KCDMS awarded grant to the cooperatives. The consultant will identify emerging issues affecting performance and document lessons learned to better the effectiveness of the program	Timely submission of cooperative milestone reports
Mobilized Financing and Credit Facilities	The BDS consultant will support the selected horticulture cooperatives to appraise the current business performance and determine the investment opportunities and potential financing mechanism. Work together with KCDMS Access to Finance (A2F) specialist to identify credit opportunities to meet cost-share and other cooperative needs.	Report on credit linkage and mobilized finances
Impact Assessment – Cooperative business performance monitoring and measurement	The SOW will have specific indicators to be monitored. An impact assessment of progress against those indicators will be prepared. Support use of KCDMS tools of reporting and adoption of ICT in data management for relevant cooperatives.	Periodic assessment reports, data submitted as per KCDMS M&E requirements
Development of a sustainability plan	The BDS provider will work with the cooperatives and relevant county government staff/ programs (e.g., NARIGP, ASDSP, KSCAP, where applicable) to develop an exit plan enabling the horticulture cooperatives to apply market-based approaches to build and strengthen	Clear sustainability plan for each of the targeted cooperatives with input from relevant stakeholders

	organizational capacities; to create vibrant and profitable horticulture cooperatives.	
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Reports

The final report should be no more than 20 pages and should include:

- Executive Summary
- Approach /methodology
- Summary of salient issues
- Conclusion and recommendations
- Annexes

Assignment duration

The duration of the assignment shall be 160 days LOE for horticulture cooperatives and 192 days LOE for dairy cooperatives.

Supervision of the Contractor

The consultant will work under the direct supervision of the Agricultural Productivity lead and will work closely with KCDMS Markets and regional Productivity staff in the Western and Nyanza regions.

Total Assignment cost

This is a fixed-price contract sub-agreement. The total assignment cost is subject to Withholding tax.

11.0 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.

12.0 Conflict of Interest

No conflict of interest is anticipated during undertaking this assignment.